

State of Bremen

The affirmation of State of Bremen's ratings reflects Fitch Ratings' unchanged approach of a rating floor at 'AAA' for the German Laender, which have ratings that are equalised with those of the Federal Republic of Germany (Bund; AAA/Stable/F1+).

Fitch assess Bremen's Standalone Credit Profile (SCP) at 'a', resulting from a 'Stronger' risk profile and a financial profile that Fitch assesses as 'bbb' under its rating case. Equalisation of the German Laender's ratings with the Bund's is driven by Fitch's application of a rating floor for all Laender based on the strong solidarity system enshrined in the constitution underpinning the creditworthiness of all Laender, irrespective of the Key Risk Factors (KRFs) and financial profile assessment.

Under the Solidarity system, all member states of the federal republic are jointly responsible for supporting a Land in financial distress. If a Land experiences 'extreme budgetary hardship', it is entitled to financial assistance from all other Laender and the Bund. This principle has been reaffirmed by the constitutional courts, most recently in 2006.

Key Rating Drivers

'Stronger' Risk Profile: Bremen's 'Stronger' risk profile reflects Fitch's view of a low risk relative to international peers that the state's ability to cover debt service with the operating balance may weaken unexpectedly over the forecast horizon (2025-2029) due to lower revenue, higher expenditure, or an unexpected rise in liabilities, debt or debt service requirements.

KRFs Assessed as 'Stronger': Fitch assesses all of Bremen's KRFs as 'Stronger'. Bremen benefits from predictable and low volatile revenue sources, as about 67.8% of its revenue made of stable tax income, supported by a robust and diversified tax bases, and an extensive financial equalisation system. It has a strong record of spending restraint to keep opex growth below operating revenue.

Strong Debt Profile: Liabilities carry no FX risk and negligible interest rate risk as its floating-rate issues are almost all hedged. Existing cash pooling liquidity facilities between Laender and Bund in addition to Bremen's very good access to capital markets, prevents any temporary delays in the provision of liquidity and support.

Financial Profile 'bbb': We assess Bremen's overall financial profile in the 'bbb' category. Its primary metric – economic liability burden (ELB) – of 94.3% assessed in the 'a' category in our rating case for 2029, is the highest among its national peers, reflecting higher share of Bremen's net adjusted debt component (own debt) within the ELB ratio. The secondary debt metric, the payback ratio (net adjusted debt/operating balance), will reach 23.0x, corresponding to the 'bb' category.

High Debt Per Capita: Bremen has the highest per capita debt among German states, with direct debt totalling EUR23,395 million at end-2024, or EUR33,642 per resident.

Bremen's secondary metrics – the synthetic debt service coverage ratio of 0.6x and fiscal debt burden at 281.9% – are consistent with the 'b' category. For German Laender, low debt service coverage is less of a risk given cash-pooling liquidity facilities between Laender and the Bund in addition to their strong access to capital markets.

Neutral Additional Risk Factors: Bremen's Long-Term Issuer Default Ratings (IDRs) are equalised with those of the sovereign, reflecting Fitch's application of a rating floor at 'AAA' for German Laender. The ratings are not affected by any asymmetric risk and no additional risk factors have been identified.

This report does not constitute a new rating action for this issuer. It provides more detailed credit analysis than the previously published Rating Action Commentary, which can be found on www.fitchratings.com.

Ratings

Foreign Currency

Long-Term IDR	AAA
Short-Term IDR	F1+

Local Currency

Long-Term IDR	AAA
Short-Term IDR	F1+

Outlooks

Long-Term Foreign-Currency IDR	Stable
Long-Term Local-Currency IDR	Stable

Debt Ratings

Senior Unsecured Debt - Long-Term Rating	AAA
Senior Unsecured Debt - Short-Term Rating	F1+

Issuer Profile Summary

Bremen, one of the three German city states, is in northern Germany. It is the smallest state by population and area, accounting for roughly 1% of Germany's population. It has well-above-average wealth and its GDP per capita of EUR59,785 in 2024 is 18% above the German average.

Financial Data Summary

(EURm)	2024	2029rc
Economic liability burden (%)	93.5	94.3
Payback ratio (x)	23.4	23.0
Synthetic coverage (x)	0.5	1.5
Fiscal debt burden (%)	287.2	281.9
Net adjusted debt	21,930	24,164
Operating balance	938	1,051
Operating revenue	7,636	8,571
Debt service	3,156	2,508
Mortgage-style debt annuity	1,732	1,874

rc: Fitch's rating-case scenario

Source: Fitch Ratings, Fitch Solutions, State of Bremen

Applicable Criteria

[International Local and Regional Governments Rating Criteria \(August 2024\)](#)

Related Research

[Weaker Tax Revenue Growth May Reduce German Laender's SCP Headroom \(May 2025\)](#)

[German Laender's Debt to Remain Stable Despite Weaker Operating Performance \(April 2025\)](#)

[German Laender – Peer Credit Analysis \(April 2025\)](#)

Analysts

Nilay Akyildiz

+49 69 768076 134

nilay.akyildiz@fitchratings.com

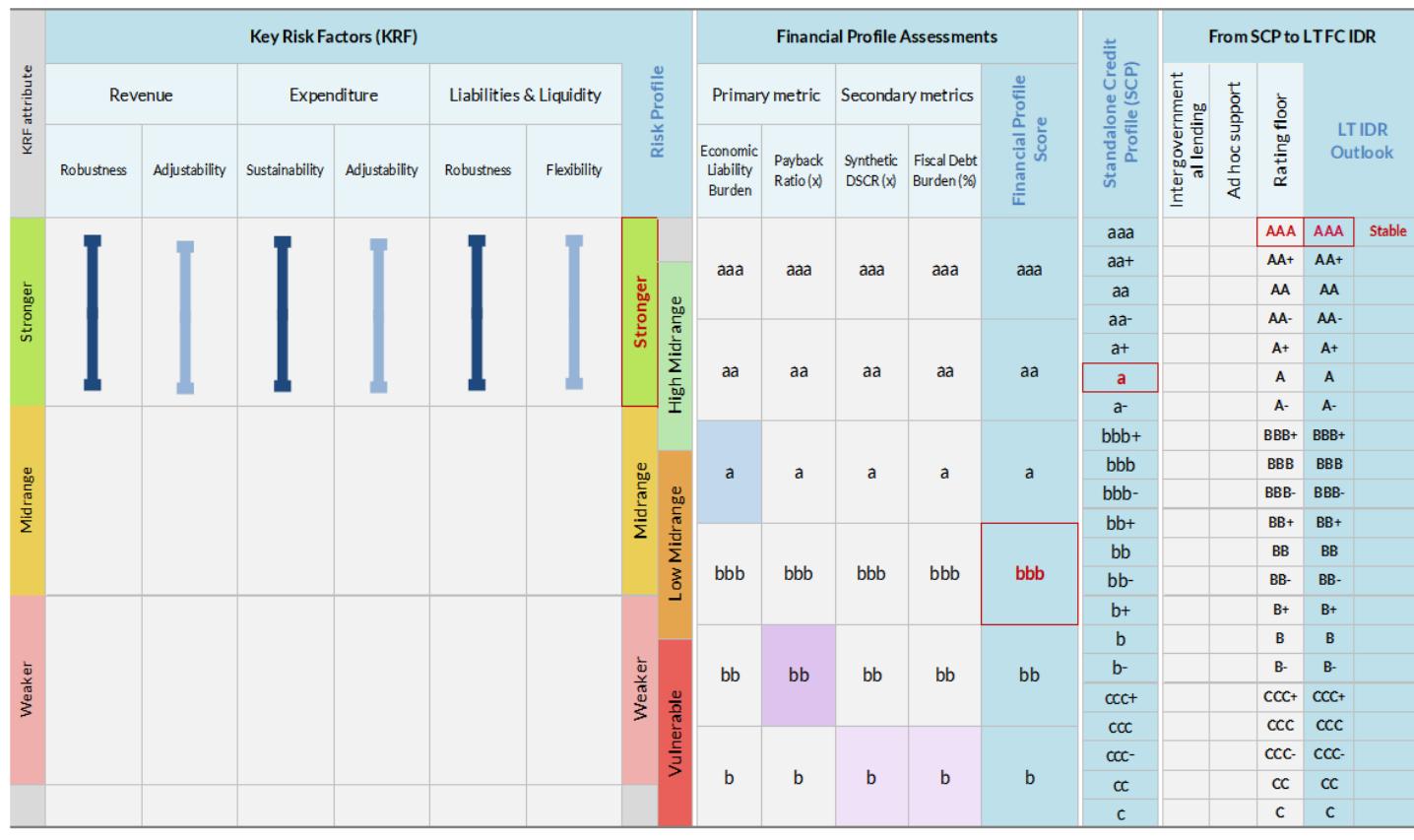
Guido Bach

+49 69 768076 111

guido.bach@fitchratings.com

Rating Synopsis

Bremen, State of LT IDR Derivation Summary



Source: Fitch Ratings

The six KRFs, combined according to their relative importance, collectively represent the risk profile of the local and regional government (LRG). Risk profile and financial profile assessments, which measure the LRG's debt burden and debt service requirements amid a reasonable economic or financial downturn over the rating horizon, are combined in an SCP. The SCP, together with some additional factors not captured in SCP, such as extraordinary support or rating cap, produces the IDR.

Rating Sensitivities

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

The ratings are the highest level on Fitch's rating scale and cannot be upgraded.

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

A downgrade of the sovereign ratings would lead to a downgrade of Bremen. An adverse change to the solidarity principle, which is unlikely, could lead to a downgrade.

Issuer Profile

Bremen is in north-western Germany and is the smallest of all the Laender by population (about 691,800) and area (419.4 sq km). It comprises two cities, Bremen and Bremerhaven.

Bremen's GDP per capita of EUR59,785 in 2024 is the third highest among the German states and is well above the national average of EUR50,819, partly as its city-state status making it an attractive destination for business. Its economy is dominated by a broad services sector (trade, traffic, real estate and public services) but it also has a high share of production (in the automotive and steel segments, among others). It is the second-most important export location after Hamburg due to its harbours. Most of the trade is related to food and beverages, and Bremen is the most important reloading point for the automotive sector. The state also focuses on developing renewable energies.

Bremen attracts jobseekers that often stay while applying for unemployment benefits or social aid. This partly explains why Bremen's unemployment rate (11.1% in 2024) is the highest among the states and is much higher than Germany's average (6.0%).

Socioeconomic Indicators

	Issuer	Sovereign
Population, 2024 (m)	0.7	84.7
GDP per capita, 2024 (EUR)	59,785	50,819
GRP growth, 2024 (%)	-1.0	-0.2
Inflation, 2024 (%)	3.6	3.1
Unemployment rate, 2024 (%)	11.1	6.0

Source: Fitch Ratings, national statistics, State of Bremen

Risk Profile Assessment

Risk Profile: Stronger

Fitch assesses Bremen's risk profile at 'Stronger', reflecting the combination of assessments:

Risk Profile Assessment

Revenue robustness	Revenue adjustability	Expenditure sustainability	Expenditure adjustability	Liabilities & liquidity robustness	Liabilities & liquidity flexibility	Implied operating environment score	Risk profile
Stronger	Stronger	Stronger	Stronger	Stronger	Stronger	aa	Stronger

Source: Fitch Ratings

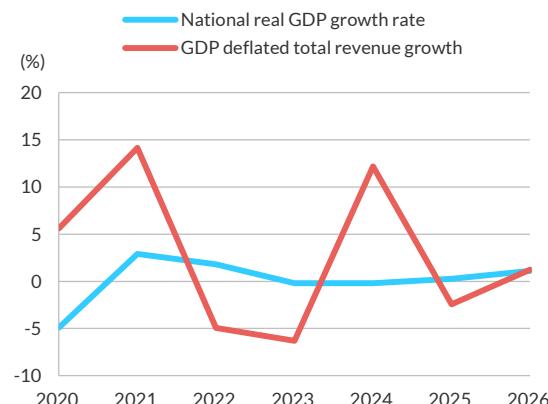
The assessment reflects Fitch's view of a low risk relative to international peers that Bremen's ability to cover debt service with the operating balance may weaken unexpectedly over the forecast horizon (2025-2029) due to lower revenue, higher expenditure, or an unexpected rise in liabilities, debt or debt service requirements.

Revenue Robustness: Stronger

A high share of stable tax revenues, supported by a strong and diversified tax base and steady transfers from the Bund, ensures predictable revenue with low volatility. Main revenue sources are common tax revenue (corporate income tax (CIT), VAT and personal income tax (PIT)) distributed between the Bund and the Laender and, to a lesser extent, the municipalities. By law, the Laender receive 50% of CIT and 42.5% of PIT. The shares of VAT have a more complex allocation process, with low variations. In 2024, the share was 49.1% for the Laender, 48.1% for the Bund and 2.8% for the municipalities.

In 2024, tax revenue was 67.8% of Bremen's revenue, broadly in line with 68.9% in 2023. We expect the share to rise over the medium term, supported by the government's fiscal stimulus package. PIT and VAT are the largest contributors, at 11.3% and 29.1% of its revenue, respectively.

Real Total Revenue and GDP Growth



Source: Fitch Ratings, State of Bremen

Revenue Breakdown, 2024 (%)

	Operating revenue	Total revenue
PIT	11.5	11.3
VAT	29.8	29.1
Other taxes	28.0	27.4
Transfers	26.1	25.5
Other operating revenue	4.5	4.4
Operating revenue	100.0	97.7
Interest revenue	-	0.5
Capital revenue	-	1.7
Total revenue	-	100.0

Note: Figures may not tally due to rounding.

Source: Fitch Ratings, Fitch Solutions, State of Bremen

Revenue Adjustability: Stronger

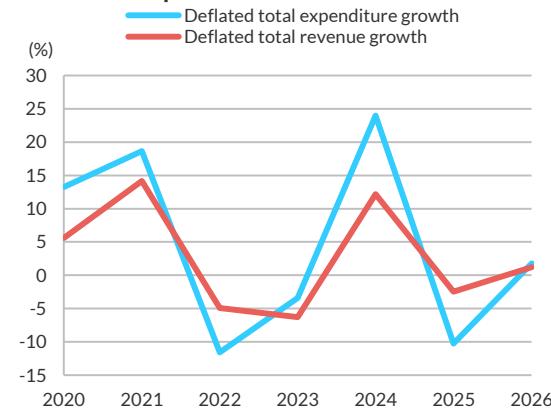
A strong record of an extensive equalisation system and a broad-based solidarity pact help address financial disparities among the Laender. Financially stronger Laender are required to transfer part of their above-average tax revenues to weaker members, helping offset differences in tax bases and financial strength. The recent reform of the equalisation system increases Bund transfers to weaker Laender and reduces the burden on net donor states. This is credit positive, especially for Bremen, which receives an additional EUR400 million annually to address structural weaknesses. In 2024, Bremen was a net received EUR924.7 million, or about 12% of its revenue.

Expenditure Sustainability: Stronger

German Laender have a prudent record of opex control. The main spending items are for key public services, such as education, science, security and infrastructure, which are counter-cyclical. The Bund implements anti-cyclical measures in times of economic stress. The Laender have been applying cost-consolidation measures since 2010 to comply with the debt-brake rule that took effect in 2020. They have shown strong spending restraint to keep opex growth below operating revenue rises. Cost-consolidation measures are subject to the supervision of the German Stability Board.

During times of crisis, Bremen, like all Laender, maintains close coordination with the Bund. This was evident during the Covid-19 pandemic and the Ukraine refugee crisis, when the Bund largely covered the additional financial burden resulting from the influx of refugees. The Bund provides targeted grants to the Laender, which are then distributed to municipalities. As a result, even when expenditure rises unexpectedly, the increased burden is typically matched by corresponding revenue streams.

Real Total Expenditure And Revenue Growth



Source: Fitch Ratings, State of Bremen

Expenditure Breakdown, 2024 (%)

	Operating expenditure	Total expenditure
Staff Costs	35.4	26.2
Goods and services	22.1	16.4
Operating subsidies	42.5	31.5
Operating expenditure	100.0	74.2
Interest expenditure	-	5.6
Capital expenditure	-	20.2
Total expenditure	-	100.0

Note: Figures may not tally due to rounding.

Source: Fitch Ratings, Fitch Solutions, State of Bremen

Expenditure Adjustability: Stronger

German Laender have effective budget rules. They have a moderate share of inflexible spending items. Bremen has a good record of cost consolidation, and its personal costs and transfers accounted for 57% of its totex in 2024. Capex rose to 20% of totex, up from an average of 11% in 2020-2023, primarily due to equity injections for two newly established companies: the Educational Construction Company (BiBau) and the Urban Development Company (BreStadt).

Following the 2025 debt brake reform, we expect the Laender to increase net new borrowing by about 0.35% of their local GDP annually and Bremen to incur net new borrowing of EUR70 million annually between 2025 and 2029. Including this new borrowing possibility, we expect Bremen to incur on net new borrowing of EUR270 million in our rating case, which will be predominantly allocated to investments in public infrastructure, particularly education and the transition to green energy. Over the medium term, we anticipate capex will continue to represent around 12% of Bremen's totex.

Liabilities and Liquidity Robustness: Stronger

German Laender operate in a solid national framework for debt and liquidity management, and show strict market discipline, which is credit positive. The Laender, as by far the largest sub-sovereigns and frequent issuers, have strong access to international capital markets, enabling them to issue benchmark-size bonds. Bremen's total direct debt outstanding was EUR23.3 billion at end-2024. Repayment risk is mitigated by Bremen's frequent issuances in the capital market and the weighted average maturity of its debt at 9.8 years. Bremen does not issue in foreign currencies and its floating-rate issues are almost all hedged and therefore it is not exposed to FX and interest rate risk.

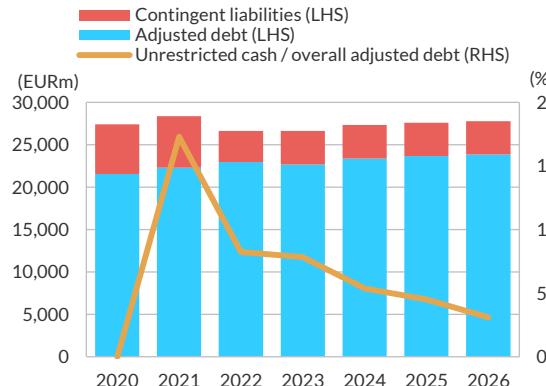
Bremen regularly participates in joint bond issuances with groups of five to six Laender, typically two to three times a year, with a minimum benchmark size of EUR1 billion. This further diversifies the state's funding sources. The last joint jumbo issue was the 67th bond issued in September 2025.

Bremen is one of Germany's three city states, alongside Berlin and Hamburg. Unlike regional states, city-states bear a greater spending responsibility, as they must fulfil both municipal and state-level functions. Like other German Laender, Bremen faces contingent liabilities, including, issued debt guarantees for its development banks, debt of its majority-owned government-related entities (GREs), and unfunded pension obligations (EUR1,224 million in 2024). The risks associated with its commitments to banks are mitigated by sufficient assets and the conservative business models of its development banks. Fitch considers the risk from Bremen's contingent liabilities to be low.

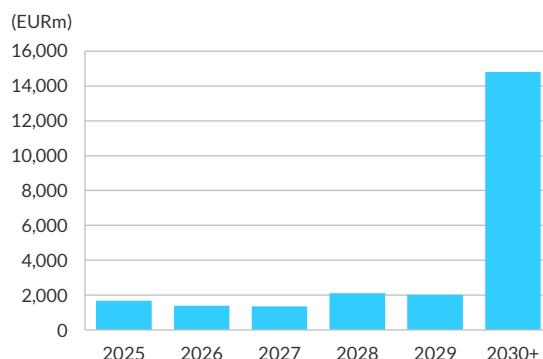
Bremen oversees 67 public-sector entities (GREs), with 54 majority-owned, operating in sectors including aerospace, maritime, automotive, wind energy, banking, culture, tourism, construction, property management, and business and science promotion. As of end-2023, the sector reported net income of EUR2.0 million, total assets of EUR7.8 billion, an equity ratio of 35% and outstanding liabilities of EUR2.82 billion (excluding guaranteed debt).

Most of Bremen's GRE debt is from Bremer Aufbau-Bank GmbH (owned by WFB Wirtschaftsförderung) and companies owned by Stadtgemeinde Bremen, including BLG Logistics and GEWOBA. Bremer Aufbau-Bank GmbH (BAB) is the development bank for Bremen and Bremerhaven, supporting sustainable economic growth and leading housing, social and environmental initiatives. At end-2023, BAB's lending business outperformed expectations, aided by reduced pandemic-related risk provisions. The operating result after risk provisions was approximately EUR 0.2 million, which was retained to strengthen reserves.

BLG Logistics, a leading automotive and container logistics provider, reported a net income of EUR85.8 million in 2024 (up from EUR36 million in 2023), with liquidity rising to EUR134 million. GEWOBA, Bremen's largest housing company with around 43,000 apartments, is majority-owned by Stadtgemeinde Bremen via HAWOBEG, while Sparkasse Bremen holds a 25% stake. In 2024, GEWOBA exceeded profit expectations (EUR31.2 million vs. EUR27.6 million in 2023) and generated operating cash flow of EUR91.3 million, which covered its debt service 1.3x.

Overall Adjusted Debt Structure

Source: Fitch Ratings, State of Bremen

Debt Maturity Profile

Source: Fitch Ratings, State of Bremen

Liabilities and Liquidity Flexibility: Stronger

German Laender benefit from strong emergency liquidity support provided by the government, which carries 'AAA' counterparty risk. Bilateral and mutual cash-pooling agreements among all Laender and the Bund further mitigate liquidity risk for individual states, ensuring mutual support except in the unlikely event of a complete federal breakdown. The mutual support is reinforced by the robust financial support mechanism enshrined in the constitution. This support, combined with the Laender's strong access to capital markets and treasury facilities, helps prevent delays in liquidity provision. This is a key factor in our rating approach for Laender.

Debt Analysis

	2024
Fixed rate (% of direct debt)	94.4
Debt in foreign currency (% of direct debt)	0
Apparent cost of debt (%)	2.2
Weighted average life of debt (years)	9.8

Source: Fitch Ratings, State of Bremen

Liquidity

	2024
Total cash, liquid deposits and sinking funds	1,465
Restricted cash	0
Cash available for debt service	1,465
Undrawn committed credit lines	1,000

Source: Fitch Ratings, State of Bremen

Financial Profile Assessment**Financial Profile: bbb category****Financial Profile Score Summary**

	Primary metric		Secondary metrics	
	Economic liability burden (%)	Payback ratio (x)	Coverage (x)	Fiscal debt burden (%)
aaa	X ≤ 40	X ≤ 5	X ≥ 4	X ≤ 50
aa	40 < X ≤ 70	5 < X ≤ 9	2 ≤ X < 4	50 < X ≤ 100
a	70 < X ≤ 100	9 < X ≤ 13	1.5 ≤ X < 2	100 < X ≤ 150
bbb	100 < X ≤ 140	13 < X ≤ 18	1.2 ≤ X < 1.5	150 < X ≤ 200
bb	140 < X ≤ 180	18 < X ≤ 25	1 ≤ X < 1.2	200 < X ≤ 250
b	X > 180	X > 25	X < 1	X > 250

Note: Yellow highlights show metric ranges applicable to the issuer.

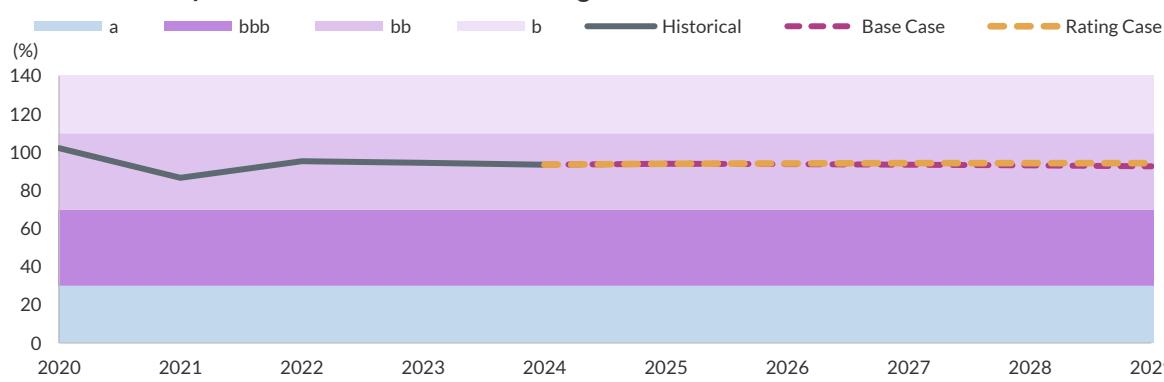
Source: Fitch Ratings

Fitch classifies German Laender as a Type A LRGs as they can incur structural deficits and share some key attributes of sovereignty with the central government.

We assess Bremen's overall financial profile in the 'bbb' category. This reflects its primary metric – economic liability burden – of 94.3% in our rating case for 2029, which corresponds to the 'a' category. We forecast its payback ratio at 23.0x, corresponding to the 'bb' category. Bremen's secondary metrics – the synthetic debt service coverage ratio of 0.6x and fiscal debt burden at 281.9% – are consistent with the 'b' category. For German Laender, low debt service coverage is less of a risk given cash-pooling liquidity facilities between Laender and the Bund in addition to their strong access to capital markets.

Bremen's operating balance remained broadly stable in 2024 increasing to EUR938 million in 2024 (2023: EUR921 million). We expect the operating balance to increase to EUR1,051 million in 2029, based on recent slightly improved official tax estimates and our expectation of nominal GDP growth of 3%, driven by expected tax proceeds under our rating case.

Economic Liability Burden - Fitch's Base and Rating Case Scenarios



Source: Fitch Ratings, State of Bremen

Fitch's base-case scenario considers the assumptions that are primarily derived from economic data, including its Global Economic Outlook and the Germany sovereign report, as well as the issuer's medium-term financial planning. Our assumptions for cash flow for 2025-2029 are primarily based on economic data, in particular national nominal GDP growth and inflation forecasts.

Scenario Assumptions Summary

Assumptions	2020-2024 average	2025-2029 average	
		Base case	Rating case
Operating revenue growth (%)	5.8	2.5	2.3
Tax revenue growth (%)	9.4	3.1	2.9
Current transfers received growth (%)	-0.9	0.8	0.8
Operating expenditure growth (%)	7.5	1.9	2.3
Net capital expenditure (EURm)	-843	-931	-931
Apparent cost of debt (%)	2.5	2.0	2.0

Outcomes	2024	2029	
		Base case	Rating case
Economic liability burden (%)	93.5	92.7	94.3
Payback ratio (x)	23.4	18.2	23.0
Overall payback ratio (x)	27.6	21.3	26.7
Synthetic coverage ratio (x)	0.5	0.7	0.6
Fiscal debt burden (%)	287.2	270.7	281.9

Source: Fitch Ratings, State of Bremen

Bremen's adjusted debt (EUR 23,395 million) considers its short-term debt (EUR1,690 million) and long-term debt (EUR21,640 million) as well as its intergovernmental debt (EUR65 million). Net Fitch-adjusted debt corresponds to the difference between Fitch-adjusted debt and Bremen's year-end available cash (EUR1,465 million).

Bremen's net overall debt of EUR25,881 million also includes the state's guarantees (2024: EUR1,133 million) and the debt of its majority-owned government-related entities and other contingent liabilities (2023 latest available information: EUR2,818 million). Fitch views Bremen's contingent liabilities as low risk.

SCP Positioning and Peer Comparison

Analytical Outcome Guidance

Risk Profile		Financial Profile				
Stronger	aaa or aa	a	bbb	bb	b	
High Midrange	aaa	aa	a	bbb	bb	b
Midrange		aaa	aa	a	bbb	bb or below
Low Midrange			aaa	aa	a	bbb or below
Weaker				aaa	aa	a or below
Vulnerable					aaa	aa or below
Suggested analytical outcome (SCP)		aaa	aa	a	bbb	bb
						b

Source: Fitch Ratings

All German Laender and international peers, including Province of Quebec and Ontario, have 'Stronger' risk profiles, reflecting their robust institutional framework and economic environment in which they operate, resulting in low volatility in cash flows. Among states in Germany, Bremen is comparable with the states of Saarland and Saxony Anhalt in economic diversification and demographic challenges. Its SCP of 'a' is lower than both states, due to weaker debt metrics, especially due to its payback in the 'bb' category. International Type A peers, such as Ontario, with a 'a+' SCP, has a lower economic liability burden even though it corresponds to the same category.

Peer Comparison

	Risk profile	Financial profile score	SCP support	Extraordinary	Rating floor	Long-Term IDR/Outlook	National Rating
State of Bremen	Stronger	bbb	a	n.a.	AAA	AAA/Stable	n.a.
State of Saarland	Stronger	a	aa-	n.a.	AAA	AAA/Stable	n.a.
State of Saxony-Anhalt	Stronger	a	aa	n.a.	AAA	AAA/Stable	n.a.
State of Berlin	Stronger	a	aa	n.a.	AAA	AAA/Stable	n.a.
State of Schleswig-Holstein	Stronger	a	aa	n.a.	AAA	AAA/Stable	n.a.
Province of Ontario	Stronger	bbb	a+	1	n.a.	AA-/Stable	n.a.
Province of Quebec	Stronger	bbb	a+	1	n.a.	AA-/Stable	n.a.

Source: Fitch Ratings, State of Bremen

Long Term Rating Derivation

From SCP to LT FC IDR : Factors Beyond the SCP

SCP	Sovereign LT FC IDR	Support				Leeway above sovereign (notches)	LT FC IDR
		Intergovern. financing	Ad hoc support	Floor	Rating cap		
a	AAA	-	-	AAA	-	-	AAA

Source: Fitch Ratings, State of Bremen

Bremen's IDRs are equalised with that of the Bund and its SCP is assessed at 'a', which reflects a combination of a 'Stronger' risk profile and a financial profile of 'bbb'. Equalisation of the IDRs with that of the Bund are driven by Fitch's application of a rating floor at 'AAA' based on the strong solidarity system enshrined in the constitution underpinning the creditworthiness of all Laender, irrespective of the KRFs and financial profile assessment. Under the Solidarity system, all member states of the federal republic are jointly responsible for supporting a Land in financial distress. If a Land experiences 'extreme budgetary hardship', it is entitled to financial assistance from all other Laender and the Bund. This principle has been reaffirmed by the constitutional courts, most recently in 2006.

Short Term Rating Derivation

Bremen's Short-Term IDRs of 'F1+' correspond to its Long-Term IDRs of 'AAA'.

Transaction and Securities

The senior unsecured ratings of 'AAA' and 'F1+' are at the same level as Bremen's Long- and Short-Term IDRs, respectively.

Appendix A: Financial Data

State of Bremen

(EURm)	2020	2021	2022	2023	2024	2025rc	2026rc	2027rc	2028rc	2029rc
Fiscal performance										
Taxes	3,846	4,511	4,676	5,074	5,295	5,459	5,623	5,775	5,927	6,111
Transfers received	1,867	2,176	2,042	1,788	1,996	1,836	1,897	1,956	2,015	2,077
Fees, fines and other operating revenue	300	362	392	302	345	354	361	368	376	383
Operating revenue	6,013	7,048	7,111	7,164	7,636	7,648	7,880	8,100	8,317	8,571
Operating expenditure	-5,305	-6,591	-5,984	-6,243	-6,698	-6,866	-7,024	-7,185	-7,351	-7,520
Operating balance	708	457	1,127	921	938	782	857	915	967	1,051
Interest revenue	50	50	50	50	42	42	41	41	40	40
Interest expenditure	-612	-595	-572	-527	-506	-478	-463	-466	-470	-478
Current balance	146	-88	605	444	474	346	435	490	537	613
Capital revenue	225	240	206	153	136	118	157	192	186	182
Capital expenditure	-681	-817	-916	-933	-1,827	-958	-1,149	-1,082	-1,022	-1,277
Capital balance	-456	-577	-710	-780	-1,691	-840	-992	-890	-836	-1,095
Total revenue	6,288	7,338	7,367	7,367	7,814	7,808	8,078	8,333	8,544	8,793
Total expenditure	-6,598	-8,003	-7,472	-7,703	-9,031	-8,302	-8,636	-8,733	-8,843	-9,275
Surplus (deficit) before net financing	-310	-665	-105	-336	-1,217	-494	-558	-400	-299	-483
New direct debt borrowing	3,169	2,129	1,622	1,720	3,300	1,960	1,570	1,440	2,520	2,440
Direct debt repayment	-2,696	-1,601	-1,342	-1,260	-2,650	-1,690	-1,390	-1,360	-2,120	-2,030
Net direct debt movement	473	529	280	460	650	270	180	80	400	410
Overall results	163	-137	175	124	-567	-224	-378	-320	101	-73
Debt and liquidity										
Short-term debt	0	0	732	200	1,690	1,390	1,360	2,120	2,030	2,060
Long-term debt	21,505	22,220	22,160	22,413	21,640	22,210	22,420	21,740	22,230	22,610
Intergovernmental debt	74	71	69	67	65	65	65	65	65	65
Direct debt	21,579	22,291	22,960	22,680	23,395	23,665	23,845	23,925	24,325	24,735
Other Fitch-classified debt	0	0	0	0	0	0	0	0	0	0
Adjusted debt	21,579	22,291	22,960	22,680	23,395	23,665	23,845	23,925	24,325	24,735
Guarantees issued (excluding adjusted debt portion)	1,294	1,546	1,262	1,478	1,133	1,133	1,133	1,133	1,133	1,133
Majority-owned GRE debt and other contingent liabilities	4,532	4,532	2,404	2,486	2,818	2,818	2,818	2,818	2,818	2,818
Overall adjusted debt	27,404	28,368	26,626	26,644	27,346	27,616	27,796	27,876	28,276	28,686
Total cash, liquid deposits, and sinking funds	0	4,909	2,190	2,090	1,465	1,241	863	543	644	571
Restricted cash	0	0	0	0	0	0	0	0	0	0
Unrestricted cash	0	4,909	2,190	2,090	1,465	1,241	863	543	644	571
Net adjusted debt	21,579	17,382	20,770	20,590	21,930	22,424	22,982	23,382	23,681	24,164
Net overall debt	27,404	23,459	24,436	24,554	25,881	26,375	26,933	27,333	27,633	28,115
Enhanced net adjusted debt	21,505	17,311	20,701	20,523	21,865	22,359	22,917	23,317	23,616	24,099
Enhanced net overall debt	27,330	23,388	24,367	24,487	25,816	26,310	26,868	27,268	27,568	28,050
Memo:										
Debt in foreign currency/direct debt (%)	0	0	0	0	0	-	-	-	-	-
Issued debt/direct debt (%)	100	100	72	74	76	-	-	-	-	-
Floating interest rate debt/direct debt (%)	0	0	0	0	6	-	-	-	-	-

rc - rating case

Source: Fitch Ratings, State of Bremen

Appendix B: Financial Ratios

State of Bremen

	2020	2021	2022	2023	2024	2025rc	2026rc	2027rc	2028rc	2029rc
Fiscal performance ratios (%)										
Operating balance/operating revenue	11.8	6.5	15.9	12.9	12.3	10.2	10.9	11.3	11.6	12.3
Current balance/current revenue	2.4	-1.3	8.5	6.2	6.2	4.5	5.5	6.0	6.4	7.1
Operating revenue annual growth	4.6	17.2	0.9	0.8	6.6	0.2	3.0	2.8	2.7	3.1
Operating expenditure annual growth	13.9	24.3	-9.2	4.3	7.3	2.5	2.3	2.3	2.3	2.3
Surplus (deficit) before net financing/total revenue	-4.9	-9.1	-1.4	-4.6	-15.6	-6.3	-6.9	-4.8	-3.5	-5.5
Surplus (deficit) before net financing/GDP	-1.0	-1.9	-0.3	-0.9	-2.9	-1.2	-1.3	-0.9	-0.7	-1.0
Total revenue annual growth	4.9	16.7	0.4	0.0	6.1	-0.1	3.5	3.2	2.5	2.9
Total expenditure annual growth	12.5	21.3	-6.6	3.1	17.2	-8.1	4.0	1.1	1.3	4.9
Debt ratios										
Primary metrics										
Economic liability burden (%)	102.2	86.7	95.4	94.4	93.5	94.1	94.4	94.3	94.3	94.3
Enhanced economic liability burden (%)	101.9	86.5	95.2	94.2	93.3	93.9	94.2	94.1	94.2	94.2
Payback ratio (net adjusted debt/operating balance) (x)	30.5	38.0	18.4	22.4	23.4	28.7	26.8	25.6	24.5	23.0
Secondary metrics										
Fiscal debt burden (net debt/operating revenue) (%)	358.9	246.6	292.1	287.4	287.2	293.2	291.6	288.7	284.7	281.9
Synthetic debt service coverage ratio (x)	0.4	0.0	0.7	0.0	0.5	0.4	0.5	0.5	0.5	1.5
Actual debt service coverage ratio (x)	0.2	0.2	0.6	0.5	0.3	0.4	0.5	0.5	0.4	0.4
Other debt ratios										
Liquidity coverage ratio (x)	0.2	0.2	3.2	1.7	1.0	1.0	1.1	1.0	0.6	0.7
Direct debt maturing in one year/total direct debt (%)	7.8	6.1	8.2	11.4	14.5	5.9	5.7	8.9	8.4	8.3
Direct debt (annual % change)	3.5	3.3	3.0	-1.2	3.2	1.2	0.8	0.3	1.7	1.7
Apparent cost of direct debt (interest paid/direct debt) (%)	2.9	2.7	2.5	2.3	2.2	2.0	2.0	2.0	2.0	2.0
Revenue ratios (%)										
Tax revenue/total revenue	61.2	61.5	63.5	68.9	67.8	69.9	69.6	69.3	69.4	69.5
Current transfers received/total revenue	29.7	29.7	27.7	24.3	25.5	23.5	23.5	23.5	23.6	23.6
Interest revenue/total revenue	0.8	0.7	0.7	0.7	0.5	0.5	0.5	0.5	0.5	0.5
Capital revenue/total revenue	3.6	3.3	2.8	2.1	1.7	1.5	1.9	2.3	2.2	2.1
Expenditure ratios (%)										
Staff expenditure/total expenditure	29.2	25.0	27.8	28.0	26.2	0.0	0.0	0.0	0.0	0.0
Current transfers made/total expenditure	43.7	41.6	34.7	35.1	31.5	0.0	0.0	0.0	0.0	0.0
Interest expenditure/total expenditure	9.3	7.4	7.7	6.8	5.6	5.8	5.4	5.3	5.3	5.2
Capital expenditure/total expenditure	10.3	10.2	12.3	12.1	20.2	11.5	13.3	12.4	11.6	13.8

rc - rating case

Source: Fitch Ratings, State of Bremen

Appendix C: Data Adjustments

Specific Adjustments

None.

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.fitchratings.com/understandingcreditratings>. In addition, the following <https://www.fitchratings.com/rating-definitions-document> details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

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

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

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

Copyright © 2025 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.