



Abridged version

Annual Report 2022



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 characterized 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 center 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 center.

There is a broad range of universities and centers 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 transportation 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 Sparkassen (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, Sparkasse again 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 Sparkassen in Germany – number eight out of a total of 353 savings banks – and is the largest in Baden-Württemberg. Its total assets as at 31 December 2022 amounted to €16.7 billion. The business volume (total assets and contingent liabilities) stood at €17.0 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 guide-lines 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. Numerous awards confirm the Sparkasse's appeal as an employer. For example, the Sparkasse was named "Top National Employer 2022" by business magazine "FOCUS-BUSINESS" for the 9th time in a row. 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 the new building of the Wilhelmshöhe branch in Neuenbürg, which opened in summer 2023. An energy-saving and sustainable construction method was deliberately chosen here. Everything has been planted with greenery, there is a solar system on the roof, heating is accomplished using a heat pump and the facade is partially clad in wood. There are also 3 e-charging stations for electric cars 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. 55 branches currently carry the "Seniorenfreundlicher Service" seal from 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 Sparkassen, 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 2022, Sparkasse processed foreign transactions worth more than 2.9 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. Sparkasse Pforzheim Calw 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 2022 (not in the legally required format)

Assets

	EUR	EUR	EUR	EUR thousand 31 Dec. 2021
1. Cash reserves				
a) Cash in hand		88,817,284.04		148,751
b) Credit balance with the Deutsche Bundesbank		1,285,041.84		1,737,087
			90,102,325.88	1,885,838
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		1,647,779,375.42		157,665
b) Other receivables		343,997,453.92		177,090
			1,991,776,829.34	334,755
4. Receivables due from customers			10,705,107,286.11	9,940,372
Including:				
Secured by mortgages	EUR 4,653,342,196.48			4,400,236
Local authority loans	EUR 679,231,811.82			615,872
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	234,129,448.04			347,284
Including:				
Eligible as collateral with the Deutsche Bundesbank	EUR 217,741,160.64			329,367
bb) From other issuers	2,525,153,650.26			2,638,499
Including:				
Eligible as collateral with the Deutsche Bundesbank	EUR 2,052,024,920.82			2,096,116
		2,759,283,098.30		2,985,783
c) Own bonds		--		-
Nominal amount	EUR --			-
			2,759,283,098.30	2,985,783
6. Shares and other variable interest securities			468,149,147.88	370,199
6a. Trading portfolio			32,967,080.23	6,324
7. Equity investments			118,013,214.44	111,587
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	148,120
Including:				
In banks	EUR --			-
In financial service providers	EUR --			-
In securities institutes	EUR --			-
9. Trust assets			38,691,659.02	41,552
Including:				
Trust loans	EUR 38,691,659.02			41,552
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		352,347.00		607
c) Goodwill		--		-
d) Prepayments made		68,550.00		-
			420,897.00	607
12. Material assets			177,585,912.69	180,252
13. Other assets			168,437,312.03	75,862
14. Accrued income			11,786,034.66	14,290
Total assets			16,709,690,824.62	16,095,540

	EUR	EUR	EUR	Liabilities EUR thousand 31 Dec. 2021
1. Liabilities due to banks				
a) Due daily		240,116,825.70		29,357
b) With agreed term or notice period		<u>4,051,046,100.29</u>		3,926,456
			4,291,162,925.99	3,955,813
2. Liabilities due to customers				
a) Savings accounts				
aa) With agreed notice period of three months	1,937,921,997.06			1,971,751
ab) With agreed notice period of more than three months	<u>121,548,268.11</u>			133,580
		2,059,470,265.17		2,105,332
b) Other liabilities				
ba) Due daily	7,423,842,536.31			7,305,286
bb) With agreed term or notice period	<u>708,186,507.95</u>			510,858
		<u>8,132,029,044.26</u>		7,816,144
			10,191,499,309.43	9,921,476
3. Securitised liabilities				
a) Bonds issued		656,741,644.74		682,633
b) Other securitised liabilities		<u>--</u>		-
Including:				
Money market papers EUR --				-
			656,741,644.74	682,633
3a. Trading portfolio			27,528,852.63	126,166
4. Trust liabilities				
Including:				
Trust loans EUR 38,691,659.02				41,552
5. Other liabilities			119,568,171.89	37,231
6. Deferred income			19,470,743.10	21,309
7. Provisions				
a) Provisions for old-age pensions and similar liabilities		45,105,141.00		42,908
b) Tax provisions		1,468,877.62		11,602
c) Other provisions		<u>79,042,612.43</u>		72,213
			125,616,631.05	126,723
8. (deleted)				
9. Subordinated liabilities			22,142,966.11	22,143
10. Participation rights capital				-
Including:				
Due within two years EUR --				-
11. Funds for general banking risks			529,943,508.86	488,170
Including:				
Special items according to s. 340e para. 4 HGBEUR 5,750,000.00				5,100
12. Equity capital				
a) Subscribed capital		--		-
b) Capital reserve.....		--		-
c) Revenue reserves				
ca) Security reserve	672,324,411.80			657,324
		672,324,411.80		657,324
d) Balance sheet profit		<u>15,000,000.00</u>		15,000
			687,324,411.80	672,324
Total liabilities			16,709,690,824.62	16,095,540
1. Contingent liabilities				
a) Contingent liabilities from charged bills of exchange issued		--		-
b) Liabilities from bank sureties and guarantee agreements		306,466,767.14		281,006
c) Liability from provision of securities for third-party liabilities		<u>--</u>		-
			306,466,767.14	281,006
2. Other obligations				
a) Repurchase obligations from reverse repurchasing agreements		--		-
b) Placing and acquisition obligations		--		-
c) Irreversible credit commitments		<u>1,060,332,895.57</u>		1,229,786
			1,060,332,895.57	1,229,786

Income statement for the period from 01 January to 31 December 2022

	EUR	EUR	EUR	EUR thousand 1 Jan. - 31 Dec. 2021
1. Interest income from				
a) Credit and money market transactions	308,529,684.15			208,363
Including:				
Negative interest rates already accounted for EUR 2,954,236.51				4,714
Interest discounted on provisions EUR 8,065,49				-
b) Fixed-income securities and debt register claims	22,544,259.98			17,827
Including: Negative interest rates already accounted for EUR --				-
		331,073,944.13		226,189
2. Interest expenditure		34,502,479.34		37,918
Including:				
Positive interest rates already accounted for EUR 19,363,864.28				34,910
Interest accrued on provisions EUR 1,213,864.05				2,660
			296,571,464.79	188,271
3. Current income from				
a) Shares and other variable income securities		10,698,071.70		13,424
b) Equity investments		7,509,867.38		9,466
c) Shares in affiliated companies		--		-
			18,207,939.08	22,891
4. Income from profit pooling, profit transfer or partial profit transaction agreements			321,683.46	94
5. Commission income		82,347,855.85		82,037
6. Commission expenditure		6,828,681.44		7,687
			75,519,174.41	74,350
7. Net income from trading portfolio			5,791,462.18	4,765
Including: Transfers to the fund for general banking risks... EUR 650,000.00				540
8. Other operating income			53,769,450.69	30,524
Including: From foreign currency translations EUR 12,595,734.36				15,734
9. (deleted)				
			450,181,174.61	320,894
10. General administrative expenditure				
a) Personnel expenditure				
aa) Salaries and wages	86,699,903.88			86,520
ab) Social charges and expenditure for old-age pension provision and support, including:	27,450,192.42			25,439
For old-age pension provision EUR 10,888,778.26				9,008
		114,150,096.30		111,959
b) Other administrative expenditure		62,149,395.88		56,755
			176,299,492.18	168,714
11. Depreciation and amortisation on intangible assets and fixed assets			10,201,034.71	10,705
12. Other operating expenditure			21,241,605.63	21,620
Including: From foreign currency conversions EUR 10,830,234.14				13,283
13. Depreciation and write-downs on receivables and specific securities, and transfers to provisions in lending business		148,724,002.83		30,757
14. Income from reversal of write-downs on receivables and specific securities, and reversal of provisions in lending business		--		-
			148,724,002.83	30,757
15. Depreciation and impairments on equity investments, shares in affiliated companies and securities traded as fixed assets		2,638,578.02		-
16. Income from reversal of impairments on equity investments, shares in affiliated companies and securities traded as fixed assets		--		189
			2,638,578.02	189
17. Expenditure from the loss assumption			845,047.01	927
18. Transfer to funds for general banking risks			41,123,508.86	39,460
19. Result from ordinary business			49,107,905.37	48,901
20. Extraordinary income		--		-
21. Extraordinary expenditure		--		-
22. Extraordinary result			--	-
23. Taxes on income and earnings		33,661,863.44		33,455
24. Other not recognised under items 12		446,041.93		445
			34,107,905.37	33,901
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

Steady business performance

Sparkasse Pforzheim Calw has been living its business policy for more than 185 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.

The management board of Sparkasse Pforzheim Calw

The management board of Sparkasse Pforzheim Calw was restructured as of 01.01.2023 and finally supplemented by the deputy as of 01.10.2023. Now, Mr Hans Neuweiler (chairman of the board), Mr Sven Eisele (deputy chairman of the board), Ms Kerstin Gatzlaff (the first woman on the board) and Dr Georg Stickel are on the board of directors.

Sparkasse Pforzheim Calw achieved solid results

Once again, Sparkasse Pforzheim Calw can look back on a very satisfactory financial year and remains a reliable partner in challenging times. Annual net profit was unchanged from the previous year at €15 million, while total assets rose by 3.8 % and now stand at €16.7 billion. Operating profit before measurement of €133.1 million was once again very satisfactory in 2022. The volume of loans to customer rose to €11.1 billion, while loan commitments constantly amount to €2.3 billion. The Sparkasse thus continued to make an important contribution to the good economic performance of the region last year. Notwithstanding the phase of low interest rates, retail customer deposits carried on the balance sheet rose to €10.2 billion.

Start-ups at a constant level even in the pandemic

In 2022, as in the previous year, Sparkasse Pforzheim Calw supported almost 155 start-ups or company successions – despite great uncertainties caused by the coronavirus pandemic. Around 79 % of this was attributed to start-ups and around 21 % to company successions. The Sparkasse thus once again made an important contribution to the economy in the region.

Housing loans boomed in the first half of the year

The construction financing business experienced a boom, particularly in the first half of 2022. With €1,020 million – spread over 3,949 individual transactions –

volume of new residential construction loans reached a new record level. This applies to both properties for personal use and for capital investment. In this context, around 3,340 home loan contracts with a total of €233.4 million were also concluded.

There is interest on credit again!

The end of the low-interest rates in mid-2022 has shaped the savings behaviour of customers. For the first time in years, longer-term deposits are generating positive interest income again. Since the beginning of 2023, Sparkasse Pforzheim Calw – as one of the first regional institutions – has been paying interest on savings deposits and overnight money. In addition, the product portfolio was expanded.

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

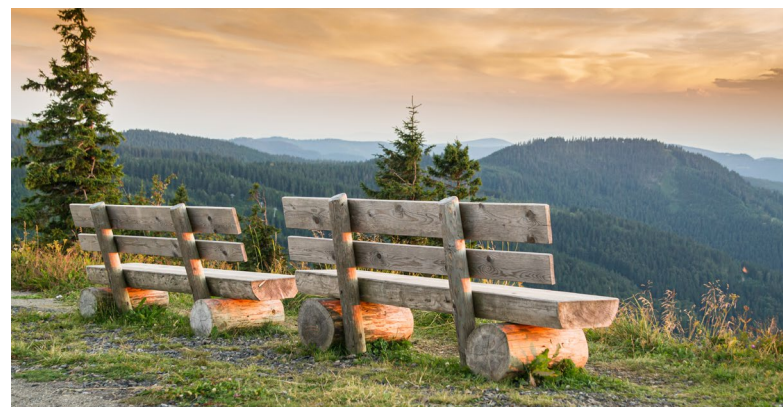
With 4761 mediated non-life insurance contracts arranged, the insurance and pensions-saving business remains very strong. The value of the life insurance policies arranged came to €75.8 million.

ImmobilienSparkasse (real estate) remains a success

334 mediated properties worth €127 million € speak for themselves. Therefore, the Sparkasse was able to further extend its leading position as the largest real estate broker for residential and commercial property in the region.

Competence in the precious metals business

Sparkasse Pforzheim Calw is a competent partner for private and corporate customers in the precious metals business. Due to the war in Ukraine, there was particularly strong demand for gold in the first half of 2022. Compared to the previous year, gold sales increased by 3.9 t to 17.9 t.



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