



Abridged version

Annual Report 2023



**Sparkasse
Pforzheim Calw**

The Northern Black Forest Region, Germany

Sparkasse Pforzheim Calw's business area lies between the metropolitan centers of Stuttgart and Karlsruhe. This location, which also boasts particularly good transport connections (motorways, proximity of the airports in Stuttgart and Karlsruhe/Baden-Baden), makes it attractive for companies to settle in the region. Nearly 500,000 people live in the catchment area.

The economic profile of Pforzheim and the region is characterised by:

- Mechanical engineering and precision tool engineering, including punched and turned parts technology, components supply for the automotive industry, information technology and plastics technology
- A large proportion of German jewelry is manufactured in this region.
- Production centre for almost half of all clocks made in Germany
- Medical, dental and surface technology
- Mail order and printing
- Spas, tourism and gastronomy
- Forestry, timber, agriculture and wine-making

Numerous companies have important supplier functions for the economic regions of Stuttgart and Karlsruhe and are represented worldwide with a high export share. Alongside traditional production processes, high-tech industries are increasingly conquering the market. Product innovations and the use of the latest production technologies secure companies' competitiveness in Germany and abroad. The region is experiencing a further increase in attractiveness through the Neue Messe Stuttgart exhibition centre.

There is a broad range of universities and centres of further education, with notable examples including:

- Pforzheim Technical Colleges for Jewelry and Watches
- Pforzheim University for Design, Engineering, Business and Law, which holds a leading position in Europe in transport design
- Texoversum LDT Nagold - Academy of Fashion Management GmbH
- IHL Liebenzell – University of Applied Sciences

History of Sparkasse Pforzheim Calw

Sparkasse Pforzheim Calw was founded on 1 January 2003 following the merger of Stadt+Kreis-SPARKASSE PFORZHEIM and Kreissparkasse Calw. The bank's origins date back to 1834, when Städtische Sparkasse Pforzheim was founded. Kreissparkasse Calw was established in 1902. Both Sparkasse banks (savings banks) developed successfully and evolved into healthy financial companies. The merger of the two banks created a Sparkasse that is well equipped to meet the challenges of the future.

Since 2021, the Tower Quarters of Sparkasse Pforzheim Calw has established itself in the heart of the Golden City. The customer experience around the Sparkasse Tower contributes significantly to the attractiveness of Pforzheim's city centre. This is another way that Sparkasse demonstrates its commitment to the region. After all, it is committed to the people who live here, to its customers and to the business community.

Company profile

Sparkasse Pforzheim Calw is one of the major Sparkasse banks in Germany – number seven out of a total of 351 savings banks – and is the largest in Baden-Württemberg. Its total assets as at 31 December 2023 amounted to € 17.4 billion. The business volume (total assets and contingent liabilities) stood at € 17.7 billion. The Sparkasse operates via a modern network of branches in its business area.

Their values are security, reliability, seriousness and a confidence-inspiring approach to their activities. As a leading bank in the region, Sparkasse Pforzheim Calw is a strong pillar for the economy and the people in the region: it is an employer, client, investor and tax payer. Sparkasse Pforzheim Calw provides the full range of financial services to the public, the corporate sector, small and medium-sized companies and the public sector. More than 370,000 customers and over 20,000 businesses, tradespeople and self-employed persons rely on the bank's skills.

Sparkasse Pforzheim Calw's corporate philosophy is anchored in its corporate guidelines, comprising the mission statement, employee guidelines, management guidelines and sustainability guidelines. The latter recently rounded off the corporate guidelines and show how the Sparkasse identifies with the topic of sustainability. All in all, these guidelines represent the aims of the Sparkasse and the values adopted by its employees. Each of the four guidelines supports the employees with a consistent focus on forward-looking and sustainable action.

With nearly 1,900 employees, the Sparkasse is one of the largest employers in the region. Sparkasse Pforzheim Calw has been one of the best employers in Germany for over 10 years in a row. It is recognised by independent institutes and business magazines, for example it again received the “Top Company 2024” seal and the “Most Wanted Employer 2024” award. As one of the largest training companies in the Northern Black Forest region, the Sparkasse covers its personnel requirements to a large extent with its own junior employees. The Sparkasse has once again been awarded the “Excellent Training Company” quality seal by the Chamber of Commerce and Industry of the Northern Black Forest in recognition of the high quality of its training. Occupational health management is just as important as flexible working hours and part-time working models. A good work/life balance is particularly important for Sparkasse Pforzheim Calw.

Sparkasse Pforzheim Calw pursues a sustainable business policy. For example, it pays particular attention to the conscious conservation of the environment and resources. When refurbishing or constructing new buildings, it insists on energy-efficient materials and on the use of renewable energies such as in the new building for the Wilhelmshöhe branch office in Neuenbürg, which opened in summer 2023. An energy-saving and sustainable construction method was chosen. Everything has been covered in greenery, there is a solar system on the roof, heating is provided by a heat pump and parts of the façade are clad in wood. There are also three electric charging stations for EVs in front of the building. To preserve biodiversity, a bee and butterfly meadow was created on 100 square metres. It offers products in both deposit and lending business to finance sustainable ethical, social and ecological investment projects in the region. It is also committed to barrier-free banking. Currently, more than 55 of our branches have been awarded the “Senior-Friendly Service” label by the Senior Citizens Council of the State of Baden-Württemberg, in recognition of their efforts to take account of the banking needs of the elderly.

Legal position

Sparkasse Pforzheim Calw is a non-profit public-sector savings bank with a custodial function status, which acts as the joint savings bank for the City of Pforzheim, the Enz District and the District of Calw. The STADT+KREIS-SPARKASSE PFORZHEIM ENZKREIS CALW joint savings bank was liable for the commitments of the Sparkasse Pforzheim Calw up until 18 July 2005. As of this date, the Sparkasse became liable with its own assets. The Sparkasse is a member of the Deutsche Sparkassen-Finanzgruppe (German Savings Bank Finance Group). Additional information about the group rating and the institutional protection scheme is available under the following links:

<https://www.dsgv.de/en/savings-banks-finance-group/rating.html> and <https://www.dsgv.de/en/savings-banks-finance-group/institutional-protection-scheme.html>

Your reliable partner in international business

As one of Germany’s major Sparkasse banks, Sparkasse Pforzheim Calw assists its customers worldwide with all their financial activities. The bank’s experienced specialists offer its customers modern instruments to help them hedge country, credit rating, payment, interest rate and currency risks. An internal team of specialists and a network of correspondent banks allow our customers to do business in more than 175 countries.

In 2023, Sparkasse processed foreign transactions worth more than 2.7 billion euros via the global correspondent banking network for its customers. Both import and export volumes performed very favourably in the process.

As one of the first Sparkasse banks in Germany, it also offers solutions in the area of customs clearance and customs consulting.

Sparkasse Pforzheim Calw is committed to providing consistently high-quality products and services tailored to its customers’ needs. As in all other sectors, it offers its services competently and professionally based on many years of experience.

Experience is often worth its weight in gold. Good networks and established business relations are particularly crucial in foreign business to ensure secure payments and execution of transactions. This calls for extensive skills and knowledge of the international markets, especially in times of uncertainty and a difficult market situation. This was particularly evident during the corona pandemic and the war in Ukraine. Despite the difficult economic environment, Sparkasse has supported its partners as a stable anchor. International business requires comprehensive competence and in-depth market knowledge, particularly in turbulent times and under difficult market conditions. Despite the challenges, the savings bank has established itself as a consistent and reliable partner in recent years. Sparkasse Pforzheim Calw’s services address all aspects of international business. It demonstrates particular strength in the guarantee business, interest rate and currency hedging, foreign payment transactions, documentary business and export finance.

Balance sheet as at 31 December 2023 (not in the legally required format)

Assets

	EUR	EUR	EUR	EUR thousand 31 Dec. 2022
1. Cash reserves				
a) Cash in hand		79,357,231.80		88,817
b) Credit balance with the Deutsche Bundesbank		126,706,688.81		1,285
			206,063,920.61	90,102
2. Debt certificates of public entities and bills of exchange that qualify for refinancing with the Deutsche Bundesbank				
a) Treasury bills and discounted treasury notes		--		--
b) Bills of exchange		--		--
			--	--
3. Receivables due from banks				
a) Due daily		1,388,115,617.76		1,647,779
b) Other receivables		289,491,215.66		343,997
			1,677,606,833.42	1,991,777
4. Receivables due from customers			10,759,967,582.27	10,705,107
Including:				
Secured by mortgages	EUR 4,753,849,648.10			4,653,342
Local authority loans	EUR 711,638,504.49			679,232
5. Bonds and other fixed-income securities				
a) Commercial papers				
aa) From public issuers	--			--
Including:				
Eligible as collateral with the Deutsche Bundesbank	EUR --			--
ab) From other issuers	--			--
Including:				
Eligible as collateral with the Deutsche Bundesbank	EUR --			--
			--	--
b) Bonds and debenture bonds				
ba) From public issuers	411,574,771.68			234,129
Including:				
Eligible as collateral with the Deutsche Bundesbank	EUR 395,431,268.84			217,741
bb) From other issuers	2,926,622,627.57			2,525,154
Including:				
Eligible as collateral with the Deutsche Bundesbank	EUR 2,367,781,079.57			2,052,025
		3,338,197,399.25		2,759,283
c) Own bonds		--		--
Nominal amount	EUR --			--
			3,338,197,399.25	2,759,283
6. Shares and other variable interest securities			576,029,032.16	468,149
6a. Trading portfolio			11,391,464.03	32,967
7. Equity investments			116,586,835.36	118,013
Including:				
In banks	EUR 2,151,443.93			2,151
In financial service providers	EUR 24,283,500.00			24,284
In securities institutes	EUR --			--
8. Shares in affiliated companies			147,370,027.04	147,370
Including:				
In banks	EUR --			--
In financial service providers	EUR --			--
In securities institutes	EUR --			--
9. Trust assets			34,020,945.45	38,692
Including:				
Trust loans	EUR 34,020,945.45			38,692
10. Compensation claims against public bodies including bonds from their exchange			--	--
11. Intangible asset values				
a) Self-created industrial property rights and similar rights and values		--		--
b) Purchased concessions, industrial property rights and similar rights and values and licences to these rights and values		151,975.00		352
c) Goodwill		--		--
d) Prepayments made		114,869.16		69
			266,844.16	421
12. Material assets			180,996,698.40	177,586
13. Other assets			288,929,889.76	168,437
14. Accrued income			14,265,229.17	11,786
Total assets			17,351,692,701.08	16,709,691

	EUR	EUR	EUR	Liabilities EUR thousand 31 Dec. 2022
1. Liabilities due to banks				
a) Due daily		152,621,458.21		240,117
b) With agreed term or notice period		<u>1,636,591,807.00</u>		4,051,046
			1,789,213,265.21	4,291,163
2. Liabilities due to customers				
a) Savings accounts				
aa) With agreed notice period of three months	1,587,691,184.49			1,937,922
ab) With agreed notice period of more than three months	<u>106,540,734.23</u>			121,548
		1,694,231,918.72		2,059,470
b) Other liabilities				
ba) Due daily	6,424,770,426.73			7,423,843
bb) With agreed term or notice period	<u>4,218,623,772.41</u>			708,187
		<u>10,643,394,199.14</u>		8,132,029
			12,337,626,117.86	10,191,499
3. Securitised liabilities				
a) Bonds issued		1,587,863,806.97		656,742
b) Other securitised liabilities		<u>--</u>		-
Including:				
Money market papers	EUR --			-
			1,587,863,806.97	656,742
3a. Trading portfolio			2,513,720.60	27,529
4. Trust liabilities			34,020,945.45	38,692
Including:				
Trust loans	EUR 34,020,945.45			38,692
5. Other liabilities			121,090,017.86	119,568
6. Deferred income			18,702,911.21	19,471
7. Provisions				
a) Provisions for old-age pensions and similar liabilities		45,099,550.00		45,105
b) Tax provisions		17,990,420.39		1,469
c) Other provisions		<u>77,602,555.08</u>		79,043
			140,692,525.47	125,617
8. (deleted)				
9. Subordinated liabilities			22,140,342.61	22,143
10. Participation rights capital				-
Including:				
Due within two years	EUR --			-
11. Funds for general banking risks			595,504,636.04	529,944
Including:				
Special items according to s. 340e para. 4 HGB	EUR 6,230,000.00			5,750
12. Equity capital				
a) Subscribed capital		--		-
b) Capital reserve		--		-
c) Revenue reserves				
ca) Security reserve	687,324,411.80			672,324
		687,324,411.80		672,324
d) Balance sheet profit		<u>15,000,000.00</u>		15,000
			702,324,411.80	687,324
Total liabilities			17,351,692,701.08	16,709,691
1. Contingent liabilities				
a) Contingent liabilities from charged bills of exchange issued		--		-
b) Liabilities from bank sureties and guarantee agreements		318,659,003.75		306,467
c) Liability from provision of securities for third-party liabilities		<u>--</u>		-
			318,659,003.75	306,467
2. Other obligations				
a) Repurchase obligations from reverse repurchasing agreements		--		-
b) Placing and acquisition obligations		--		-
c) Irreversible credit commitments		<u>761,100,996.97</u>		1,060,333
			761,100,996.97	1,060,333

Income statement for the period from 01 January to 31 December 2023

	EUR	EUR	EUR	EUR thousand 1 Jan. - 31 Dec. 2022
1. Interest income from				
a) Credit and money market transactions	391,778,376.49			308,530
Including:				
Negative interest rates already accounted for	EUR 279.70			2,954
Interest discounted on provisions	EUR 86,380.19			8
b) Fixed-income securities and debt register claims	68,964,813.90			22,544
Including: Negative interest rates already accounted for	EUR --			--
		460,743,190.39		331,074
2. Interest expenditure		222,611,076.70		34,502
Including:				
Positive interest rates already accounted for	EUR 243,690.37			19,364
Interest accrued on provisions	EUR 1,048,856.46			1,214
			238,132,113.69	296,571
3. Current income from				
a) Shares and other variable income securities		10,121,555.50		10,698
b) Equity investments		10,482,292.24		7,510
c) Shares in affiliated companies		--		--
			20,603,847.74	18,208
4. Income from profit pooling, profit transfer or partial profit transaction agreements			142,965.82	322
5. Commission income		82,049,134.77		82,348
6. Commission expenditure		4,723,299.09		6,829
			77,325,835.68	75,519
7. Net income from trading portfolio			4,102,914.16	5,791
Including: Transfers to the fund for general banking risks... EUR 480,000.00				650
8. Other operating income			31,381,424.71	53,769
Including: From foreign currency translations	EUR 11,311,109.01			12,596
9. (deleted)				
			371,689,101.80	450,181
10. General administrative expenditure				
a) Personnel expenditure				
aa) Salaries and wages	91,855,108.11			86,700
ab) Social charges and expenditure for old-age pension provision and support, including:	26,740,546.70			27,450
For old-age pension provision	EUR 9,636,589.67			10,889
		118,595,654.81		114,150
b) Other administrative expenditure		63,661,811.16		62,149
			182,257,465.97	176,299
11. Depreciation and amortisation on intangible assets and fixed assets			11,726,725.10	10,201
12. Other operating expenditure			32,014,699.48	21,242
Including: From foreign currency conversions	EUR 10,275,459.56			10,830
13. Depreciation and write-downs on receivables and specific securities, and transfers to provisions in lending business		20,647,138.54		148,724
14. Income from reversal of write-downs on receivables and specific securities, and reversal of provisions in lending business		--		--
			20,647,138.54	148,724
15. Depreciation and impairments on equity investments, shares in affiliated companies and securities traded as fixed assets		1,046,045.72		2,639
16. Income from reversal of impairments on equity investments, shares in affiliated companies and securities traded as fixed assets		--		--
			1,046,045.72	2,639
17. Expenditure from the loss assumption			951,472.54	845
18. Transfer to funds for general banking risks			65,081,127.18	41,124
19. Result from ordinary business			57,964,427.27	49,108
20. Extraordinary income		--		--
21. Extraordinary expenditure		--		--
22. Extraordinary result			--	--
23. Taxes on income and earnings		42,523,349.96		33,662
24. Other not recognised under items 12		441,077.31		446
			42,964,427.27	34,108
25. Annual net profit			15,000,000.00	15,000
26. Profit/loss carried forward from the previous year			--	--
			15,000,000.00	15,000
27. Withdrawals from revenue reserves				
a) From contingent reserves	--			--
b) From other reserves	--			--
			--	--
			15,000,000.00	15,000
28. Transfer to revenue reserves				
a) To contingent reserves	--			--
b) To other reserves	--			--
			--	--
29. Balance sheet profit			15,000,000.00	15,000

Sparkasse Pforzheim Calw – because it's about more than money

Sparkasse Pforzheim Calw has been adhering to its business policy for more than 190 years. It owes its success to a philosophy that includes sustainability, commitment to ethical principles and a focus on long-term customer relationships. The essence of its long-standing experience is its close proximity to the people and businesses in its region. Reflecting its public mandate, it takes on responsibility for the common good and supports social, sporting, cultural and arts events. Tax payments, investments and the purchasing power Sparkasse Pforzheim Calw generates benefit the towns and communities of the region. This, in turn, strengthens the domestic economy.

Sparkasse Pforzheim Calw achieved solid results

In 2023, Sparkasse Pforzheim Calw further expanded its leading position as a regional credit institution, and remains deeply rooted in the community. With an annual profit of € 15 million and a balance sheet total of € 17.4 billion, the savings bank was once again able to report a satisfactory financial year. The savings bank demonstrated its expertise, particularly in the lending business, with customer loan volume rising to € 11.1 billion. The savings bank also recorded significant growth in its deposit business, particularly in on-balance sheet customer deposits. This strong growth enabled the savings bank to make an important contribution to economic development in the region last year and continues to be a reliable partner.

Promoting people and the economy

In the area of commercial financing, investments and growth financing were made available to small and medium-sized companies and craft businesses. Despite a decline in loan commitments for commercial financing, subsidised loans totalling € 234 million were arranged. In 2023, the savings bank supported 173 start-ups and corporate successions. As a result, 481 jobs were created or secured.

Still leading in the region

In the private customer business, however, the savings bank recorded a decline in construction financing business, due to the combination of increased interest rates and construction prices and economic uncertainty. Nevertheless, the volume of customer loans in the private customer segment grew by 2.1% overall, with attractive investment offers proving popular. There was a similar situation at ImmobilienSparkasse. Despite the pressure

on the real estate markets, it was able to act dynamically, and brokered properties worth around € 92 million. With an increase of over € 320 million, the securities business also contributed to asset creation.

Sustainability of course has an integral role

As part of its sustainability strategy, the savings bank is actively involved in environmental and climate protection projects in the region. This includes both promotion of renewable energies and support of environmentally friendly mobility concepts. In addition, the savings bank is committed to social engagement, and supported non-profit organisations and educational projects with a total of some € 1.8 million in the last financial year.

Performance in the insurance and pensions-saving business remains on track

With 4,761 mediated non-life insurance contracts arranged, the insurance and pensions-saving business remains very strong. The value of the life insurance policies arranged came to € 92 million.

Staying strong for the region in the future

Overall, Sparkasse Pforzheim Calw looks back on a successful year in 2023 and is confident that it will continue to be able to make a positive contribution to economic development and social cohesion in the region in the future. With a clear focus on the needs of its customers, a sustainable business model and strong roots in the community, the savings bank is well equipped to successfully meet the challenges of the coming years.



Beautiful landscape in the northern Black Forest

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