Annual Report 2021

Haspa
Hamburger Sparkasse

Short profile

Hamburger Sparkasse AG – Haspa for short – offers a wide range of financial services for private individuals and businesses, serving the more than three million people living in the Hamburg Metropolitan Region.

Haspa is a savings bank committed to serving the public interest. HASPA Finanzholding, a legal entity formed under old Hamburg law, holds 100 percent of the shares in Hamburger Sparkasse AG. HASPA Finanzholding is obligated by its articles of association and bylaws to fulfil the mission entrusted to the savings bank.

Haspa is one of the few independent savings banks in Germany. It is also a member of the Hanseatischer Sparkassen- und Giroverband (Hanseatic Savings Banks Association – HSGV), Hamburg, and the Verband der freien Sparkassen (Association of Independent Savings Banks), Frankfurt am Main. Through HSGV, Haspa is affiliated with the Deutscher Sparkassen- und Giroverband e. V. (German Savings Banks Association) in Berlin and Bonn, and therefore fully included in the comprehensive guarantee system of all German savings banks. The German Savings Banks Finance Group has an institutional guarantee scheme that has been recognised as a deposit guarantee scheme under the German Deposit Guarantee Act (Einlagensicherungsgesetz).

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Foreword of the Board of Management

Ladies and Gentlemen,
Haspa once again proved to be a reliable partner for people and businesses across the Hamburg Metropolitan Region in the second year of the coronavirus pandemic. We kept all of our branches open, and were also there for our customers via telephone, email and video chat. This enabled people to continue accessing cash and financial services and helped to keep the economic cycle running across the metropolitan region. We also supported the fast-growing trend towards cashless and contactless payment during the pandemic through our online banking and mobile services.

We made coronavirus support available to help our private and corporate customers. In addition, we continued to suspend the loan instalments of many customers affected by the crisis, while our customer relationship managers developed tailor-made solutions in order to bridge financial bottlenecks.

In early June 2021, our company's medical service began vaccinating our employees at Haspa to ensure that we could protect them – and thus our customers – as effectively as possible. We started administering booster vaccinations in early December. We also continued to play our part in tackling the coronavirus pandemic by continuing with hygiene measures and social distancing regulations as well as organisational changes such as dividing up teams and enabling mobile working.

During the year under review, we made further investments in our quest to become the digital bank with the best branches. As part of these efforts, we equipped all of our employees with iPads to enable mobile working and allow them to provide our private and corporate customers with even better advice about our digital products and online services.

We also expanded our digital offering in the securities business during the reporting year. After successfully migrating our securities processing to dwpbank, our customers can now set up securities savings plans with the help of the new Securities Account Cockpit, enabling them to choose from a wide range of funds, ETFs and equities.

We increased our lending by around € 800 million to a record high of approximately € 8.7 billion in 2021 – the highest figure in the history of our company. In doing so, we strongly supported the flow of money and the business cycle in the region, and made a decisive contribution to bolstering momentum and creating and safeguarding jobs in the region amid the coronavirus pandemic. On top of this, we serve the public interest with our multifaceted corporate social responsibility activities by promoting education and social welfare, environmental and climate protection, the arts, music and sports.

Sustainability and climate protection are becoming increasingly important, both for us and for our customers. That is why we were one of the first savings banks to sign the Commitment by German Savings Banks to Climate-Friendly and Sustainable Business Practices in November 2020, thus signalling our commitment to the targets of the Paris Agreement on climate change as well as the 17 Sustainable Development Goals (SDGs) set out by the United Nations. We want to steadily reduce our carbon footprint and make our business activities climate neutral by 2025.

However, our core business provides us with a considerably more effective way of contributing to greater sustainability and climate action. By granting loans and offering sustainable investments, we increasingly channel billions into investment projects that promote sustainability and climate action. We actively address sustainability issues in our investment advice and have significantly expanded our range of sustainable funds. We finance our customers' sustainable projects, including with the involvement of public funds, and advise them on their journey towards more climate-friendly and sustainable businesses and lifestyles.

Promoting diversity and equal opportunities is part of Haspa's corporate culture. As a signatory of the "Diversity Charter", we are committed to fairness toward and respect for the people in the company and the creation of a working environment that is free of prejudice, discrimination and exclusion. For example, our teams contain a blend of young employees and those with many years of experience, as well as colleagues from a migrant background.

Women account for 56 percent of our workforce. In management positions, however, female employees are under-represented. For this reason, we hope to encourage an increasing number of women to accept management posts. We promote the careers of women by offering a series of seminars and networking events. We also offer flexible part-time working models to help our staff reconcile work and family life, childcare opportunities – in emergencies and during the school holidays, for example – and the option to share leadership roles.

For us, diversity is not just a key part of sustainability, but is also helping to change our corporate culture. Diverse teams promote creativity and innovation and are beneficial for new ways of working such as agile work. Putting greater emphasis on teamwork also plays an important role in our corporate culture to ensure that we can bring new, customer-focused solutions to the market rapidly and flexibly.

We thank our customers and business partners for the trust they have placed in us in difficult times. We would also like to express our sincere thanks to our employees for their exceptional commitment in what has been a highly challenging environment. We would also like to thank the Supervisory Board and the Works Council for their constructive cooperation.

Stay safe and positive!

Hamburg, 15 February 2022

The Board of Management

Jürgen Marquardt,

born in 1963, holds a banking diploma and a degree in savings bank administration. He has been a member of the Board of Management of Hamburger Sparkasse AG since 2014.

Reporting areas:
Finance, Risk and Human Resources

Frank Brockmann,

born in 1963, holds a banking diploma and is a qualified banking services and operations specialist (Bankfachwirt). He has been a member of the Board of Management of Hamburger Sparkasse AG since 2008 and has been Deputy Spokesman of the Board of Management since 2014.

Reporting areas:
Customer Business

Dr. Harald Vogelsang,

born in 1959, holds a banking diploma and a law degree, and was appointed to the Board of Management in 2000. He has been Spokesman of the Board of Management of Hamburger Sparkasse AG since 2007.

Reporting areas:
Central Staffs Functions and Central Real Estate Business

Axel Kodlin,

born in 1962, holds a banking diploma and a degree in business administration (Diplom-Kaufmann). He was appointed to the Board of Management of Hamburger Sparkasse AG in 2013.

Reporting areas:
Processes, IT and Market Support

Dr. Olaf Oesterhelweg,

born in 1968, holds a degree in business administration (Diplom-Kaufmann). He has been a member of the Board of Management of Hamburger Sparkasse AG since 2020.

Reporting areas:
Customer Business, Marketing, Transformation Management and Treasury

Management report

of Hamburger Sparkasse AG for the year ended 31 December 2021

Extremely low interest rates, regulation and the ongoing coronavirus pandemic all posed significant challenges for Hamburger Sparkasse AG (Haspa) during the 2021 financial year.

Given this challenging environment, we are satisfied with the result for the year.

Thanks to our sustainable business model focused on the needs of private and commercial customers, we were able to achieve success in our business with customers and contribute to the development of the Hamburg Metropolitan Region.

The tables presented in the management report may contain rounding differences.

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1. Fundamental information about the company

Strategic focus

Ever since our foundation in 1827, we have been a reliable partner and promoter of the Hamburg Metropolitan Region, providing comprehensive support for both private and corporate customers. In particular, we provide opportunities for safe and interest-bearing investments of savings and other funds, promote the ability to save money and accumulate assets among broad sectors of Hamburg's population and serve to fulfil the credit needs of the local economy, especially taking SMEs into account.

We assist people and companies in their financial planning and in safeguarding the future. Our wide range of services and personalised advice can be accessed quickly at all times from around 100 branches, our direct advisory service via telephone and video chat, and our online services. With our branches, we are active in the region supporting neighbourhoods in the city districts. We also interact digitally with neighbourhoods via the community apps AINO and kiekmo.

We are rounding off our range of services with specialist expertise. For high net worth customers we offer Haspa Private Banking. Our Haspa StartUp Center is the first port of call for start-up entrepreneurs. And for large real estate or enterprise customers we have our special industry expertise. With in-house expert knowledge and our alliance partners, we support our customers in their transactions both in and outside Germany.

Focus on the future

By implementing our forward-looking "Haspa Spring – Sparkasse richtig neu gedacht" project, we are preparing for the future and aim to generate higher revenues and cost savings. We are also expanding our range of digital services and making increased use of the German Savings Banks Finance Group's solutions and standards. We will provide our customers with strong support as they navigate the economic and social shift towards greater sustainability and climate protection. Due to decreasing staff requirements, we are also planning to employ considerably fewer staff by 2024. In order for this reduction to be implemented in as socially responsible a manner as possible, a reconciliation of interests was agreed with the Works Council in February 2020.

As part of our forward-looking project, we also brought our private customer and corporate customer business even closer together in seven regions, with a combined management team in each of these regions, and significantly strengthened local decision-making authority within our branches. We also want to strengthen our innovative capabilities to step up the development of products and services that meet our customers' needs and to open up new areas of business.

In keeping with our vision for the future, we position ourselves as the digital bank with the best branches in our competitive environment. We are continuing to enhance our customer focus, expand our range of mobile and online services, and want to help shape the sustainable development of our city as a committed neighbour. During the year under review, we transformed another six locations into neighbourhood branches, in line with our innovative model. All told, by the end of the year 89 branches had been converted, bringing us another big step closer to our goal of around 100 neighbourhood branches.

As motivated employees are a key factor for future success, we rely on flat hierarchies and teams that build each other up and develop innovative, customer-focused solutions with strong teamwork.

2. Report on economic position

2.1. Macroeconomic and sector-specific environment

Moderate economic recovery and sharp rise in inflation rates

After the coronavirus-related 4.6 percent decline in economic output in Germany during the previous year, real gross domestic product rose by 2.7 percent in 2021, according to initial calculations from the Federal Statistical Office. Economic output had not yet returned to pre-crisis levels during the year under review. This was due to the ongoing pandemic situation, including further waves of infection, disrupted supply chains and material shortages.

In the first six months of 2021, Hamburg's real gross domestic product declined by 0.4 percent year-on-year according to Northern Statistical Office calculations. As a result, Hamburg's economic output was well below the average for all of Germany's federal states, which recorded real economic growth of 2.9 percent during this period. However, the findings of the Hamburg Chamber of Commerce's business barometer suggest that the Hamburg economy experienced a more robust recovery in the second half of the year. According to our estimates, real gross domestic product in Hamburg increased for the full year 2021. However, we expect the rise in economic output to fall far short of Germany's growth rate.

Consumer prices increased by an annual average of 3.1 percent compared with the previous year, the highest rise in prices in Germany for almost 30 years. In addition to temporary base effects due to lower prices in the previous year resulting from the short-term reduction in VAT and the drop in petroleum product prices, persistent supply bottlenecks increasingly contributed to the rise in inflation. Energy prices also climbed by more than 10 percent during the reporting year.

Despite the steep rise in inflation rates in Europe – where the annual inflation rate in the eurozone reached 5.0 percent in December 2021 – the ECB continued to pursue its extremely expansive monetary policy during the year under review, keeping the rate for main refinancing operations at 0.00 percent and the interest rates on deposits by banks imposed by the ECB at –0.50 percent. Its aim was to support growth in the European economy during the coronavirus pandemic by keeping interest rates extremely low and, in doing so, ensuring that financing conditions remained favourable. The ECB continued to make plenty of liquidity available via its targeted longer-term refinancing operations (TLTROs), its existing Asset Purchase Programme (APP), and the Pandemic Emergency Purchase Programme (PEPP).

The ECB also changed its monetary policy target in 2021: Previously, the target for any increase in consumer prices was "below but close to 2 percent". In future, it will be pursuing a symmetrical medium-term inflation target of 2 percent. According to its own announcement, this means that the ECB will leave interest rates unchanged even when the increase in prices is "moderately above the target".

Low interest rates and regulation continue to impact the German lending industry – combined with high investments in digitalisation

The extremely low interest rates continue to reduce banks' and savings banks' opportunities to generate revenue. Further challenges are presented by tightened capital adequacy regulations and stricter liquidity requirements as a result of intensified regulation and burdens resulting from the bank levy and the deposit guarantee system.

In spite of these negative effects, the German lending industry has again proven to be stable overall. This applies in particular to the savings banks and the cooperative banks and their regionally focused business models.

Progressing digitalisation is also triggering accelerated structural change in the financial services industry, as the entry of young, technology-focused companies and financial services offered by large technology corporations increase the competitive intensity within the financial services market. In light of the rapid pace of digital transformation, the financial services sector is making investments in its future by expanding online services and adding further digital offerings.

2.2. Course of business

Extremely low interest rates and the coronavirus pandemic

In addition to the low and negative interest rate environment that has endured and been putting pressure on us for some years now, the ongoing coronavirus pandemic was a major challenge for our customers and ourselves in 2021. During the pandemic, we have kept all of our branches open and also been available to serve our customers by telephone, email and video chat. We assisted our customers by providing coronavirus support and helped those badly affected by the coronavirus crisis to bridge financial bottlenecks by suspending loan instalments.

Even in this challenging year, thanks to our sustainable business model focused on the needs of private and commercial customers in the region we as a retail bank were able to make a continued contribution to the Hamburg Metropolitan Region's development, achieve success in our business with customers and invest in our future. Our receivables from customers and our customers' deposits once again increased sharply in overall terms. We also participated in the ECB's low-interest longer-term refinancing operations (open market operations) under the TLTRO III programme through which the ECB is providing additional liquidity in order to counter a possible credit squeeze and support the business cycle in the event of a continuing coronavirus pandemic.

Number of giro accounts unchanged

Haspa manages almost 1.4 million giro accounts. As in the previous year, around 702,000 giro account holders and almost 75 percent of the close to 962,000 private giro account holders – went with the "HaspaJoker" account, Hamburg's advantage account. Besides extensive banking services, these customers also benefit from a multitude of value-added services.

At 143,000, the number of customers who have opted for our MäuseKonto account for children and the benefits associated with it is almost on a par with the end of the previous year.

Satisfactory business development

In light of the challenging environment described earlier, we are satisfied with our business performance in the reporting period. Demand for credit remained at a high level, contributing to another sharp rise in receivables from customers, which continue to be dominated by housing construction and business loans. There was also an increase in savings deposits and deposits payable on demand, which led to higher liabilities to customers. Our expanded participation in the open market operations mentioned above led to a significant increase in total assets. Overall, our balance sheet structure continued to be dominated by the customer business amid a challenging competitive and market environment.

All told, our participation in ECB open market operations had clearly positive effects that lessened both the pressures arising from the historically low and negative interest rate environment and the impact of the coronavirus pandemic and led to the result for the year rising above the prior-year figure to € 20 million. In addition to pressure on deposit margins, high expenses arising from the revaluation of pension provisions and persistently stringent regulatory requirements also continued to have a negative impact. Given the challenging environment, we are satisfied with the result for the year.

This result also includes major expenses associated with investments in our forward-looking projects – in particular, in broadening our collaboration with the German Savings Banks Finance Group and expanding our digital offering.

Other developments in the past financial year are described below in the section on net assets, financial position and results of operations.

2.3. Net assets, financial position and results of operations

2.3.1. Net assets and financial position

Assets	2021 € million	2020 € million	abs.	rel.
Cash reserve	9,839	9,443	+ 397	+ 4%
Receivables from banks	3,495	2,646	+ 849	+ 32%
Receivables from customers	37,231	35,797	+ 1,433	+ 4%
Securities	8,668	6,772	+ 1,897	+ 28%
Trading portfolio	95	161	– 66	– 41%
Other assets	603	338	+ 265	+ 78%
Total assets	59,931	55,157	+4,774	+ 9%

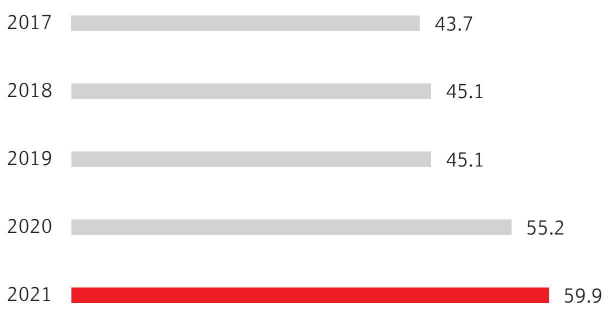
Equity and liabilities	2021 € million	2020 € million	abs.	rel.
Liabilities to banks	13,281	10,244	+ 3,037	+ 30%
Liabilities to customers	37,279	36,741	+ 538	+ 1%
Securitised liabilities	4,000	3,041	+ 959	+ 32%
Trading portfolio	16	23	– 7	– 29%
Provisions	1,482	1,345	+ 137	+ 10%
Equity and fund for general banking risks	3,554	3,545	+ 9	+ 0%
Other equity and liabilities	320	219	+ 101	+ 46%
Total equity and liabilities	59,931	55,157	+ 4,774	+ 9%

Increase in total assets

Total assets rose by a strong € 4.8 billion to € 59.9 billion. This rise is due in particular to our increased participation in the aforementioned ECB open market operations – as a result of which the total amount of these transactions rose from € 6 billion at the end of 2020 to just over € 9 billion at the end of 2021. On the equity and liabilities side of the balance sheet, this is evident in higher liabilities to banks, while on the assets side there was an increase in securities and receivables from banks in particular. However, at the same time this additional liquidity cushion also supported the further increase in receivables from customers.

Liabilities to banks include pass-through loans – especially of Kreditanstalt für Wiederaufbau. These are reported as a component of the lending business on the assets side of the balance sheet and at around € 2.8 billion were marginally higher than the figure recorded at the end of the previous year. Slightly higher liabilities to customers reflect sharp increases in savings deposits and deposits payable on demand.

Total assets (in € billion)



Increased liabilities to customers

Overall, liabilities to customers rose by around € 0.5 billion or 1 percent to € 37.3 billion. This rise was driven primarily by savings deposits, which climbed by € 0.6 billion or 7 percent to € 10.0 billion. Deposits payable on demand increased by 1 percent. Our observation last year that the coronavirus crisis is reinforcing the trend towards holding short-term liquid assets therefore continues to be the case.

Against the backdrop of our large volume of new loan approvals, the market for Pfandbrief securities offers considerable potential as a sustained source of liquidity for longer-term funding requirements. In the context of the funding and investment structure, we consider Haspa's liquidity situation comfortable on account of the large portfolio of liabilities from the customer business. For more information about compliance with regulatory ratios and the management of the liquidity situation, please refer to the risk report.

Higher customer receivables

Receivables from customers rose by € 1.4 billion to € 37.2 billion. Customer loans continue to be made up mainly of residential construction loans and business loans. At € 8.7 billion, new loan approvals in the financial year ended were up considerably on the prior-year figure of € 7.9 billion.

Increase in equity

Also in view of the European-influenced regulations on regulatory ratios that arose from the international Basel III framework, Haspa's equity increased further in the financial year, continuing the trend of the previous years. At the end of 2021, this amounted to just under € 2.9 billion, while the fund for general banking risks, which from a regulatory perspective is assigned to Common Equity Tier 1 capital, held steady at € 0.7 billion. The regulatory ratios relating to own funds are presented in the risk report section.

2.3.2. Results of operations

Income statement	**2021 € million**	**2020 € million**	**abs.**	**rel.**
Net interest income [1]	679	567	+ 112	+ 20%
Net commission income	347	316	+ 31	+ 10%
Net income from financing activities	3	– 0	+ 3	n.a.
Administrative expenses	728	699	+ 29	+ 4%
Other operating result	– 125	– 90	– 35	+ 39%
Net revaluation gain / loss	– 60	– 49	– 11	+ 22%
Result from ordinary activities	116	45	+ 71	+ 157%
Tax expense	96	36	+ 60	+ 165%
Result for the year	20	9	+ 11	+ 122%

[1] *Including items 3. and 4. of the income statement*

Result for the year up on the prior-year figure

Despite the very challenging environment described, the result for the year was up sharply year-on-year. It was favourably impacted by our participation in the outlined ECB open market operations in the past financial year. The overall outcome was a positive contribution to the 2021 income statement, with net interest income benefiting significantly and the net revaluation loss on securities, on the other hand, reflecting various drags. Gratifyingly, net commission income also rose sharply year-on-year, although the previous year had been particularly impacted by the ongoing pandemic. As in previous years, the changes on the expenses side were driven by the interest rate-related revaluation of our pension provisions. The net revaluation loss weighed more heavily on the income statement than in the previous year. This is attributable to interest rate-related revaluation effects arising on fixed-income securities, which we had increased in connection with our participation in ECB open market operations, while credit provisioning was much more favourable. The result for the year was up by € 11 million on the prior-year figure to € 20 million. The return on assets required to be disclosed in accordance with section 26a (1) sentence 4 German Banking Act – calculated as net profit over total assets – was 0.0 percent for Haspa at the end of the year.

Net interest income above prior-year level

Net interest income at € 679 million was up € 112 million or 20 percent on the prior-year level and slightly exceeded our original expectations. Overall, the interest rates held at an extremely low level due to the continuation of the very loose monetary policy had a persistently negative impact on various components of net interest income. Customer business, which continued to account for by far the largest share of net interest income, made slightly larger contributions than in the previous year overall. This is attributable to the further increase in customer lending business, while contributions to net interest income from deposits were smaller again. Contributions to net interest income from maturity transformation were below the prior-year figure, but slightly above our expectations. The limit for the present value interest rate risk from maturity transformation was met at all times amid fluctuations during the year. Contributions to net interest income from proprietary securities investments reached our forecast figures and were up slightly year-on-year due to special fund distributions in 2021. Overall in the current financial year, our participation in ECB open market operations and the collateral required for this resulted in a contribution to net interest income in the high double-digit millions, whereas in the previous year this had a slightly negative impact. In addition, investment income was higher than forecast.

Net commission income up year-on-year

Net commission income rose by € 31 million or 10 percent year-on-year to € 347 million, but in a persistently challenging environment still fell short of our expectations. The prior-year figure was exceeded due mainly to higher income from securities business, although contributions from insurance and lending business also increased.

Positive net income from financing activities

Trading activities serve to support our retail banking business; in particular they comprise gains and losses from securities trading. The net income for the financial year ended was slightly positive.

Administrative expenses above prior-year level

Personnel expenses were up by € 13 million on the prior-year figure to € 359 million and slightly above our expectations. The rise is attributable to actuarial effects arising on the revaluation of our pension provisions. Other administrative expenses, amortisation and write-downs of intangible fixed assets, and depreciation and write-downs of tangible fixed assets were up € 17 million on the prior-year figure at € 370 million in total. This increase is due in particular to the fact that we had postponed individual projects in 2020 because of the Covid pandemic.

Other operating result less favourable than in the previous year

At € 125 million, the charge resulting from the other operating result was € 35 million higher than in the previous year and also much less favourable than forecast. Overall, the other operating result was once again significantly impacted by the interest-induced revaluation of the retirement provision for our employees.

Net revaluation loss up year-on-year

Loan loss provisions, which remained at a moderate level in view of the coronavirus pandemic, were lower than in the previous year. The prior-year figure included higher provisions to cover as-yet unidentifiable risks associated with the coronavirus pandemic. Following a positive contribution in the previous year, we recorded a net revaluation loss on our proprietary securities investments in 2021. This is attributable to interest rate-related revaluation effects arising on securities. In providing collateral required in connection with our participation in ECB open market operations, we had increased our holdings of fixed-income securities from public-sector issuers in particular.

Result from ordinary activities up year-on-year

In a challenging environment, the result from ordinary activities at € 116 million was € 71 million higher than in the previous year.

Tax expense up year-on-year

At € 96 million, the tax expense to be borne is significantly higher than in the previous year. It was impacted by a much higher result before tax, one-off tax effects in the previous year and the adverse effect of differences between measurement requirements under commercial and tax law, in particular from pension provisions.

Development of the most important key performance indicators

In 2021, we introduced corporate governance and customer focus as new most important non-financial key performance indicators. Corporate governance was measured by calculating a "corporate energy" index from employee surveys. This fluctuated slightly in the course of the reporting period and most recently was up slightly on the first survey at the beginning of the year. We measure customer focus using the Net Promoter Score (NPS). It is determined through regular customer surveys and calculated as the difference between the percentage of satisfied customers who would recommend Haspa and the percentage of customers who are critical of Haspa. In 2021, our target was exceeded slightly.

The bank's most important financial key performance indicator is the operating result before loan loss provisions, as defined by the German Savings Banks Association (DSGV). This business-orientated approach does not include, in particular, any prior-period, external or extraordinary effects; these are instead presented in the non-operating result. Based on the operating result before loan loss provisions of € 295 million in accordance with the definition by the DSGV, the result from ordinary activities came to € 116 million after deduction of € 179 million in total. This deduction is composed of the net revaluation loss of € 60 million and the non-operating result of € 120 million, which as in previous years was mainly impacted by the measurement of the pension obligations for our employees. The operating result before loan loss provisions was considerably higher than in the previous year and met our expectations.

3. Risk management and control system relevant to the financial reporting process

Effective internal control and risk management system safeguards the accounting process

Pursuant to section 25a (1) German Banking Act, overall responsibility for proper business organisation and the risk management integral to it rests with Haspa's Board of Management. As required by MaRisk, the Board of Management is supported by Compliance and Risk Management in this context. Among other things risk management comprises the implementation of internal control procedures consisting of an internal control system and an internal auditing system. Internal Audit is an integral part of Haspa's risk management and internal control procedures. It carries out its responsibilities autonomously and independently on behalf of the full Board of Management.

Risk management and the internal control processes also cover the accounting process. Accounting in turn comprises bookkeeping as well as preparation of both the annual financial statements and the management report. Each Haspa division is responsible for bookkeeping based on prescribed rules for account assignment.

The subcontracting process is controlled and monitored by the competent Comprehensive Bank Controlling division of Haspa. This ensures that the Organisation and Process Management division as a service-controlling unit is involved in the decision-making, management and monitoring processes, taking into account the legal foundations and optimum contract terms and contract contents for Haspa. Organisationally all divisions tasked with accounting are separate from divisions responsible for marketing activities.

The rules for account assignment and the control processes pertaining to the bookkeeping as well as the preparation of the annual financial statements and the management report are specified in various technical guidelines. In particular these work instructions address the controls to be carried out in terms of reconciliations and the requisite documentation. All data related to the financial reporting process of Haspa is processed using IT systems which at all times are subject to access limitation, system activity logs, access controls, data backups and data protection.

Internal Audit directly or indirectly reviews the accounting related internal control and risk management systems based on a risk oriented audit plan. This also includes functional separation, data processing security, documentation of control actions and compliance with technical guidelines. The accuracy of our data processing programmes is ensured by means of strict separation of the development, testing and production systems and through a defined development process for software packages with the pertinent testing and release procedures. Introduction of new or amended parameters can only be placed in production within the scope of defined change management. In its reviews, Internal Audit verifies that these procedures are followed properly.

If the financial reporting process is carried out using centralised third-party data processing equipment, the pertinent providers are obligated under the general agreements closed with them to comply with all statutory and regulatory requirements relevant to the outsourced activities. Compliance with these statutory and regulatory requirements is monitored by the internal auditing departments of the given third-party providers as well as by Haspa's Internal Audit.

4. Risk report

Identification and assessment of material risks

In the regular risk inventory, the risks to which Haspa is exposed are identified and their materiality is assessed. Most of the material risks are assessed using appropriate quantitative measurement methods and managed as a whole in the analysis of the risk-bearing capacity. Any further risks that are not included in the analysis of the risk-bearing capacity are taken into based on additional key figures and control processes and are consequently also considered in key decisions.

Comprehensive bank controlling focusing on risk-bearing capacity

Incurring risk associated with our business operations in a responsible manner is at the heart of all banking activity. The objective of risk management is to identify at an early stage and comprehensively measure, monitor and control risks that could jeopardise Haspa's success or even the continuation of the institution as a going concern. Ensuring an institution's risk-bearing capacity on an ongoing basis, under both the economic and the normative perspective, is an integral part of effective risk management.

The central element of the economic perspective is the present value risk-bearing capacity calculation with the aim of ensuring the continuity of operations over the long term. The present value risk-bearing capacity calculation compares against Haspa's economic capital (risk coverage potential) all risks that are identified in the risk inventory and could have a material impact on Haspa's capital position under the economic perspective. Risk is measured using suitable VaR models, with the measurement based on a standard confidence level of 99.9 percent and a holding period of one year.

Under the economic perspective, risk-bearing capacity is assured if all material risks are covered by the risk coverage potential on an ongoing basis.

For the economic perspective, the risks entered into are limited by defining risk limits for the individual types of risk, taking into account the risk coverage potential available. Haspa's risk coverage potential consists largely of capital components eligible for regulatory capital and, under the economic perspective, is supplemented with hidden losses and reserves. The risk coverage potential was between € 4.0 and € 4.2 billion during the reporting period; even amid volatile market conditions, it is at a comfortable level. The sum total of the risks entered into ranged between around € 1.8 and just over € 2.0 billion during the year. Accordingly, to continuously ensure its risk-bearing capacity, Haspa not only complies with the risk limits but also maintains an appropriate level of free risk coverage potential, specifically € 2.0 to € 2.4 billion.

Under the normative perspective of the risk-bearing capacity concept, the focus is on complying with the relevant regulatory and supervisory requirements on an ongoing basis. The central element of the normative perspective is the capital planning process, which is carried out on an annual basis and covers a multi-year planning horizon. Capital planning comprises an anticipated baseline scenario as well as multiple sensitivity analyses and specific adverse scenarios. The most recent capital planning also included an analysis of the effects of a severe recession triggered by global supply chain bottlenecks, a renewed deepening of the Covid crisis and higher regulatory burdens as stress test scenarios. In addition, continual monitoring of regulatory capital requirements using internal thresholds, the intra-year forecasting process for the capital ratios and the regular performance forecast ensure the validity of the capital planning and compliance with supervisory requirements.

Haspa is subject to regulatory capital requirements primarily under the Capital Requirements Regulation (CRR). As at 31 December 2021, Haspa's total capital ratio applying the standard approach was 13.8 percent and its Tier 1 capital ratio was 12.9 percent. At 16.1 percent and 15.2 percent, respectively, the total capital ratio and the Common Equity Tier 1 capital ratio of the HASPA Group remained at a comfortable level. The capital ratios are also sufficient with regard to the macro-prudential measures adopted by BaFin with regard to the determination of the domestic countercyclical capital buffer at 0.75 percent and the planned activation of the systemic risk buffer for residential property financing – to be fully met from 1 February 2023. The leverage ratio, which indicates an institution's exposures in relation to its own funds and is therefore based more on balance sheet figures, is around 7.0 percent at Haspa level and 8.6 percent at HASPA Group level and thus substantially higher than the minimum requirement to be met. This ratio in particular reflects the high level of nominal capital of Haspa and the HASPA Group.

To ensure capital adequacy, stress tests are also performed on a regular basis. Stress testing enables Haspa to assess the impact of certain, internally defined scenarios on capital resources and liquidity. In the risk-bearing capacity calculation under the economic perspective, the scenario of a severe economic downturn and a price slump on Hamburg's real estate market are analysed in the course of overarching stress tests. Risk type-specific stress tests are also in place. In addition, the effects of different adverse developments are regularly examined in the course of capital planning – including a liquidity outlook – and in the HASPA Group's recovery plan. In 2021, the internal stress test programme was also expanded to include the assessment of climate-related and environmental risks. The HASPA Group also performs stress tests as specified by European supervisory authorities. In the European stress tests conducted in 2021, the HASPA Group achieved a good result compared to other participants – with a discount to the Common Equity Tier 1 capital ratio of around 3 percentage points in an adverse scenario. This confirms the HASPA Group's conservative risk profile and solid capital base. Overall, therefore, it has in place a comprehensive stress test programme covering various perspectives. The results of the stress tests performed do not indicate any threat to Haspa under the assumed conditions.

Material risks are subject to continuous monitoring by means of suitable early warning systems that identify significant developments as quickly as possible, thus enabling timely countermeasures based on thresholds.

Ongoing endeavours to integrate climate-related and environmental risks into risk management

In the course of its business activities, Haspa is exposed to climate-related and environmental risks and, in accordance with the ECB guide on climate-related and environment risks, has identified physical risk (extreme weather events, gradual changes in climate, environmental degradation) and transition risk (process of adjustment towards a lower-carbon and more sustainable economy) as risk drivers. In Haspa's view, these risk drivers primarily affect the existing material risk types. As the planning horizon and the average loan tenor are typically shorter than the time horizon in which the effects of climate-related change would primarily arise, however, Haspa considers a longer-than-usual time horizon. Nevertheless, other sustainability risks (social and governance risks) are also considered at selected points.

Requirements have been specified for managing sustainability risks in lending business, proprietary investments and investment advisory services. With regard to lending business, there are sector-specific exclusions in place for new transactions in connection with commercial credit applications. In addition, borrowers with directly or indirectly increased risks in connection with ESG factors are identified by calculating a customer-specific ESG score or assessing the sector to which they belong. For proprietary investments, there are likewise sector-specific exclusions in place and an external minimum ESG rating has been specified. In investment advisory services, sustainability risks are taken into account primarily through the choice of financial instruments recommended to customers. In addition, in relation to the bank's own business activities measures to improve its environmental impact are being intensified continually. To date, analyses of Haspa's climate-related and environmental risks have not identified any positions which will result in a significant deterioration in Haspa's risk exposure. In 2022, Haspa intends to develop additional appropriate tools for the identification and management of climate-related and environmental risks and for their integration in its risk management strategy.

Knowledge of the regional market and portfolio risk management limit credit risks

Haspa's credit risk stems from the lending business. Our customer loan portfolio is broadly diversified and largely secured by mortgages. The clear focus of the credit portfolio continues to be on highly rated commitments. The expected counterparty credit risk is generally factored into the credit terms. We use a suitable loan portfolio model (Monte Carlo simulation) to measure unexpected default risks. The utilisation of the credit risk limit at the end of the year was € 418 million.

The internal rating procedures developed jointly with the German Savings Banks Finance Group offer specific tools that are tailored to our customer groups and continuously refined.

The current scoring systems of the German Savings Banks Finance Group are used to assess creditworthiness and determine pricing in the private customer business. Rating procedures designed to assess credit ratings and determine risk-based pricing are used in our standard corporate customer business. Different procedures apply for small, mid-size and large corporate customers, professionals / freelancers as well as start-up entrepreneurs depending on the given company. A property transaction rating tool tailored to commercial property financing is used for commercial real estate commitments. Automated compact customer rating is additionally applied to enable targeted credit scoring of small corporate customers. The corresponding model of the Landesbank rating is used for project financing in the field of renewable energies.

We handle issuer risk and counterparty credit risk in both our securities investment and interbank business by limiting ourselves to trading partners with first-rate credit ratings as well as a widely diversified portfolio and a strict limit system. In the interbank money market business, we include a range of trading partners and thus avoid becoming dependent on individual market players. The counterparty credit risk is also limited through the high level of collateralisation in the derivatives business.

Managing interest rate risks in an environment of persistently low interest rates

Interest rate risk arises from potential changes in market interest rates relative to the structure of the bank's on and off-balance sheet transactions. Interest rate risk essentially results from the given loan commitment which tends to be of a longer term nature on the asset side, compared to borrowings which tend to run over a shorter term on the liabilities side. Money and capital market interest rates have an immediate effect on Haspa's bottom line. We measure and control interest rate risk in a comprehensive manner using both periodic and net present value methods.

Against the backdrop of persistently low interest rates, the scale of the interest rate risk was controlled at a moderate level overall in the 2021 financial year, with strategic interest rate positions being set up to a limited extent as well. The present value interest rate risk amounted to € 836 million as at the balance sheet date. Haspa employs derivative financial instruments, especially standard interest rate swaps, to manage its interest rate risk.

Simulations regarding the impact of any change in market interest rates on our present value interest rate risk and periodic net interest income is also monitored regularly. These simulations of various interest rate scenarios showed the sensitivity to changes in market interest rates and also covered the simulation of ad hoc interest rate shocks.

Haspa's interest rate risk position is monitored on an ongoing basis and reviewed regularly in greater depth and controlled with respect to money and capital market trends during Board of Management meetings. In addition, ad hoc meetings can be held as necessary to ensure appropriate action in case of rapid changes.

Capital market risks continue to be shaped by the coronavirus pandemic and ultra-loose monetary policy

Following the extreme turmoil in the previous year, the capital markets were in calmer territory in 2021. Global capital markets experienced a good start to the year underpinned by hopes of social life and economic trends normalising. In the second half of the year, various negative factors then came increasingly to the fore. Besides new variants of the virus, disruption to global supply chains and shortages of important products are the main drags. Higher inflation rates are fanning expectations that ultra-loose monetary policy is nearing an end.

Having posted a gain of 3.5 percent in the previous year, the German share index started out in the new year at 13,719 points and reached a new all-time high of 16,251 points in November. The DAX closed the year at 15,885 points, representing an annual gain of 15.8 percent.

Capital market rates approached their all-time lows in the course of the year and closed only slightly up on that level at year-end. They therefore remain in negative territory.

Refocused capital investment further expanded

The bank's special fund, which was launched in 2019 in order to pool strategic capital investments, was gradually expanded by making further investments in European real estate funds and in European equities.

To ensure liquidity at all times, securities with the best credit ratings are still held as direct investments, which were likewise further expanded in the past year. A special fund focusing on European corporate bonds is also included in fixed assets.

The risk on the entire portfolio of proprietary securities investments stood at € 467 million at year-end.

Country risks

Haspa's exposure to country risks generally originates in Germany due to its regional alignment as a retail bank. There is also a manageable level of investments outside Germany, primarily in European securities.

Low trading risks, as before

Haspa's considerable restraint in taking on equity and foreign exchange trading risk also reflects its alignment as a retail bank in the Hamburg Metropolitan Region. Most of our trading activities are customer initiated, and we only hold closed currency and option positions.

Operational risks integrated in risk management

Operational risks describe the risk of losses occurring as a consequence of the inappropriateness or the failure of internal processes, employees, the internal infrastructure or external factors. Operational risks are quantified in the risk-bearing capacity calculation using the regulatory basic indicator approach. The risks determined amount to € 149 million at year-end.

As part of its internal control system, Haspa has taken many steps to ensure flawless and smooth business procedures. Intragroup procedures and the functionality of technical systems are continuously adapted to both internal and external requirements. Operating processes are subject to a general guideline, technical guidelines and process descriptions, and are monitored by Internal Audit.

Haspa has outsourced portions of its market support processes associated with its lending, deposit and services business, as well as selected finance and risk management activities to S-Servicepartner Norddeutschland GmbH and its subsidiaries. Some of the payment processes are outsourced to DSGF Deutsche Servicegesellschaft für Finanzdienstleister mbH. Additionally some IT functions have been transferred to, among others, Finanz Informatik GmbH, IBM Deutschland GmbH and Portavis GmbH.

The interaction between outsourcing centres and Haspa with respect to the outsourced functions is subject to and governed by statutory and regulatory requirements using individual and interface-specific agreements. These arrangements have been tried and tested in the interaction between the different entities and are further expanded and refined on an ongoing basis.

Information technology security is one of the focal points in controlling operational risks. Detailed contingency plans are available for all IT functions. These emergency plans also include crisis management protocols as well as procedures designed to ensure uninterrupted business operations for all divisions. Authorised access systems and control and monitoring processes guarantee the protection of confidential information against unauthorised read and write access. Extensive security systems such as firewalls, virus scanners and monitoring systems provide protection against external attacks.

Operational risks are also measured and managed during a company-wide annual risk inventory and by analysing significant loss events.

Liquidity risks limited through funding strategy and solid liquidity limit

Liquidity risks may arise in the form of insolvency risk and funding risk.

Insolvency risks arise when payment obligations cannot be fulfilled in time or to a sufficient degree. Funding risks arise if liquidity can only be obtained at higher spreads.

By considering a daily liquidity report which also covers Haspa's funding mix, short-term changes in customer behaviour and possible concentration risks can be identified at an early stage.

Beyond its daily liquidity report, Haspa also uses its divisional planning to develop a strategic liquidity outlook that identifies liquidity needs early on in an expected and in an adverse scenario. This enables us to assess our liquidity needs for future maturities and manage cash flows accordingly. In addition, risk scenarios for the short and long term are considered and analysed, taking into account the funding potential. Based on these considerations, the risk tolerance is defined using thresholds. Compliance with the thresholds is monitored regularly such that timely control measures can be adopted as necessary.

With successful Pfandbrief issues in recent years, Haspa has tapped into the vast liquidity potential of the Pfandbrief market, which will enable it to cover even larger liquidity needs in future.

For years Haspa has also served as a lender in the interbank lending market. It met the requirements for minimum reserve deposits at any time during the past year.

The current and prospective requirements for the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR) are clearly being met. Both ratios are an indication that Haspa has comfortable liquidity. At year-end, the LCR is 154 percent and the NSFR is 123 percent.

Risk assessment

No going-concern risks or risks with a material effect on its net assets, results of operations and liquidity were identified for the current year.

5. Report on expected developments – opportunities and risks

Recovery of the economy in Germany and Hamburg

According to our estimates in mid-February 2022, the projected progress of the vaccination campaign and the significant easing of measures introduced to tackle the coronavirus pandemic should encourage the anticipated strong increase in private consumption over the course of 2022. Private households also have considerable savings that will allow a spike in consumer demand. According to our expectations, supply chain disruption should slowly ease during the year, enabling the manufacturing sector to ramp up efforts to process its large order backlog. High demand for construction work in both the residential and commercial sectors should also boost the German economic recovery. We expect real gross domestic product in Germany to rise by 3 percent for the full year 2022. There are still a number of risks to this economic upturn, including further strong fluctuations in the coronavirus pandemic with the potential for new virus variants, or a significant escalation of the Ukraine conflict.

We also expect the Hamburg economy to recover from the consequences of the coronavirus with an upswing. The Hamburg Chamber of Commerce’s business barometer shows that 27 percent of the companies surveyed expect their business situation to improve in 2022. By contrast, the proportion of companies anticipating a deterioration in their economic situation is much lower at 19 percent. In light of this, we expect Hamburg to record economic growth in line with the national average of around 3.0 percent.

Price rises are likely to remain significantly higher than pre-pandemic levels during the course of 2022. We expect an inflation rate of 4.5 percent in Germany and 5.0 percent across the eurozone. Given this sharp increase in inflation rates, the European Central Bank will tighten its monetary policy during 2022, having already decided to discontinue its Pandemic Emergency Purchase Programme at the end of March 2022. According to our estimates from mid-February 2022, the ECB will take further steps to cease its bond purchases during the course of the year. The ECB has not completely ruled out a rise in base rates in 2022, although whether this happens during the current year will depend to a large extent on how inflation develops.

We expect the yield on 10-year Bunds to turn positive on a long-term basis by the end of 2022. Equity markets are set to profit from the economic recovery, increasing corporate profits and the still very low interest rates. We currently expect the DAX to end the year at 16,500 points amid more significant volatility. Developments on the capital markets will be largely determined by the pace of economic recovery, the course of the coronavirus pandemic and inflation rates as well as further developments in the Ukraine conflict.

We believe that the biggest risk to economic and capital market development in 2022 is the threat of an escalation of the Ukraine conflict. Any further aggression on the part of Russia would result in far-reaching sanctions that could have a considerable negative impact on the economy and capital markets across the globe. Commodity shortages and price rises, increasing energy prices, trade disruption and supply chain interruptions would curb the anticipated economic recovery, prompting central banks to delay the tightening of their monetary policy and any interest rate hikes.

Haspa's planning

Based on these assumptions, the following report focuses on Haspa's likely performance including material opportunities and risks. The forecasting horizon covers the current financial year. The forward-looking statements contained in this report are based for one on generally expected macroeconomic developments with a particular focus on the Hamburg Metropolitan Region, for another these statements are based on Haspa's planning for 2022, which results in specific budgets.

Net interest income in the 2022 financial year is likely to be considerably below the figure for the financial year ended. However, this is largely attributable to one-time factors in connection with participation in the ECB's open market operations described above. The extremely low interest rates continue to constitute a challenging environment especially for Haspa's customer business.

Net commission income is expected to show a sharp year-on-year rise in 2022 due in particular to an increase in the securities business. Depending on how the money and capital markets develop, higher – though also lower – contributions may be made in this area.

Administrative expenses are likely to exceed the 2021 figure slightly in the current year, a trend that is partly due to higher expenses incurred in connection with increased collaboration with the German Savings Banks Finance Group and the expansion of digital services. Furthermore, administrative expenses will continue to be adversely impacted by high regulatory requirements. We expect other operating income to be considerably up on the financial year ended.

In view of a likely increase in customer assets and, in particular, the good outcome of 2020 and 2021 despite the Covid pandemic and its effects, risk provisions for the lending business are expected to rise in the current year to a significantly higher level. If this year is similarly successful as the previous year, lower effects than projected may nevertheless arise here. We expect the measurement of our own investment portfolio of securities to have a negative impact due to interest-related effects. Overall, therefore, we anticipate a considerably higher charge from the net revaluation loss than in the previous year. If the Ukraine conflict escalates, the expected negative consequences for the economy and capital markets could put further pressure on the net revaluation gain / loss.

On the basis of the planning outlined, we expect the operating result before loan loss provisions, according to the definition by the German Savings Banks Association (DSGV), to be on a par with the previous year. As regards the NPS, we have set ourselves the target of further improving this figure in 2022.

Due not least to our broadly diversified customer business and on the basis of our tried-and-tested funding strategies and potential, our liquidity situation will remain comfortable.

6. Note on the non-financial declaration in accordance with section 289b HGB

Haspa is obliged to publish a non-financial declaration in accordance with section 289b HGB.

Our 2021 Sustainability Report includes the statements required for a non-financial declaration concerning our business model, environmental, employee and social issues, respect for human rights and combating corruption and bribery. We are publishing the 2021 Sustainability Report together with the 2021 Annual Report in the Electronic Federal Gazette.

7. Corporate governance declaration in accordance with section 289f HGB

As an unlisted company subject to co-determination, Haspa is providing a declaration comprising the following statements in accordance with section 289f HGB:

In 2017, the Supervisory Board set a target for the share of women in the Supervisory Board of 18.75 percent, equivalent to three of the 16 posts, to be achieved by 30 June 2022.

In 2017, the Supervisory Board set a target for the share of women in the Board of Management of 20 percent, which applies until 30 June 2022.

A target of 15 percent with a deadline of 30 June 2022 was set by the Board of Management for the two management levels below the Board of Management – heads of division and heads of department.

Balance sheet

of Hamburger Sparkasse AG for the year ended 31 December 2021

Assets in € '000		31.12.2021	31.12.2020
1. Cash reserve			
a) Cash on hand		613,383	665,850
b) Balance with Deutsche Bundesbank		9,226,057	8,776,769
		9,839,440	**9,442,619**
2. Receivables from banks			
a) Payable on demand		1,455,284	769,872
b) Other receivables		2,040,065	1,876,573
		3,495,348	**2,646,446**
3. Receivables from customers		**37,230,583**	**35,797,171**
of which: secured by mortgages / mortgage loans	17,727,872		(18,194,163)
Public-sector loans	1,468,996		(1,058,131)
Other receivables	18,033,716		(16,544,878)
of which: collateralised by securities	210,105		(134,421)
4. Debentures and other fixed interest securities			
a) Money market instruments			
aa) by public-sector issuers		426,004	—
of which: eligible as collateral for Deutsche Bundesbank advances	426,004		(—)
ab) by other issuers		—	—
of which: eligible as collateral for Deutsche Bundesbank advances	—		(—)
		426,004	**—**
b) Bonds and debentures			
ba) by public-sector issuers		4,695,018	4,552,950
of which: eligible as collateral for Deutsche Bundesbank advances	4,695,018		(4,552,950)
bb) by other issuers		1,493,587	1,278,271
of which: eligible as collateral for Deutsche Bundesbank advances	1,493,587		(1,278,271)
		6,188,605	**5,831,221**
c) Own debentures		1,100,094	—
Nominal amount	1,100,000		(—)
		7,714,703	**5,831,221**
5. Equities and other non-fixed interest securities		**953,681**	**940,376**
5a. Trading portfolio		**94,609**	**160,613**
6. Long-term equity investments		**105,584**	**104,645**
of which: in banks	2,504		(2,504)
in financial services institutions	—		(—)
7. Shares in affiliated companies		**12,487**	**12,512**
of which: in banks	—		(—)
in financial services institutions	—		(—)
8. Fiduciary assets		**192,359**	**132,165**
of which: fiduciary loans	192,359		(132,165)
9. Intangible fixed assets			
a) Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets		831	2,198
b) Prepayments		4	295
		835	**2,493**
10. Tangible fixed assets		**46,144**	**46,935**
11. Other assets		**239,681**	**33,974**
12. Prepaid expenses		**5,573**	**5,421**
of which: from the issue and lending business	2,233		(3,197)
Other	3,340		(2,225)
Total assets		**59,931,027**	**55,156,591**

Equity and liabilities in € '000		31.12.2021	31.12.2020
1. Liabilities to banks			
a) Payable on demand		358,532	333,007
b) With agreed maturity or notice period		12,922,416	9,910,865
of which: registered mortgage Pfandbrief securities issued	242,451		(313,300)
Other liabilities	12,679,965		(9,597,564)
		13,280,948	10,243,872
2. Liabilities to customers			
a) Savings deposits			
aa) With agreed notice period of three months		9,955,177	9,343,185
ab) With agreed notice period of more than three months		—	—
		9,955,177	9,343,185
b) Other liabilities			
ba) Payable on demand		23,017,300	22,693,250
bb) With agreed maturity or notice period		4,306,051	4,704,534
of which: registered mortgage Pfandbrief securities issued	2,997,427		(3,140,263)
Other liabilities	1,308,624		(1,564,270)
		27,323,350	27,397,784
		37,278,527	36,740,969
3. Securitised liabilities			
a) Debentures issued		3,999,508	3,040,530
of which: mortgage Pfandbrief securities	3,274,371		(2,209,600)
Other debentures	725,137		(830,931)
		3,999,508	3,040,530
3a. Trading portfolio		16,011	22,514
4. Fiduciary liabilities		192,359	132,358
of which: fiduciary loans	192,359		(132,358)
5. Other liabilities		105,126	57,312
6. Deferred income		22,645	29,258
of which: from the issue and lending business	14,834		(18,538)
Other	7,812		(10,720)
7. Provisions			
a) Provisions for pensions and similar obligations		1,249,340	1,128,226
b) Provision for taxes		65,479	58,759
c) Other provisions		167,084	157,794
		1,481,903	1,344,779
8. Fund for general banking risks		702,000	702,000
of which: extraordinary item in accordance with section 340e (4) HGB	2,000		(2,000)
9. Equity			
a) Subscribed capital		1,000,000	1,000,000
b) Capital reserves		1,635,000	1,626,000
c) Revenue reserves			
ca) Legal reserve		0	0
cb) Reserve for shares in a parent or majority investor		—	—
cc) Reserves provided for by the articles of association		—	—
cd) Other revenue reserves		217,000	217,000
		217,000	217,000
d) Net retained profits		—	—
		2,852,000	2,843,000
Total equity and liabilities		59,931,027	55,156,591
1. Contingent liabilities			
b) Contingent liabilities from guarantees and warranties		603,853	631,225
		603,853	631,225
2. Other obligations			
c) Irrevocable credit commitments		3,672,795	3,487,195
		3,672,795	3,487,195

Income statement

of Hamburger Sparkasse AG for the period from 1 January to 31 December 2021

All figures stated in € '000		2021	2020
1. Interest income from			
a) Lending and money market transactions		664,325	727,652
b) Fixed interest securities and registered government debt		10,084	8,559
		674,409	736,212
2. Interest expense		–28,174	–172,834
		646,235	**563,378**
3. Current income from			
a) Equities and other non-fixed interest securities		15,002	97
b) Long-term equity investments		5,009	3,056
c) Shares in affiliated companies		—	—
		20,011	**3,153**
4. Income from profit pooling, profit transfer, or partial profit transfer agreements		**12,572**	**202**
of which: from tax allocations	374		(94)
5. Commission income		**372,244**	**342,517**
6. Commission expenses		–24,904	–26,152
		347,341	316,365
7. Net trading income or expense		**2,937**	**–79**
8. Other operating income		25,890	28,150
		1,054,985	**911,169**
9. General and administrative expenses			
a) Personnel expenses			
aa) Wages and salaries		–275,347	–273,672
ab) Social security, post-employment and other employee benefit costs		–83,228	–72,227
		–358,575	–345,899
of which: in respect of post-employment benefits	–34,198		(–18,599)
b) Other administrative expenses		–361,117	–343,764
		–719,692	**–689,662**
10. Depreciation, amortisation and write-downs of tangible and intangible fixed assets		**–8,455**	**–9,069**
11. Other operating expenses		**–150,928**	**–118,175**
12. Write-downs of and valuation allowances on receivables and certain securities, and additions to loan loss provisions		**–39,752**	**–61,492**
13. Income from reversals of write-downs of receivables and certain securities and from the reversal of loan loss provisions		—	—
		–39,752	**–61,492**
14. Write-downs of and valuation allowances on other equity investments, shares in affiliated companies and securities classified as fixed assets		–19,814	—
15. Income from reversals of write-downs of other equity investments, shares in affiliated companies and securities classified as fixed assets		—	14,878
		–19,814	**14,878**
16. Cost of loss absorption		**–577**	**–2,550**
17. Additions to / withdrawals from the fund for general banking risks		—	—
18. Result from ordinary activities		**115,766**	**45,099**
19. Extraordinary income		—	—
20. Extraordinary expenses		—	—
21. Extraordinary result		—	—

All figures stated in € '000		2021	2020
22. Taxes on income		–95,766	–36,099
of which: for tax allocations	–95,076		(–35,796)
23. Other taxes not included in item 11		—	—
		–95,766	–36,099
24. Income from loss absorption		—	—
25. Profit transferred on the basis of profit pooling, profit transfer, or partial profit transfer agreements		–20,000	–9,000
26. Net income for the financial year		—	—
27. Retained profits / losses brought forward		—	—
		—	—
28. Withdrawals from revenue reserves			
a) from the legal reserve		—	—
b) from the reserve for shares in a parent or majority investor		—	—
c) from the reserves provided for by the articles of association		—	—
d) from other revenue reserves		—	—
		—	—
29. Appropriation to revenue reserves			
a) to the legal reserve		—	—
b) from the reserve for shares in a parent or majority investor		—	—
c) to the reserves provided for by the articles of association		—	—
d) to other revenue reserves		—	—
		—	—
30. Net retained profits		—	—

Notes

The tables presented in the annual financial statements may contain rounding differences.

Contents

General disclosures

Hamburger Sparkasse AG (Haspa) prepared its annual financial statements as at 31 December 2021 in accordance with the requirements of the German Commercial Code (Handelsgesetzbuch – HGB) and the requirements of the German Ordinance on Accounting for Banks and Financial Services Institutions (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute – RechKredV), taking into account the requirements of the German Stock Corporation Act (Aktiengesetz – AktG).

The option not to break down prorated interest by residual maturity (section 11 sentence 3 RechKredV) was also applied.

Haspa's registered office is in Hamburg. The Bank has been entered in the commercial register of the Hamburg Local Court under the number HRB 80691.

Accounting policies

Lending business

Receivables from customers and banks were recognised at their nominal value or cost. Any discounts retained in connection with the disbursement of loans with a fixed borrowing rate are allocated over the fixed interest period. For loans with a variable borrowing rate, discounts are generally allocated over the entire term. For loans without an agreed interest calculation, discounts are allocated over five years.

Irrevocable debts where no payment is expected to be forthcoming from the debtor were written off.

Individual write-downs or provisions take adequate account of recognisable risks in lending. Global valuation allowances were recognised for potential risks from receivables. The requirement to reverse write-downs was observed when measuring loans.

Global valuation allowances were measured using average credit losses over the last ten years. Moreover, in order to give due consideration to the currently exceptional events when measuring global valuation allowances, a specific adjustment was factored in and modified in line with the current situation on the basis of statistical and mathematical methods. If the specific adjustment had not been modified in line with the current situation, global valuation allowances would have been reversed by € 15.8 million.

All amounts that satisfy the requirements of section 14 German Pfandbrief Act (Pfandbriefgesetz) were reported under the balance sheet item "Receivables from customers" under "secured by mortgages/mortgage loans".

Securities

Securities in the bank's own portfolio are largely held as a liquidity reserve as well as for investment and trading.

While securities allocated to the liquidity reserve are measured by applying the strict lower-of-cost-or-market principle, long-term securities are carried at cost or their net carrying amount. Investment securities are only written down if the impairment is permanent. In particular, impairment is regarded as permanent in the event of a significant deterioration in the issuer's credit standing. The requirement to reverse write-downs is taken into account in the case of both securities allocated to the liquidity reserve and investment securities.

The appropriate market value of assets that are held in special funds and for which there is no marketable price is determined by the respective fund based on due assessments using suitable measurement models and taking prevailing market conditions into account.

Trading portfolio

Financial assets acquired for trading are recognised in the trading portfolio at fair value less value at risk (VaR). Pursuant to IDW RS BFA 2, the value at risk is accounted for in the larger of the respective balance sheet items (assets or liabilities). Foreign currency financial assets and liabilities in the trading portfolio are translated at average rates.

The corresponding value at risk (VaR) is determined to satisfy regulatory requirements in respect of managing the trading book's market price risks. This VaR is used to calculate the risk discount. It is determined based on a holding period of one month, a data history of 1,250 days and a confidence level of 99.9 percent.

Applying the risk discount accounts for the probability of a loss of realisable profits from the measurement at market rates. Changes in the risk discounts are recognised in net trading income or expense. Gains and losses on the prices and the measurement of financial instruments are also recognised in net trading income or expense. This item also includes net revaluation gains/losses from the early repayment of repurchased own issues. Interest income and expense from trading are recognised in net interest income.

Shares in affiliated companies and equity investments

Shares in affiliated companies and equity investments are recognised at cost. The requirement to reverse write-downs was observed for the purpose of remeasurement. Lower values are recognised if special circumstances apply.

Liabilities

Liabilities are measured at the settlement amount. Discounts taken are reported in assets under prepaid expenses whilst premium income is reported in deferred income. In deviation from the above, zero-coupon bonds are accounted for at their present value.

Provisions

The provisions shown adequately account for all recognisable risks as well as all uncertain obligations. Provisions are recognised at their settlement amount dictated by prudent business judgement. Provisions with a remaining term of more than one year are discounted at the average market interest rate published by the Deutsche Bundesbank corresponding to their remaining maturity, which in the case of provisions for pensions is for the past ten years but in the case of provisions for similar long-term obligations as well as other provisions is for the past seven years. Provisions for pensions and similar obligations are recognised based on actuarial principles using the projected unit credit method and the Heubeck 2018 G mortality tables.

The simplification rule in section 253 (2) sentence 2 HGB was applied to the provisions for pensions and similar long-term obligations as well as to other provisions calculated using actuarial opinions and a remaining maturity of 15 years was used for discounting in the aggregate.

As a result of one measurement date being brought forward, a projection of the interest rates at the reporting date was performed for the interest rates used to measure provisions for pensions and similar obligations. The resulting interest rates are 1.88 percent (average market interest rate for the past ten years) and 1.35 percent (average market interest rate for the past seven years). Wage and salary increases (including career trends) of 2.1 percent and pension increases of 1.75 percent were used in the determination of the provisions for pension liabilities. These two parameters are determined on the basis of generally accessible sources and institution-specific assumptions. The age-dependent employee turnover rate as determined by using institution-specific parameters was between 0 percent and 6 percent. These parameters are reviewed annually.

The income and expenses arising from the discounting of provisions are presented separately to achieve transparency and clarity in the notes. Expenses for the accumulation of provisions relating to banking transactions are presented under interest expense, while interest expense for provisions not relating to banking transactions is presented under other operating expenses.

Loss-free valuation of interest rate-related transactions of the banking book (interest rate portfolio)

In compliance with IDW RS BFA 3 new version, to determine any excess of liabilities over assets resulting from business in interest-bearing financial instruments of the banking book, all administrative expenses and the cost of risk expected up until the completion of the business were deducted from the totality of interest-bearing assets and liabilities of the banking book (excluding the trading portfolio) including derivatives. Allowance was made for individual refinancing options in a present value analysis. As there is no excess of liabilities over assets, it is not necessary to recognise a provision.

Currency translation

Foreign currency amounts are translated in accordance with section 340h German Commercial Code in conjunction with section 256a German Commercial Code and in compliance with IDW RS BFA 4. Assets denominated in foreign currency that are treated as fixed assets are translated into euros at the acquisition-date foreign exchange rate. Foreign currency securities reported under current assets are measured at the spot exchange rate. Solely the expense from currency translation of securities in foreign currency with a residual maturity of more than one year is recognised.

Pursuant to section 340h German Commercial Code, other foreign currency items, as well as spot and forward transactions not yet settled that are neither held for trading nor form part of a hedge as defined in Section 254 German Commercial Code, are treated as transactions that qualify for hedge accounting. The transactions are hedged based on matching amounts but not matching maturities. Hedged transactions are measured at the cash settlement or forward price.

Both the cash settlement and the forward prices are based on the reference rate of the European Central Bank.

The exchange gains and losses calculated from the translation of the transactions covered in particular are presented separately in the notes under other operating income and other operating expenses, respectively.

Hedges

Haspa applies hedge accounting as defined in section 254 German Commercial Code. Hedge accounting is applied to liabilities and executory contracts considered the underlying transaction; they are hedged using non-derivative and derivative financial instruments.

The interest and other price risks from structured bonds or registered instruments (underlying transactions) are hedged using structured interest rate swaps (hedges). The underlying transactions concern structured bearer debentures shown under “Securitised liabilities” as well as structured registered bonds, promissory note loans and savings certificates recognised in “Liabilities to customers” or “Liabilities to banks”. The respective hedges are structured such that the parameters of the underlying transaction relevant to the hedged risk fully offset each other, both at the inception of the transaction and during the maturity of the underlying transaction (critical terms match).

The currency and interest rate risks of cross currency interest rate swaps with customers are hedged using exactly matched hedging transactions with banks that have good credit ratings. Both the derivative customer business and the back-to-back hedging business are subject to hedge accounting. We also enter into contracts designed to limit interest rates such as caps and floors in connection with the customer lending business. These interest rate options granted to customers are hedged on the basis of the individual contract by means of matching transactions with banks that have good credit ratings.

Own debentures held in the liquidity reserve in the form of own Pfandbriefe are combined in a hedge together with the associated securitised liabilities from the issue.

The effectiveness of the given hedge is reviewed by a department separate from trading upon designation of the hedges as well as at the reporting date. In each case the underlying transactions are hedged effectively against the existing risks.

The accounting treatment of the hedges follows the net hedge presentation method pursuant to IDW RS HFA 35. Haspa ensures based on the methods used (critical terms match) that every hedge is effective with respect to the existing fair value and cash flow risks of the respective hedged risk. Changes in the fair value or cash flows of both the underlying transactions and the hedges relative to the hedged risks are likely to be balanced out in full over the entire hedging period.

Derivatives

Interest rate swaps are used primarily to manage interest rate risks and are included in the loss-free valuation of interest rate-related transactions of the banking book (interest rate portfolio). Haspa also possesses derivative financial instruments to which hedge accounting is applied. Some derivative financial instruments are held for trading.

In the case of options, Haspa’s option writer positions are usually hedged by means of matched transactions. Option premiums received or paid on options not yet settled, as well as margin obligations from forward transactions, are recognised under financial assets and liabilities in the trading portfolio. For the rest, they are accounted for as “Other assets” or “Other liabilities”.

Cash flow statement

The cash flow statement was prepared in compliance with German Accounting Standard No. 21.

Cash flow statement	2021 € million	2020 € million
Net income / loss for the period before profit transfer	**20.0**	**9.0**
Depreciation, amortisation and write-downs and valuation allowances on receivables and items of fixed assets / reversals of such write-downs and valuation allowances	64.3	69.2
Increase / decrease in provisions (excluding provisions for income taxes)	215.0	133.6
Other non-cash expenses/income	10.3	–3.4
Gain / loss on disposal of fixed assets	0.5	0.5
Other adjustments (net)	0.0	0.0
Increase / decrease in receivables from banks	–849.2	167.2
Increase / decrease in receivables from customers	–1,474.7	–1,496.1
Increase / decrease in securities (unless classified as long-term financial assets)	–1,485.7	631.3
Increase / decrease in other assets relating to operating activities	–266.1	–137.4
Increase / decrease in liabilities to banks	3,150.5	6,099.2
Increase / decrease in liabilities to customers	551.5	2,162.6
Increase / decrease in securitised liabilities	959.9	132.5
Increase / decrease in other liabilities relating to operating activities	–17.6	28.4
Interest expense / interest income	–646.2	–563.4
Current income from equities, non-fixed interest securities, equity investments and shares in affiliated companies	–20.0	–3.2
Expenses for / income from extraordinary items	0.0	0.0
Income tax expense / income	95.8	36.1
Interest payments received	681.9	740.2
Payments received from current income from equities, non-fixed interest securities, equity investments and shares in affiliated companies	20.0	3.2
Interest paid	–156.7	–230.9
Extraordinary receipts	0.0	0.0
Extraordinary payments	0.0	0.0
Income tax payments	–61.1	–0.4
Cash flows from operating activities	**792.4**	**7,778.2**
Proceeds from disposal of long-term financial assets	39.1	267.3
Payments to acquire long-term financial assets	–417.6	–2,261.4
Proceeds from disposal of tangible fixed assets	0.0	0.0
Payments to acquire tangible fixed assets	–5.9	–11.8
Proceeds from disposal of intangible fixed assets	0.0	0.1
Payments to acquire intangible fixed assets	–0.3	–0.4
Change in cash from other investing activities (net)	0.0	0.0
Cash receipts from extraordinary items	0.0	0.0
Cash payments for extraordinary items	0.0	0.0
Cash flows from investing activities	**–384.7**	**–2,006.2**
Cash receipts from capital contributions of HASPA Finanzholding	9.0	42.0
Cash payments to HASPA Finanzholding from the redemption of shares	0.0	0.0
Cash receipts from extraordinary items	0.0	0.0
Cash payments for extraordinary items	0.0	0.0
Profit transfer to HASPA Finanzholding	–20.0	–9.0
Change in cash from other capital sources (net)	0.0	0.0
Cash flows from financing activities	**–11.0**	**33.0**
Net change in cash funds	396.8	5,805.0
Effect of exchange rate movements on cash funds	0.0	0.0
Cash funds at beginning of period	9,442.6	3,637.6
Cash funds at end of period	**9,839.4**	**9,442.6**

Supplementary information on the cash flow statement

The cash flow statement shows the changes in cash funds. Cash funds are composed of cash-in-hand and balances with Deutsche Bundesbank (cash).

The cash flow statement is prepared for Haspa's single-entity financial statements, which is why cash funds do not include any components attributable to proportionately consolidated entities.

There were no material non-cash investing and financing measures and transactions in the financial year.

Notes to the balance sheet (assets)

Receivables from banks	**2021 € million**	**2020 € million**
This item includes:		
Receivables from affiliated companies	20.0	25.0
Receivables from other long-term investees and investors	0.0	0.0
Subordinated receivables	11.8	11.8
of which:		
from affiliated companies	0.0	0.0
from other long-term investees and investors	0.0	0.0
Breakdown of sub-item b) Other amounts by maturity:		
up to 3 months	1,105.3	1,290.4
more than 3 months up to 1 year	386.8	506.9
more than 1 year up to 5 years	492.7	10.4
more than 5 years	0.5	14.0

Receivables from customers	**2021 € million**	**2020 € million**
This item includes:		
Receivables from affiliated companies	358.2	409.5
Receivables from other long-term investees and investors	0.8	7.8
Subordinated receivables	0.0	0.7
of which:		
from affiliated companies	0.0	0.0
from other long-term investees and investors	0.0	0.0
Breakdown of the item "receivables from customers" by maturity:		
up to 3 months	1,724.6	1,578.9
more than 3 months up to 1 year	2,732.8	2,902.4
more than 1 year up to 5 years	9,605.1	9,747.4
more than 5 years	22,859.9	21,147.3
with indefinite maturity	293.1	398.9

Debentures and other fixed interest securities	**2021 € million**	**2020 € million**
Of the marketable securities included in this balance sheet item the following are:		
listed	7,174.5	5,353.2
not listed	540.2	478.0
due in the following year	816.9	149.4
The carrying amount of the debentures and other fixed interest securities treated as fixed assets is	3,301.6	2,960.8
Securities not measured at the lower of cost or market	498.5	0.0
Fair value of these securities	486.3	0.0

Held-to-maturity bonds with a fair value below the expected repayment amount were not measured at the lower of cost or fair value. There are no indications that they will not be repaid at par.

The carrying amount of the bonds and other fixed-income securities classified as fixed assets rose by € 340.8 million in the financial year and amounts to € 3,301.6 million. These securities had to be written down by € 21.6 million.

Equities and other non-fixed interest securities	**2021 € million**	**2020 € million**
Of the marketable securities included in this balance sheet item the following are:		
listed	0.0	0.0
not listed	0.0	0.0
The carrying amount of the equities and other non-fixed interest securities treated as fixed assets is	494.8	479.8
Securities not measured at the lower of cost or market	0.0	0.0

The carrying amount of the equities and other non fixed-income securities classified as fixed assets increased by € 15.0 million to € 494.8 million in the financial year. It was unnecessary to write down these securities, as their market values were higher than their carrying amounts.

This balance sheet item contains shares in special funds with a carrying amount of € 953.7 million. The fungibility of these shares is limited. Gains on shares in special funds resulting from rate gains as well as interest and dividend income were partly reinvested; distributions were made via a special bond fund.

Investment funds with a share in excess of 10 percent in € million broken down by investment objective:

Name	ISIN	Carrying amount 31.12.2021	Market value 31.12.2021	Difference	Distribution 2021	Returnable daily	Write-downs omitted
Wikinger-Fonds 1	DE000DK0NLE4	452.1	557.2	105.1	0.0	Yes	No
Equity and property investment fund: Equity and property investment fund shares							
Wikinger-Fonds 2	DE000DK0LNF1	494.8	503.5	8.7	15.0	Yes	No
Bond fund: Euro corporate bonds Investment grade							

Trading portfolio	**2021 € million**	**2020 € million**
The trading portfolio comprises:		
Derivative financial instruments	16.3	22.8
Receivables	4.9	0.0
Debentures and other fixed interest securities	75.2	140.1
Equities and other non-fixed interest securities	0.0	0.0
Other assets	0.0	0.0
Subtotal	96.4	162.9
Risk discount	–1.8	–2.3
	94.6	160.6

The nominal volume of the derivative financial instruments is € 79.5 million for interest rate swaps and € 4.5 million for currency options.

Long-term equity investments of Hamburger Sparkasse in large corporations that exceed five percent of voting rights (section 340a (4) sentence 2 HGB)

Bürgschaftsbank Schleswig-Holstein GmbH, Kiel
Bürgschaftsgemeinschaft Hamburg GmbH, Hamburg

Equity investments of Hamburger Sparkasse as at 31.12.2021[1]

Name and registered office of the entity	Equity interest in percent	Equity of the entity € '000 [2]	Result for the year of the entity € '000 [2]
Direct equity investments			
Bürgschaftsbank Schleswig-Holstein GmbH, Kiel	7.18%	41,908.8	83.9
Bürgschaftsgemeinschaft Hamburg GmbH, Hamburg	21.35%	26,938.5	155.8
Cenito Service GmbH, Hamburg	100.00%	800.0	0.0 [3]
CFC Corporate Finance Contor GmbH, Hamburg	49.00%	1,332.6	832.6
Deka Erwerbsgesellschaft mbH & Co. KG – Unterbeteiligung –, Neuhardenberg	2.96%	1,785,143.0 [4]	15,181.0
DMG Deutsche Malaria GmbH, Hamburg	18.08%	3.0	–48.3
Hanseatischer Sparkassen- und Giroverband, Hamburg	74.87%	62,469.0	–1.0
Haspa Beteiligungsgesellschaft für den Mittelstand mbH, Hamburg	100.00%	5,000.0	0.0 [3]
HASPA Projektentwicklungs- und Beteiligungsgesellschaft mbH, Hamburg	30.00%	18,536.1	–90.4
Haspa-DIREKT Servicegesellschaft für Direktvertrieb mbH, Hamburg	100.00%	687.1	0.0 [3]
Next Commerce Accelerator GmbH, Hamburg	16.66%	130.1	9.2
SCHUFA Holding AG, Wiesbaden	2.22%	133,624.2	45,063.0
Indirect equity investments via Haspa Beteiligungsgesellschaft für den Mittelstand mbH			
AMAS Beteiligung GmbH, Neu Kaliß	49.98%	1,832.5	–1.6
Aqua free GmbH, Hamburg	30.00%	3,774.7	0.0 [3]
CDF Logistik Beteiligungs GmbH, Fockbek	49.90%	3,250.3	1,456.2
Hanse-Residenz Lübeck GmbH, Lübeck	5.00%	1,015.1	361.4
Helmers Bet. GmbH, Hamburg	49.00%	7,850.9	1,614.8
HTP Hansa Beteiligungs GmbH, Selsungen	37.50%	n. a. [5]	n. a. [5]
IPD Beteiligungs GmbH, Hamburg	33.33%	4,940.4	–101.3
MT.DERM GmbH, Berlin	22.50%	27,366.6	4,841.4
R+S Holding GmbH, Fulda	22.41%	n. a. [5]	n. a. [5]
TSH und BGM Beteiligungs GmbH, Visbek	49.00%	3,878.5	1.0

[1] *Equity investments unless insignificant*

[2] *Based on the most recent annual financial statements available for 2020 if no other information is given*

[3] *Profit and loss transfer agreement*

[4] *Not including reserves, as these are earmarked for repayment of the DSGV öK loan*

[5] *Established in the reporting year*

Fiduciary assets

Reported fiduciary loans pertain exclusively to fiduciary amounts due from customers.

Intangible and tangible fixed assets

Intangible and tangible fixed assets are recognised at cost less amortisation and depreciation. Depreciation allowed under German tax rules is taken on tangible fixed assets that were acquired by 2009.

Tangible fixed assets contain only operating and office equipment. Low-value assets costing up to € 250 excluding input tax are recognised immediately as non-staff operating expenses. Assets costing more than € 250 and up to € 1,000 excluding input tax are recognised in a pooled item, which is written down on a straight-line basis, in each case at a rate of one fifth a year.

Haspa did not use the option of capitalising internally generated software.

Changes in intangible and tangible fixed assets:

	Intangible fixed assets € million	Tangible fixed assets € million
Cost		
Cost on 01.01.2021	155.9	159.8
Additions	0.3	5.9
Disposals	0.1	20.8
Reclassifications	0.0	0.0
Cost on 31.12.2021	156.1	144.9
Depreciation, amortisation and write-downs		
Accumulated depreciation, amortisation and write-downs as at 01.01.2021	153.4	112.9
Depreciation, amortisation and write-downs	1.9	6.5
Reversal of write-downs	0.0	0.0
Disposals	0.1	20.7
Reclassifications	0.0	0.0
Accumulated depreciation, amortisation and write-downs as at 31.12.2021	155.2	98.7
Carrying amount as at 31.12.2021	**0.8**	**46.1**
Carrying amount previous year	**2.5**	**46.9**

Other assets	**2021 € million**	**2020 € million**
Other assets are comprised as follows:		
Capitalised inventories and other assets	1.4	2.1
Adjustment item from foreign currency translation	1.5	10.1
Other receivables from affiliated companies	21.1	3.9
Other receivables from cash collateral	14.8	12.2
Receivables from collateral under central clearing	193.8	0.0
Trade receivables from third parties	5.4	3.7
Other receivables	1.7	2.0
	239.7	34.0

In the previous year, € 155.8 million of receivables from collateral under central clearing were presented under receivables from banks.

Prepaid expenses	**2021 € million**	**2020 € million**
Deferred income includes:		
The difference between the lower of the settlement amount and the issue price of liabilities or debentures	2.2	3.2
The difference between the higher of the nominal amount and the settlement amount of receivables	0.5	0.0
Other deferred income	2.9	2.2
	5.6	5.4

Notes to the balance sheet (equity and liabilities)

Liabilities to banks	2021 € million	2020 € million
This item includes:		
Liabilities to affiliated companies	0.3	0.6
Liabilities to other long-term investees and investors	2.0	1.1
Total amount of assets transferred as collateral for the liabilities included in this item	11,643.4	9,092.8
Breakdown of sub-item b) by maturity:		
up to 3 months	288.8	189.1
more than 3 months up to 1 year	372.8	6,322.1
more than 1 year up to 5 years	10,442.6	1,390.6
more than 5 years	1,870.3	1,947.7

At the reporting date, securities with a carrying amount of € 7,513.6 million had been deposited with Deutsche Bundesbank for TLTRO III operations.

A further € 1,061.7 million was deposited with Deutsche Bundesbank in accordance with the MACCs (Mobilisation and Administration of Credit Claims) procedure.

A total of € 2.7 million were utilised in connection with transactions in futures exchanges and at clearing houses, for which securities with a carrying amount of € 63.0 million were deposited.

Liabilities to customers	2021 € million	2020 € million
This item includes:		
Liabilities to affiliated companies	69.1	76.6
Liabilities to other long-term investees and investors	30.9	40.0
Breakdown of sub-item bb) by maturity:		
up to 3 months	137.1	289.2
more than 3 months up to 1 year	175.1	122.1
more than 1 year up to 5 years	682.8	716.3
more than 5 years	3,221.8	3,473.7

Securitised liabilities	2021 € million	2020 € million
This item includes:		
Liabilities to affiliated companies	20.0	20.0
Liabilities to other long-term investees and investors	0.0	0.0
Debentures issued that are due in the following year	850.2	289.6

Trading portfolio	2021 € million	2020 € million
The trading portfolio is comprised as follows:		
Derivative financial instruments	16.0	22.5
Liabilities	0.0	0.0
Subtotal	16.0	22.5
Risk premium	—	—
	16.0	22.5

The nominal volume of the derivative financial instruments is € 94.6 million for interest rate swaps and € 4.5 million for currency options.

Fiduciary liabilities

The fiduciary liabilities reported exclusively concern liabilities to banks.

Other liabilities	**2021 € million**	**2020 € million**
Other liabilities are comprised as follows:		
Tax liabilities	7.8	9.1
Liabilities to companies of HASPA Finanzgruppe		
under profit transfer agreements	20.6	11.5
other liabilities	13.4	9.4
Liabilities to employees		
from vacation savings deposits and grants	6.6	6.5
other liabilities	20.7	17.3
Liabilities from collateral under central clearing	16.4	0.0
Adjustment item from foreign currency translation	10.3	0.6
Trade payables to third parties	3.3	0.9
Other liabilities	6.0	2.0
	105.1	57.3

Deferred income	**2021 € million**	**2020 € million**
Deferred income includes:		
The difference between the lower of the nominal amount and the settlement amount of loan receivables	8.5	10.6
The difference between the higher of the settlement amount and the issue price of liabilities or debentures	5.2	6.1
Other deferred income	8.9	12.6
	22.6	29.3

Provisions

The difference between the carrying amount of the pension provisions using the average market interest rate for the past ten years and the carrying amount using the average market interest rate for the past seven years calculated in accordance with section 253 (6) sentence 1 HGB was € 136.7 million as at 31 December 2021 (previous year: € 159.8 million).

Fund for general banking risks

This position includes an extraordinary item of € 700 million in accordance with section 340g (1) HGB. Furthermore, an extraordinary item of € 2 million in accordance with section 340e (4) HGB is shown.

Equity

The equity is € 1 billion and is divided into 1,000,000 no par shares. HASPA Finanzholding holds all of these shares.

Statement of changes in equity

The statement of changes in equity shows the development of equity:

in € million	Subscribed capital	Capital reserves	Revenue reserves	Net retained profits	Reported equity
Balance on 31.12.2020	1,000.0	1,626.0	217.0	0.0	2,852.0
Allocation		9.0			
Net income for the financial year				20.0	
Profit to be transferred				–20.0	
Balance on 31.12.2021	1,000.0	1,635.0	217.0	0.0	2,852.0

Contingent liabilities and other obligations

Contingent liabilities

Guarantees, warranties and indemnity agreements assumed for borrowers are recorded in this item. On the basis of the regular assessments of customers' credit quality as part of our credit risk management processes, we assume that the amounts disclosed here will not result in an economic burden.

Irrevocable credit commitments

The irrevocable credit commitments largely comprise loans that have been not yet been fully disbursed. They are subject to the regular credit monitoring processes that apply to all credit commitments. There has been no increase in related counterparty credit risks.

Notes to the income statement

Interest income
In the financial year, negative interest of € 46.2 million is shown for lending products.

Interest expense
Interest expense includes negative interest for deposit products of € 139.2 million which is mainly attributable to our participation in the European Central Bank's open market operations. This item also includes a total of € 20 thousand (previous year: € 30 thousand) due to the unwinding of discounts on provisions related to the banking business.

Commission income
A portion of 34.8 percent of total commission income is attributable to brokerage and management services for third parties.

Other operating income
This item contains € 5.9 million (previous year: € 5.8 million) in income from currency translation and € 4.0 million in income from staff leasing.

It also includes € 6.2 million in income from the reversal of provisions.

Other operating expenses
Other operating expenses include a total of € 124.9 million (previous year: € 110.0 million) due to the unwinding of discounts on long-term provisions.

Taxes on income
This item totalling € 95.8 million includes expenses from current tax allocations of € 95.2 million as well as prior-period tax allocations of € 2.4 million and prior-period reimbursements of tax allocations of € 2.5 million.

Other disclosures

Disclosures in accordance with section 160 (1) no. 8 German Stock Corporation Act
The following announcement was published by Haspa in the Electronic Federal Gazette on 17 July 2003:

"HASPA Finanzholding, Hamburg, has advised us that they hold a controlling interest (section 20 (4) German Stock Corporation Act in conjunction with section 16 (1) German Stock Corporation Act) in our company."

Disclosures in accordance with section 285 No. 21 German Commercial Code
No transactions were carried out at off-market terms.

Board of Management and Supervisory Board

In the 2021 financial year, the members of the Board of Management received total benefits of € 3.2 million. Loans and guarantees granted to members of the Board of Management amounted to € 4.8 million.

A total of € 3.1 million was set aside for pension commitments to former members of the Board of Management and their surviving dependants.

The total benefits of the members of the Supervisory Board in financial year 2021 amounted to € 0.8 million. Loans and guarantees granted to members of the Supervisory Board amounted to € 2.3 million.

Expenses for the auditor

The total fee for the auditor for the 2021 financial year amounted to € 1.6 million, of which € 1.5 million concerned the audit of the annual financial statements and € 12 thousand other assurance services. Other operating income includes € 0.1 million from the reversal of the provision for audit services from the previous year.

The audit services provided mainly relate to statutory audit services, which include the audit of the annual financial statements, the audit of the investment services and custodian business, and the audit of arrangements to prevent money laundering and the financing of terrorism and other criminal acts.

Amounts not available for distribution in accordance with section 268 (8) German Commercial Code

There were no amounts not available for distribution in accordance with section 268 (8) German Commercial Code in the 2021 financial year.

Other financial obligations

There are obligations arising from letting, rental and lease agreements in effect for the next financial years.

Financial year	€ million	of which affiliated and associated companies € million
2022	53.1	9.6
2023	53.7	9.8
2024	51.6	9.9
	158.3	29.3

There were no deposit obligations or obligations to make additional contributions in the financial year.

In the financial year, Haspa made use of the option to contribute a portion of the annual contributions to the restructuring fund (“European bank levy”) in the form of fully hedged payment entitlements. The security provided for this purpose amounted to € 14.8 million.

There were no off-balance sheet transactions pursuant to section 285 no. 3 German Commercial Code at the reporting date.

Report on post-balance sheet date events
No events of special significance took place after the reporting date.

Foreign currency
Total assets and liabilities denominated in foreign currency were translated into € 1,026.2 million and € 902.9 million respectively.

Forward transactions / derivative financial transactions
The following tables show the volume of transactions in effect at the end of 2021.

Derivatives are always measured by reference to their current market price. The prices on the last trading day in 2021 were used for derivatives traded on a stock exchange. If no current market price is immediately available, the measurement is based on standard financial valuation methods. In the case of interest swaps for instance, the present value is determined based on the current yield curve. In currency futures, the forward rate is used. The fair values of currency options are determined based on the current spot exchange rate, yield curves as well as implied volatilities (binomial model). The fair values of interest rate options are determined using yield curves and implicit levels of volatility (shifted Black model or Bachelier model).

Haspa issues structured securities that are matched by swaps combined into micro hedges such that the included interest rate risks and other price risks are hedged in full.

The majority of Haspa's interest-related transactions mentioned below were carried out to limit interest rate risks; they were included in the loss-free valuation of interest rate-related transactions of the banking book (interest rate portfolio). Haspa's maturities transformation is managed as part of its asset and liabilities management by means of the interest rate swaps. Interest rate derivatives admitted to a stock exchange for trading concern trades for customers.

A large portion of the currency-related transactions concerns transactions with customers that are always hedged through foreign exchange contracts and, to a lesser extent, own portfolio trading and own securities hedging. The currency-related derivative transactions constitute an almost closed position in conjunction with Haspa's foreign currency holdings.

Transactions involving other price risks solely comprise trades for customers and structured swaps.

The amount, timing and probability of occurrence of future cash flows from the derivative financial instruments held for trading are mainly influenced by the interest rate environment and developments in credit spreads.

Summary of derivative financial instruments not recognised at fair value (Part I)

as at 31.12.2021	Nominal values				Market values (incl. accrued interest)	
	Maturity					
in € million	up to 1 year	more than 1 year up to 5 years	more than 5 years	Total	Positive	Negative
Interest rate related transactions						
OTC products						
Caps	0.5	10.7	0.0	11.2	0.0	0.0
Floors	0.0	0.0	0.8	0.8	0.0	0.0
Structured swaps	25.0	296.6	4,724.5	5,046.1	219.1	20.3
Forward transactions in securities	45.5	0.0	0.0	45.5	0.1	1.0
Interest rate swaps	996.7	4,900.0	12,222.8	18,119.5	447.0	655.3
Stock market instruments						
Interest rate futures	126.0	0.0	0.0	126.0	1.8	0.1
Total	**1,193.7**	**5,207.3**	**16,948.1**	**23,349.1**	**668.0**	**676.7**
Currency-related transactions						
OTC products						
Forward currency transactions	2,768.3	217.0	0.0	2,985.3	33.8	42.5
Currency swaps	11.5	0.0	124.8	136.3	25.8	23.5
Stock market instruments						
Interest rate futures	17.1	0.0	0.0	17.1	0.1	0.0
Total	**2,796.9**	**217.0**	**124.8**	**3,138.7**	**59.7**	**66.0**
Transactions involving other price risks						
OTC products						
Structured swaps	15.0	3.4	0.0	18.4	0.6	3.8
Stock market instruments						
Index futures	29.8	0.0	0.0	29.8	0.3	0.2
Index options	6.7	0.0	0.0	6.7	0.0	0.0
Total	**51.5**	**3.4**	**0.0**	**54.9**	**0.9**	**4.0**

Summary of derivative financial instruments not recognised at fair value (Part II)

as at 31.12.2021	Carrying amounts		Balance sheet item	Provisions
	Option premiums, upfronts, variation margins			Balance sheet item P7
in € million	Assets	Liabilities		
Interest rate related transactions				
OTC products				
Caps	0.0	0.0	A11/P5	—
Floors	—	—	—	—
Structured swaps	0.5	4.3	A2/P1	—
Forward transactions in securities	—	—	—	—
Interest rate swaps	99.4	21.8	A2/A11/P2/P5	—
Stock market instruments				
Interest rate futures	0.0	0.1	A3/P2	—
Total	**99.9**	**26.2**		
Currency-related transactions				
OTC products				
Forward currency transactions	—	—	—	0.3
Currency swaps	—	—	—	—
Stock market instruments				
Interest rate futures	0.0	0.0	A3/P2	—
Total	**0.0**	**0.0**		**0.3**
Transactions involving other price risks				
OTC products				
Structured swaps	—	—	—	—
Stock market instruments				
Index futures	0.0	0.1	A3/P2	—
Index options	0.0	0.0	A3/P2	—
Total	**0.0**	**0.1**		**—**

Summary of derivative financial instruments recognised at fair value

as at 31.12.2021	Nominal values				Market values (incl. accrued interest)	
	Maturity					
in € million	up to 1 year	more than 1 year up to 5 years	more than 5 years	Total	Positive	Negative
Interest rate related transactions						
OTC products						
Interest rate swaps	26.4	39.9	107.8	174.1	16.3	15.9
Total	**26.4**	**39.9**	**107.8**	**174.1**	**16.3**	**15.9**
Currency-related transactions						
OTC products						
Currency options	6.1	3.0	0.0	9.1	0.1	0.1
Total	**6.1**	**3.0**	**0.0**	**9.1**	**0.1**	**0.1**

Hedges

Both liabilities with a carrying amount of € 2,848.8 million and executory contracts with a nominal value of € 59.6 million were classified as underlying transactions and subject to hedge accounting pursuant to section 254 sentence 1 German Commercial Code. These are so-called micro hedges. All underlying transactions are hedged against interest, currency and other price risks using derivative financial instruments.

At the reporting date, transactions with a positive fair value of € 198.9 million were in place to hedge interest rate risks; transactions with a negative fair value of € 3.2 million to hedge currency risks; as well as transactions with a negative fair value of € 3.2 million to hedge other price risks.

In addition, the own debentures held in the liquidity reserve in the form of own Pfandbriefe with a market value of € 1,100.6 million are included in a hedge with an issue volume of € 1,100.0 million.

Statement of cover assets pursuant to section 35 (1) no. 7 RechKredV

Cover for debentures issued

Cover for debentures issued	2021 € million	2020 € million
Receivables from banks	550.0	0.0
Receivables from customers	7,339.8	7,711.2
Debentures and other fixed interest securities	0.0	300.0

Pfandbrief securities

Haspa has been issuing Pfandbrief securities since the 2006 financial year.

The standard transparency requirements of section 28 German Pfandbrief Act are fulfilled by disclosure on our website (www.haspa.de).

I) Information regarding total amount and maturity structure		2021 € million	2020 € million
Section 28 (1) no. 1, 3 and 10 German Pfandbrief Act			
Mortgage Pfandbrief circulation			
of which derivative transactions		0.0	0.0
Nominal value		6,474.4	5,618.3
Present value		6,922.8	6,283.9
Risk net present value [1]		6,650.9	5,969.9
Cover assets			
of which derivative transactions		0.0	0.0
Nominal value		7,889.8	8,011.2
Present value		8,514.9	8,951.9
Risk net present value [1]		8,127.4	8,499.7
Excess cover			
Nominal value		1,415.4	2,392.8
Present value		1,592.1	2,668.1
Risk net present value [1]		1,476.5	2,529.9
Excess cover taking into account the vdp Credit Quality Differentiation Model			
Nominal value		0.0	0.0
Present value		0.0	0.0
Section 28 (1) no. 2 German Pfandbrief Act			
Maturity structure of the mortgage Pfandbrief circulation			
up to	0.5 years	610.0	226.7
more than	0.5 years up to 1 year	262.1	39.7
more than	1 year up to 1.5 years	611.0	615.1
more than	1.5 years up to 2 years	112.1	267.0
more than	2 years up to 3 years	926.5	723.1
more than	3 years up to 4 years	962.0	949.5
more than	4 years up to 5 years	1,000.0	462.0
more than	5 years up to 10 years	1,845.8	1,980.3
more than	10 years	145.0	355.0

		2021 € million	2020 € million
Fixed-interest periods of the cover assets			
up to	0.5 years	602.6	550.2
more than	0.5 years up to 1 year	373.6	420.5
more than	1 year up to 1.5 years	288.6	449.8
more than	1.5 years up to 2 years	397.3	408.2
more than	2 years up to 3 years	708.8	699.0
more than	3 years up to 4 years	760.0	670.8
more than	4 years up to 5 years	1,180.8	979.6
more than	5 years up to 10 years	2,940.5	3,167.7
more than	10 years	637.6	665.4

	in percent	in percent
Section 28 (1) no. 9 German Pfandbrief Act		
Share of fixed-interest cover assets in total cover assets	83.4	84.8
Share of fixed-interest Pfandbrief securities in the liabilities to be covered	99.7	99.1

[1] The dynamic approach according to the German Pfandbrief Net Present Value Directive was used for the calculation of the risk net present value
Present values do not have to be presented by foreign currency because the cover assets are based exclusively on euro-denominated transactions.

II) Composition of ordinary cover assets	2021 € million	2020 € million
Section 28 (2) no. 1 German Pfandbrief Act		
a) Total amount of nominal value cover assets used, by size class		
Credit coverage		
up to € 300 thousand	2,370.1	2,473.5
more than € 300 thousand up to € 1 million	1,556.1	1,590.6
more than € 1 million up to € 10 million	2,437.4	2,659.4
more than € 10 million	976.3	987.6

b) and c) Total amount of receivables used for cover, by type of use [1]

	Land used for residential purposes		Land used for commercial purposes	
	2021 € million	2020 € million	2021 € million	2020 € million
Commonhold properties	719.8	717.7	0.0	0.0
Single- and two-family homes	1,831.9	1,893.3	0.0	0.0
Multi-family homes	2,556.6	2,709.2	0.0	0.0
Office buildings	0.0	0.0	992.8	1,033.8
Commercial buildings	0.0	0.0	239.7	268.3
Industrial buildings	0.0	0.0	178.0	182.9
Other commercially used buildings	0.0	0.0	821.0	906.1
Unfinished building and new buildings not yet earning income	0.0	0.0	0.0	0.0
Building plots	0.0	0.0	0.0	0.0

	2021 € million	2020 € million
Section 28 (1) no. 7 German Pfandbrief Act		
Total amount of receivables exceeding the limits pursuant to Section 13 (1)	0.0	0.0

	2021 in years	2020 in years
Section 28 (1) no. 11 German Pfandbrief Act		
Volume-weighted average age of receivables	7.4	7.0

	2021 in percent	2020 in percent
Section 28 (2) no. 3 German Pfandbrief Act		
Average weighted loan-to-value ratio	51.7	52.4

[1] *No liens on property outside Germany*

III) Composition of additional cover assets	2021 € million	2020 € million
Section 28 (1) no. 8 German Pfandbrief Act		
Total amount of receivables exceeding the limits of Section 19 (1) no. 2	0.0	0.0
Total amount of receivables exceeding the limits of Section 19 (1) no. 3	0.0	0.0
Section 28 (1) no. 4, 5 and 6 German Pfandbrief Act		
Equalisation claims as defined in Section 19 (1) no. 1	0.0	0.0
Receivables as defined in Section 19 (1) no. 2	550.0	0.0
of which covered bonds as defined in Article 129 of Regulation (EU) No. 575 / 2013	0.0	0.0
Receivables as defined in Section 19 (1) no. 3	0.0	300.0

IV) Overview of past due payments	2021 € million	2020 € million
Section 28 (2) no. 2 German Pfandbrief Act		
Total amount of payments on receivables past due at least 90 days	0.0	0.0
Total amount of these receivables if payment of at least 5 percent of the receivable is past due	0.0	0.0

V) Further information on the annual financial statements

Section 28 (2) no. 4 German Pfandbrief Act

	Land used for residential purposes		Land used for commercial purposes	
	2021 Number	2020 Number	2021 Number	2020 Number
Number of foreclosures and receiverships pending at the closing date	0	0	0	0
Number of foreclosures executed during the financial year	0	0	0	0
Number of plots taken over during the financial year to prevent losses	0	0	0	0

	Land used for residential purposes		Land used for commercial purposes	
	2021 € million	2020 € million	2021 € million	2020 € million
Total interest in arrears	0.0	0.0	0.0	0.0

Trustees

Joachim Pradel – retired judge
Claus Wilhelm Möller – deputy, retired department head at Deutscher Ring
Rolf-Hermann Henniges – deputy, retired notary public

Employees

	Annual average		
	Male	Female	Total
Full-time employees	1,742	915	2,657
Part-time employees	115	867	982
	1,857	1,781	3,639
Trainees	55	90	145
	1,912	1,871	3,784

Part-time employees are included on a prorated basis as full-time employees according to their contractual working hours.

An annual average of 1,550 part-time staff were employed in 2021.

Disclosures in accordance with section 340a (4) German Commercial Code

Members of the Board of Management and employees who hold positions on statutory monitoring bodies of large corporations (section 267 (3) German Commercial Code):

Members of the Board of Management

Dr. Harald Vogelsang (Spokesman of the Board of Management)

Supervisory Board	
Landesbank Berlin AG, Berlin	Member
Landesbank Berlin Holding AG, Berlin	Member

Frank Brockmann (Deputy Spokesman of the Board of Management)

Supervisory Board	
Sparkasse zu Lübeck AG, Lübeck	Deputy Chairman

Axel Kodlin (member of the Board of Management)

Supervisory Board	
Sparkasse Mittelholstein AG, Rendsburg	Chairman

Dr. Olaf Oesterhelweg (member of the Board of Management)

Supervisory Board	
Bordesholmer Sparkasse AG, Bordesholm	Member
LBS Bausparkasse Schleswig-Holstein-Hamburg AG, Hamburg	Member

Jürgen Marquardt (member of the Board of Management)

Supervisory Board	
LBS Bausparkasse Schleswig-Holstein-Hamburg AG, Hamburg	Deputy Chairman
neue leben Lebensversicherung AG, Hamburg	Deputy Chairman
neue leben Pensionskasse AG, Hamburg	Chairman
neue leben Unfallversicherung AG, Hamburg	Deputy Chairman

Directors

Olav Melbye (General Legal Representative)

Supervisory Board

Sparkasse Mittelholstein AG, Rendsburg	Member
Sparkasse zu Lübeck AG, Lübeck	Member

Wilfried Jastrembski (Director)

Board of Directors

Hamburgische Investitions- und Förderbank, Hamburg	Member

Supervisory Board

Dipl.-Kfm. Günter Elste **Chairman** **(until 15 April 2021)**	Chairman of the Supervisory Board of HASPA Finanzholding (until 27 January 2021)
Prof. Dr. Burkhard Schwenker **Chairman** **(since 15 April 2021)**	Chairman of the Supervisory Board of HASPA Finanzholding (since 27 January 2021) Senior Fellow Roland Berger GmbH
Stefan Forgé **Deputy Chairman** **(since 26 January 2021)**	Second Deputy Chairman of the Works Council of Hamburger Sparkasse AG
Ulrich Wachholtz **Additional Deputy Chairman**	Managing Director of Karl Wachholtz Verlag GmbH & Co. KG
Sandra Goldschmidt	Deputy Head of ver.di – Hamburg District
Cord Hamester	Works council member of Hamburger Sparkasse AG
Katja Karger	Chairwoman of the German Trade Unions Association, Berlin-Brandenburg district
Josef Katzer	Managing Director of Katzer GmbH
Dr. Thomas Ledermann	Member of the Management Board of BÖAG Börsen Aktiengesellschaft
Dirk Lender	Head of Legal Services of Hamburger Sparkasse AG
Dipl.-Kff. Nathalie Leroy **(since 15 April 2021)**	Managing Director of Munich Airport GmbH
Dipl.-Kff. Astrid Lurati **(since 15 April 2021)**	Member of the Board of Directors of Charité – Universitätsmedizin Berlin

Dr.-Ing. Georg Mecke	Prokurist Airbus Operations GmbH
Olav Melbye	Head of Credit and Legal of Hamburger Sparkasse AG
Thomas Sahling	Works council member of Hamburger Sparkasse AG
Claudia Stübe	Works council member of Hamburger Sparkasse AG
Gabriele Voltz (until 15 April 2021)	Lawyer
Dr. Jost Wiechmann	Lawyer, Tax Consultant, German Public Auditor Wiechmann – Rechtsanwälte

Haspa is included in the consolidated financial statements of HASPA Finanzholding, Hamburg, Germany, as the latter's wholly-owned subsidiary. The consolidated financial statements of HASPA Finanzholding are published in the electronic Federal Gazette. Haspa has entered into a control and profit transfer agreement with HASPA Finanzholding pursuant to section 291 (1) German Stock Corporation Act. Whilst Haspa in turn has equity interests in subsidiaries as well, pursuant to section 296 German Commercial Code it may dispense with preparation of (partial) consolidated financial statements.

Section 296 (1) no. 1 German Commercial Code applies to one subsidiary due to a voting right limitation under German corporate law. Haspa's four other subsidiaries are individually and jointly subject to section 296 (2) German Commercial Code. Relative to Haspa's separate financial statements, these subsidiaries, individually and jointly, due to their single-digit ratios would have an insignificant effect on Haspa AG's net assets, financial position and results of operations shown in consolidated financial statements of Haspa AG if Haspa prepared (sub)group accounts.

Board of Management
Dr. Harald Vogelsang
Spokesman

Frank Brockmann
Deputy Spokesman

Axel Kodlin

Jürgen Marquardt

Dr. Olaf Oesterhelweg

Hamburg, 15 February 2022

The Board of Management

Dr. Harald Vogelsang

Frank Brockmann

Axel Kodlin

Jürgen Marquardt

Dr. Olaf Oesterhelweg

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Hamburger Sparkasse, and the management report includes a fair review of the development and performance of the business and the position of the Hamburger Sparkasse AG, together with a description of the material opportunities and risks associated with the expected development of Hamburger Sparkasse.

Hamburg, 15 February 2022

The Board of Management

Dr. Harald Vogelsang

Frank Brockmann

Axel Kodlin

Jürgen Marquardt

Dr. Olaf Oesterhelweg

Independent auditors’ report

To Hamburger Sparkasse AG, Hamburg

Report on the audit of the annual financial statements and of the management report

Audit opinions

We audited the annual financial statements of Hamburger Sparkasse AG, comprising the balance sheet as at 31 December 2021, the income statement, the cash flow statement and the statement of changes in equity for the financial year from 1 January to 31 December 2021 as well as the notes including the presentation of accounting policies. We also audited the management report of Hamburger Sparkasse AG for the financial year from 1 January to 31 December 2021. In accordance with German legal requirements, we did not audit the content of those parts of the management report specified in the section entitled “Other information”.

In our opinion, on the basis of the knowledge obtained in the audit
- the accompanying annual financial statements comply, in all material respects, with the provisions of German commercial law as applicable to credit institutions and in compliance with the German proper accounting principles give a true and fair view of the assets, liabilities and financial position of the Sparkasse as at 31 December 2021, and of its results of operations for the financial year from 1 January to 31 December 2021, and

- the accompanying management report as a whole provides a suitable view of the Sparkasse’s position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not extend to the content of those parts of the management report specified in the section entitled “Other information”.

Pursuant to section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Annual Financial Statements and of the Management Report” section of our auditor’s report. We are independent of the Sparkasse in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation in conjunction with section 340k (3) sentence 2 HGB, we declare that all persons employed by us who can influence the result of the audit have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2021. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

Hereinafter we present the key audit matters from our perspective:

Our presentation of these key audit matters has been structured as follows:
a) Matter and issue
b) Audit approach and findings
c) Reference to further information

1. Measurement of receivables from customers amid the Covid-19 crisis

   a) Loan assets in the amount of € 37,230.6 million have been reported in the Sparkasse's annual financial statements as of 31 December 2021 under the balance-sheet item "Receivables from customers". For this loan portfolio, risk provisions have been recognised in the balance sheet as of 31 December 2021 which consist of specific and global valuation allowances. The expenses for risk provisions in the lending business recognised in the 2021 income statement have decreased considerably year-on-year.

      The measurement of risk provisions for customer lending business is determined, in particular, by the Board of Management's assessment regarding future credit losses, the structure and quality of the loan portfolio as well as overall economic factors. The value of specific valuation allowances on customer receivables corresponds to the difference between the loan amount outstanding and the lower fair value as of the reporting date. Collateral is taken into consideration. Global valuation allowances were measured using average credit losses over the last ten years. Moreover, in order to give due consideration to the currently exceptional events when measuring global valuation allowances, a specific adjustment was factored in and modified in line with the current situation on the basis of statistical and mathematical methods. If the specific adjustment had not been modified in line with the current situation, global valuation allowances would have been reversed by € 15.8 million.

      Valuation allowances on customer lending business have a highly significant impact on the Sparkasse's net assets, financial position and results of operations, while the Sparkasse's Board of Management has significant discretion over these valuation allowances. In addition, the measurement parameters applied which are subject to a high level of uncertainty play a considerable role in determining whether it is necessary to establish valuation allowances and, if so, their amount. In this context, this matter was particularly significant in the context of our audit.

b) Within the framework of our audit, we initially assessed the appropriateness of the controls implemented within the Sparkasse's relevant internal control system and tested the functionality of these controls on a spot check basis. In doing so, we took into consideration the bank's business organisation, its IT systems and relevant measurement models. We also assessed the measurement of customer receivables, including the appropriateness of estimated values, on the basis of spot checks of credit commitments. We therefore evaluated the Sparkasse's documentation concerning its financial condition as well as the recoverability of collateral. In addition, we have evaluated the calculation methods applied by the Sparkasse as well as the underlying assumptions and parameters by way of assessment of the specific and global valuation allowances recognised. We have assessed the appropriateness of the inclusion of further specific risk factors in relation to the current economic uncertainty in the context of the Covid-19 crisis. On the basis of our audit activities, we were able to confirm the appropriateness of the assumptions made by the Sparkasse's Board of Management in its review of the asset quality of its loan portfolio as well as the appropriateness and effectiveness of the processes implemented by the Sparkasse.

c) Further information is included in the notes to the annual financial statements of the Sparkasse in the section on accounting policies and in the following sections of the management report: 2.3.2. Results of operations, 4. Risk report and 5. Report on expected developments – opportunities and risks.

2. Accounting for participation in ECB open market operations

a) In the annual financial statements of Hamburger Sparkasse AG, Hamburg, total assets increased by € 4.8 billion. This rise is due in particular to the company's increased participation in ECB open market operations. The total amount of these transactions was around € 9 billion as at 31 December 2021. Overall in the current financial year, the company's participation in ECB open market operations and the collateral required for this resulted in a contribution to net interest income in the high double-digit millions, whereas in the previous year this had a slightly negative impact.

   In our view, this matter was particularly significant in the context of our audit as this matter and the income resulting from it are material for the assessment of the Sparkasse's net assets, financial position and results of operations.

b) As part of our audit of this matter, we assessed the presentation of the matter in accordance with the requirements of the German Commercial Code based on the contractual framework. Among other things, we also reviewed whether:

   – the assessment and presentation of the Board of Management based on commercial law complies with statutory provisions and generally accepted accounting principles,

   – the key assumptions underlying the recognition of income are plausible according to internal and external expectations and are thus sound,

   On the basis of our audit procedures, we were satisfied that the accounting for participation in ECB open market operations has been carried out in an appropriate manner.

c) Further information is included in the notes to the annual financial statements of the Sparkasse in the section on accounting policies and in the following sections of the management report: 2.2. Course of business, 2.3.2. Results of operations and 5. Report on expected developments – opportunities and risks.

Other information

The Board of Management is also responsible for the other information.

The other information comprises:

– The separate non-financial report in accordance with section 289b HGB, which is referenced in section 6 of the management report,

– The corporate governance declaration in accordance with section 289f HGB contained in section 7 of the management report,

– Other parts of the annual report of Hamburger Sparkasse AG for the year ended 31 December 2021 that are not relevant for the audit.

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

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

– is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or

– otherwise appears to be materially misstated.

Responsibility of the Board of Management and the Supervisory Board for the annual financial statements and the management report

The Board of Management is responsible for the preparation of the annual financial statements, which in all material respects comply with the provisions of German commercial law as applicable to corporations, and it is responsible that the annual financial statements in compliance with the German proper accounting principles give a true and fair view of the assets, liabilities, financial position and results of operations of the Sparkasse. In addition the Board of Management is responsible for such internal control as they have determined necessary in accordance with the German principles of proper accounting to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Board of Management is responsible for assessing the Sparkasse's ability to continue as a going concern. Furthermore, it has the responsibility to disclose matters related to going concern, as applicable. In addition, it is responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the company or to cease operations, or there is no realistic alternative but to do so.

In addition, the Board of Management is responsible for the preparation of the management report, which as a whole provides a suitable view of the Sparkasse's situation, is consistent with the annual financial statements in all material respects, complies with the German legal regulations and suitably presents the opportunities and risks of future development. Furthermore, the Board of Management is responsible for such arrangements and measures (systems) which it has deemed necessary in order to enable the preparation of a management report in accordance with the German legal regulations to be applied and to furnish sufficient and appropriate evidence for the statements in the management report.

The Supervisory Board is responsible for overseeing the Sparkasse's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the audit of the annual financial statements and of the management report

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

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

As part of an audit, we exercise professional judgement and maintain professional scepticism. We also

– identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

– obtain an understanding of internal control system relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these Sparkasse systems.

- evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.

- form conclusions on the appropriateness of the legal representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sparkasse's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditors' report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Sparkasse to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements in compliance with the German proper accounting principles give a true and fair view of the assets, liabilities, financial position and results of operations of the company.

- evaluate the consistency of the management report with the annual financial statements, its legal consistency, and the view of the Sparkasse's position it provides.

- perform audit procedures on the forward-looking information presented by the legal representatives in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the forward-looking information, and evaluate the proper derivation of the forward-looking information from these assumptions. We do not express a separate audit opinion on the forward-looking information and on the underlying assumptions. There is a significant, unavoidable risk that future events will differ materially from the forward-looking information.

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

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

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

Other legal and regulatory requirements

Assurance report in accordance with Section 317 Abs. 3a HGB on the electronic reproduction of the annual financial statements and the management report prepared for publication purposes

Assurance conclusion
We have performed an assurance engagement in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the reproduction of the annual financial statements and the management report (hereinafter also referred to as "ESEF documents") contained in the attached electronic file Haspa_AG_ESEF-2021-12-31.xhtml and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance engagement only extends to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within this reproduction nor to any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the annual financial statements and the management report contained in the above-mentioned electronic file and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned file beyond this reasonable assurance conclusion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December 2021 contained in the "Report on the Audit of the Annual Financial Statements and on the Management Report" above.

Basis for the reasonable assurance conclusion
We conducted our assurance engagement on the reproduction of the annual financial statements and the management report contained in the above-mentioned electronic file in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance in Accordance with Section 317 (3a) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (IDW AsS 410 (10.2021)). Accordingly, our responsibilities are further described below in the "Auditor's Responsibilities for the Assurance Engagement on the ESEF Documents" section. Our audit department has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibility of the Board of Management and the Supervisory Board for the ESEF documents

The Board of Management of the Sparkasse is responsible for the preparation of the ESEF documents including the electronic reproduction of the annual financial statements and the management report in accordance with Section 328 (1) sentence 4 no. 1 HGB.

In addition, the Board of Management of the Sparkasse is responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Auditor's responsibilities for the assurance engagement on the ESEF documents
Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error. As part of an audit, we exercise professional judgement and maintain professional scepticism. We also

– identify and assess the risks of material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance conclusion.

– obtain an understanding of internal control relevant to the assurance engagement on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance conclusion on the effectiveness of these controls.

– evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815 as applicable on the reporting date on the technical specification for this electronic file.

– evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited annual financial statements and the audited management report.

Further information pursuant to Article 10 of the EU Audit Regulation
In accordance with section 340k (3) HGB in conjunction with the Articles of Association of Hamburger Sparkasse AG, Hamburg, and the HSGV as well as the audit office of the HSGV, we are the Sparkasse's statutory auditor. On 15 April 2021, the General Meeting of the Sparkasse adopted a resolution electing us as auditor for the 2021 financial year. We were engaged by the Supervisory Board on 27 April 2021

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

The services rendered by us in addition to the audit of the financial statements are listed in the notes to the financial statements of Sparkasse under Other information, Expenses for the auditor.

Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

Responsible auditor
The German Public Auditor responsible for the engagement is Mr. Ulf-Torben Krüger.

Hamburg, 22 March 2022

Auditing Division of the
HANSEATISCHER SPARKASSEN-
UND GIROVERBAND
(HANSEATIC SAVINGS BANKS ASSOCIATION)

Ulf-Torben Krüger
Wirtschaftsprüfer
(German Public Auditor)

Report of the Supervisory Board

During the reporting year, the Supervisory Board and the Board of Management regularly, without delay and comprehensively discussed all fundamental matters related to the strategic alignment of Hamburger Sparkasse AG, its corporate policies, its company planning, the development of its operating business, its financial condition, its exposure to risk and the business and risk strategy, and the Supervisory Board made all decisions that were incumbent on it. All issues key to the company were discussed in depth with the Board of Management in four plenary sessions. In addition, the Supervisory Board convened for two further meetings at which it reconstituted itself. Matters of major importance as well as topics specified in particular in the German Banking Act were discussed and fleshed out ahead of time at the meetings of the appropriate committees. Due to the coronavirus pandemic, most of the meetings were held as video conferences.

In the context of performance and risk reporting, and taking particular account of the Covid pandemic, the Supervisory Board discussed the financial and risk situation of Hamburger Sparkasse AG at length and deliberated on the possible effects the pandemic has on it. Other issues of importance were the redistribution of responsibilities within the Board of Management, reporting on the progress of the projects on repositioning the organisation and culture of Hamburger Sparkasse AG (“Haspa Spring”) and on IT migration (“Amandus 2”), the impact of the Covid pandemic on the property markets, current developments in the S-Finanzgruppe’s guarantee system for financial institutions and the SREP decision of the European Central Bank.

Following a lengthy debate and based on a list of different criteria, the Supervisory Board then assessed its structure, size, composition and performance as well as the knowledge, skills and experience of both Supervisory Board members and the Supervisory Board as a whole and determined these to be adequate and in line with regulatory requirements. The Supervisory Board also devoted attention to the structure, performance and suitability of the Board of Management and its members, which it judged to be appropriate and in line with the requirements applicable to Hamburger Sparkasse AG, and decided on how to measure and set the variable remuneration awarded to the members of the Board of Management.

The Supervisory Board was involved in all material decisions of Hamburger Sparkasse AG requiring its consent by law or the company’s articles of association. The Chairman of the Supervisory Board and the Spokesman of the Board of Management also regularly engaged in discussions at which the latter informed the former of current operational matters and addressed strategic considerations ahead of time. The Supervisory Board satisfied itself of the Board of Management’s due and proper conduct of business and made all decisions that are incumbent upon it by its authority – especially under the requirements of applicable laws and the articles of association – at its meetings. It received regular reports on the work of the committees. The annual training event addressed topics such as sustainability from various perspectives and IT security management.

The auditing division of the Hanseatischer Sparkassen- und Giroverband (Hanseatic Savings Banks Association), which the General Meeting had elected to serve as the auditors, audited the bank’s annual financial statements as at 31 December 2021 – comprising the balance sheet, income statement, notes as well as the cash flow statement and the statement of changes in equity – including the bookkeeping system as well as the management report and issued an unqualified auditors’ report.

The auditors' report was presented to the members of the Audit Committee tasked with conducting a preliminary review. The auditors attended the financials meetings of the Audit Committee and the Supervisory Board and reported on the material findings of their audit. The Supervisory Board discussed the auditors' report in detail and duly noted its findings. The Supervisory Board's own review fully concurs with the results of the audit by the auditing division of the Hanseatic Savings Banks Association. The Supervisory Board sees no reason to raise any objections against the management and the financial statements that were presented. The Supervisory Board approved the annual financial statements as prepared by the Board of Management at today's meeting. The annual financial statements have thus been adopted pursuant to section 172 German Stock Corporation Act. Under the control and profit transfer agreement, the net income for the 2021 financial year before profit transfer, as reported in the annual financial statements, is transferred in full to HASPA Finanzholding without requiring a resolution of the General Meeting as to the appropriation of net retained profits.

The Supervisory Board also reviewed the non-financial report (Sustainability Report). In doing so, it took into account the findings of the review of the report conducted by the Compliance division. The audit did not lead to any reservations.

After many years of exceptionally close and trust-based collaboration, the Chairman of the Supervisory Board, Mr. Günter Elste, stepped down from the Supervisory Board with effect from 15 April 2021 due to the age limit set out in the Articles of Association. The Supervisory Board would like to thank Mr. Elste for his long-standing dedication to Hamburger Sparkasse AG and for his commendable work. Ms. Gabriele Voltz also stepped down from the Supervisory Board for age reasons. The Supervisory Board would like to thank her sincerely for her commitment and her constructive and loyal cooperation. On 15 April 2021, the General Meeting elected Ms Nathalie Leroy and Ms. Astrid Lurati to the Supervisory Board. The Supervisory Board subsequently elected the undersigned to act as its Chairman.

The Supervisory Board expresses its gratitude and appreciation to the Board of Management and to all employees of Hamburger Sparkasse AG for their great personal dedication and successful work in the financial year just ended, which was dominated by the extraordinary challenges caused by the Covid pandemic. The Supervisory Board also thanks the works council for the good and constructive collaboration.

Hamburg, 13 April 2022

The Supervisory Board

Prof. Dr. Burkhard Schwenker
Chairman of the Supervisory Board

Divisions

Compliance
Christian Albers

Direct Consulting
Michael Maaß

Purchasing, Facility Management and Logistics
Volker Widdra

Comprehensive Bank Controlling
Stefan Hahn

Real Estate Customers
Jens Ole Heitmann
Wilfried Jastrembski

IT Management
Niels Rasmussen

Credit and Legal
Olav Melbye, General Legal Representative

Customer Journey Investment and Pension
Thomas Hinsch

Customer Journey Daily
Lars Fiolka

Customer Journey Start-up and Grow
Thorsten Detjen

Customer Journey Living
Helge Fobbe

Omnichannel Management
Arne Nowak

Organisation and Process Management
Alexandra Hasse

Human Resources
Dr. Elisabeth Keßeböhmer

Private Banking
Frank Krause

Alster-East Region
Ralf Günther
Tobias Kleinert

Alster-West Region
Tobias Foerster
Carsten Blöß

North Region
Frank Ennen
Dörte Martens

North-East Region
Niels-Helge Pirck
Silke Schwing

East Region
Holger Knappe
TBD

South Region
Arent Bolte
Marcel Sluppke

West Region
Metta Schade
Helge Steinmetz

Works Council

Audit
Thorsten Pegelow

Risk Management
York Heitmann

Transfer Support
Joachim Ewald

Transformation Management
Dennis Chan

Treasury
Henrik Bustorf

Corporate Development
Tobias Lücke

Corporate Communication
Stefanie von Carlsburg

Enterprise Customers
Andreas Mansfeld, General Legal Representative

Chairman of the Works Council
Gottfried Max Segert

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