



Making local banking a worldwide success

Agenda

1 The banking sector in Germany

2 Sparkassen Finance Group

3 German Sparkassenstiftung for International Cooperation

4 A glance at our projects

1

The banking sector in Germany

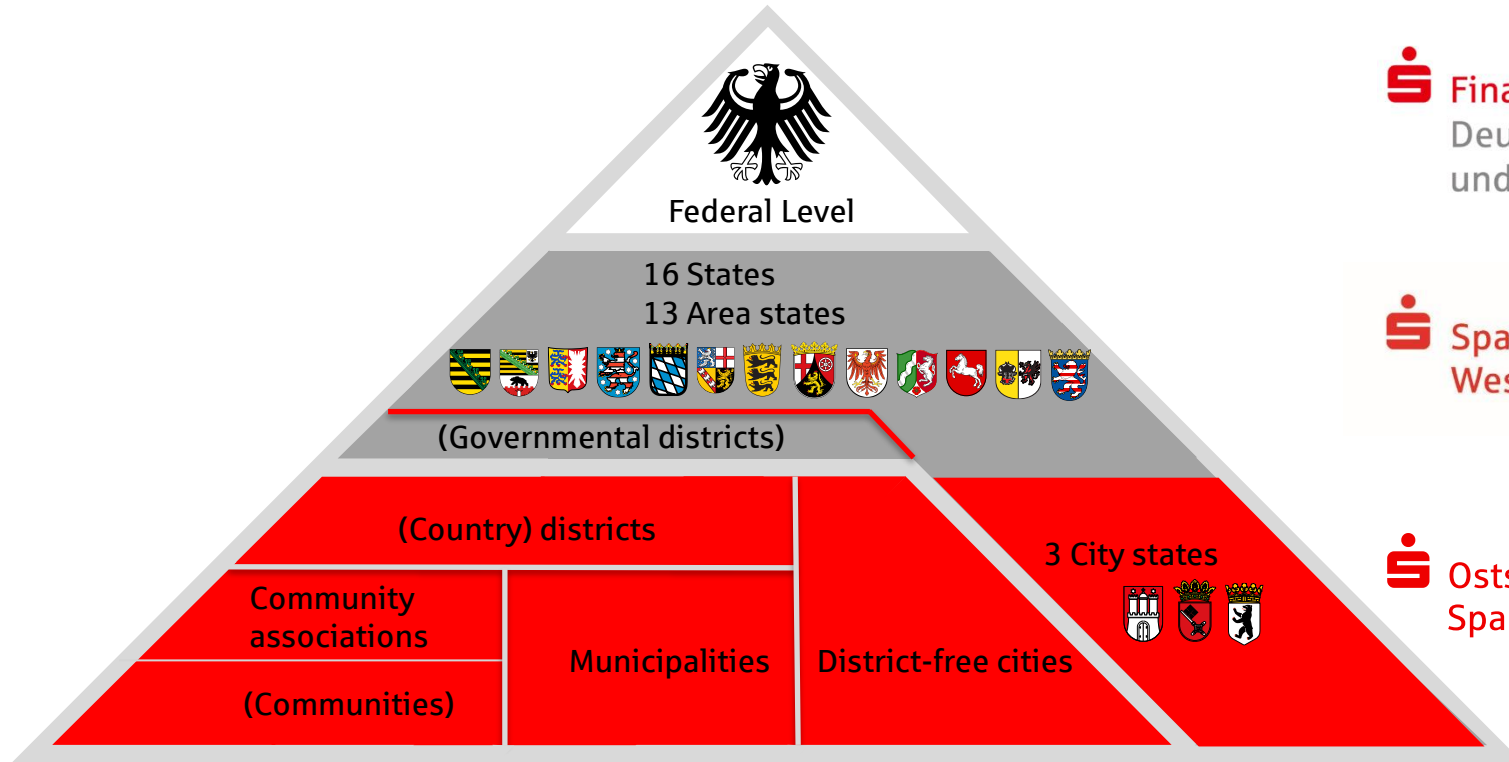
Federal structure of Germany



16 federal states
Population: 84.3 million

As of: 30.09.2022

Sparkassen within the Federal structure of Germany



 **Finanzgruppe**
Deutscher Sparkassen-
und Giroverband

 **Sparkassenverband**
Westfalen-Lippe

 **Ostsächsische**
Sparkasse Dresden

The German financial sector is highly fragmented and competitive



Financial institution	Total No.	Branches
-----------------------	-----------	----------



Sparkassen	371	7.732
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Cooperative banks	771	7.297
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HSBC  Trinkaus



Commercial banks	3	4.037
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Regional banks	151	1013
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Foreign banks	107	149
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Other	116	1484
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COMMERZBANK 



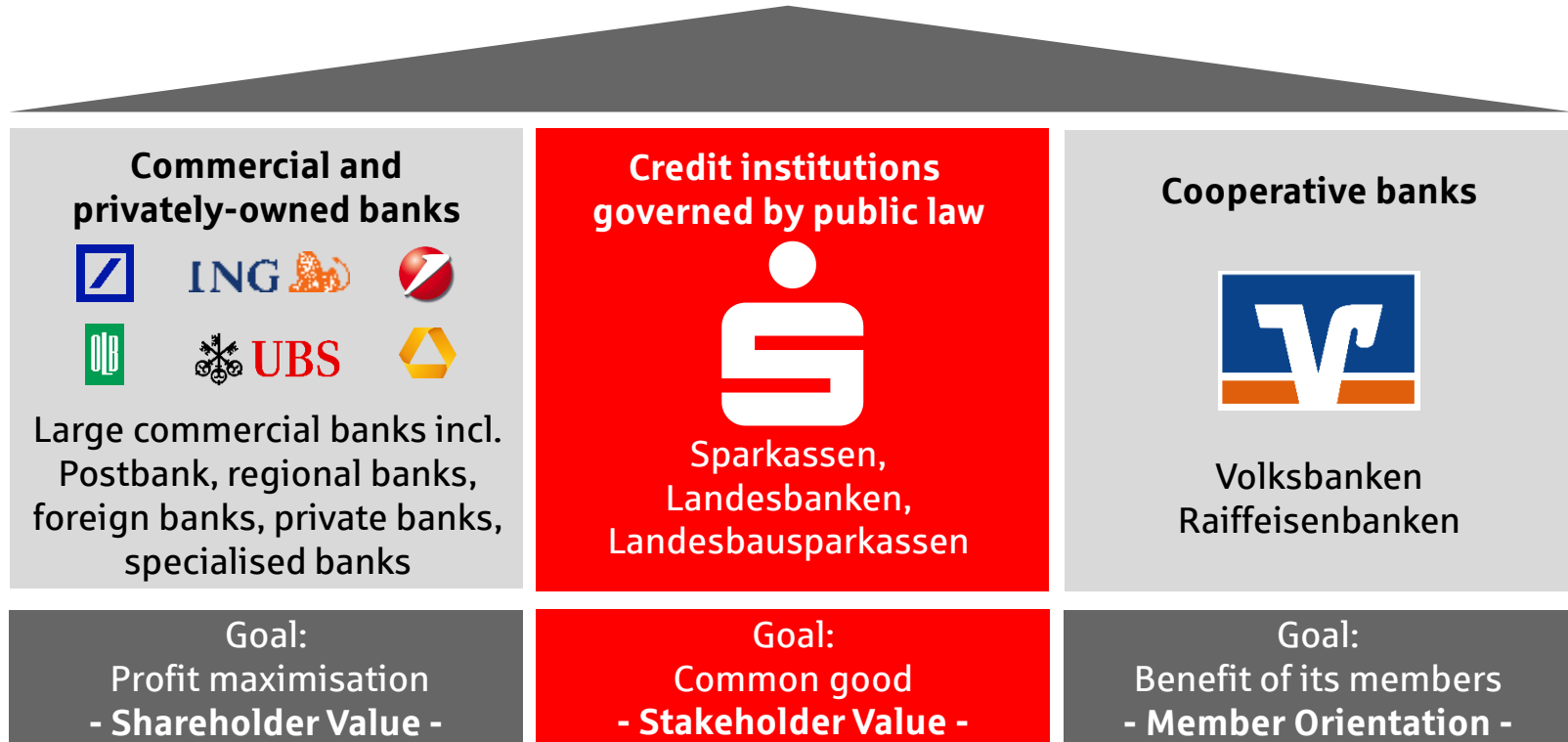
Oldenburgische Landesbank

Total	1.519	21.712
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As of: 31.12.2021 (Banking statistic of German Bundesbank)

The German banking system is based on a three-pillar system



Internationale und nationale Bankenregulierung und Bankenaufsicht in Deutschland

International treaties: Basel II, Basel III, ...

European regulation: Capital Requirements Regulation (CRR), ...

National laws: German Banking Act (KWG), Capital Requirements, ...

Deutsche Bundesbank

BaFin*

Internal auditing at
Sparkasse

Sparkasse

Sparkassengesetz (SpkG) / Savings Banks Act

*Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority)

2

Sparkassen Finance Group

Sparkasse: What`s different? [Video]



**Download the video and embed it before your presentation.
(Menu bar > Insert > Media > Videos > This device)**

**Dependability is Sparkassen tradition.
For more than 200 years.**



Germany's first Sparkasse (1778)

Emolumento Publico

“The Ersparungs-Classe of this Versorgungs-Anstalt has been established for the benefit of low earning, yet hard working persons of both sexes, whether they be servants, day labourers, manual workers or mariners, in order to give them the opportunity to set aside even small amounts and securely save their hard-earned emergency funds or dowry with some interest. By doing so, one hopes that the comfort granted to them may give them cheer, so they may be useful and important to the State by virtue of hard work and thrift.”

1778 Order of the Allgemeine Versorgungs-Anstalt, established in the Free Imperial City of Hamburg

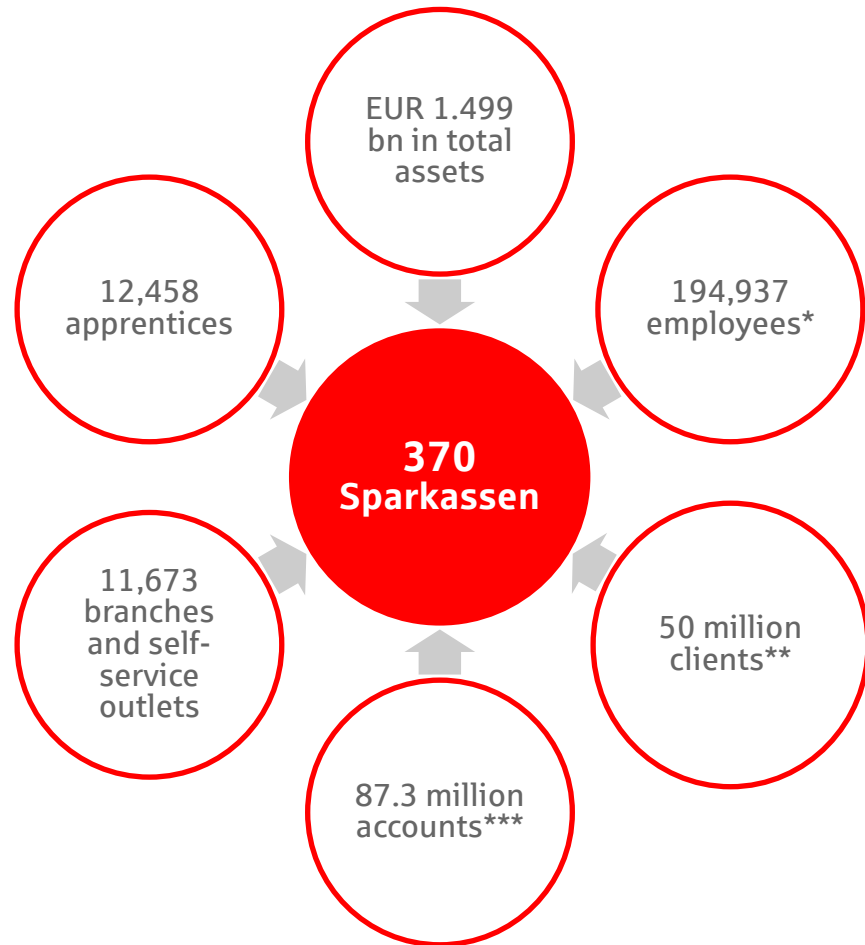


„For the common good“
Seal of the “Patriotische Gesellschaft“
from 1765

Old values reimagined.
We are right around the corner!



The Sparkassen are well positioned



As of: 31.12.2021; * incl. apprentices; ** Client card holders; *** Current and savings accounts

Sparkassen

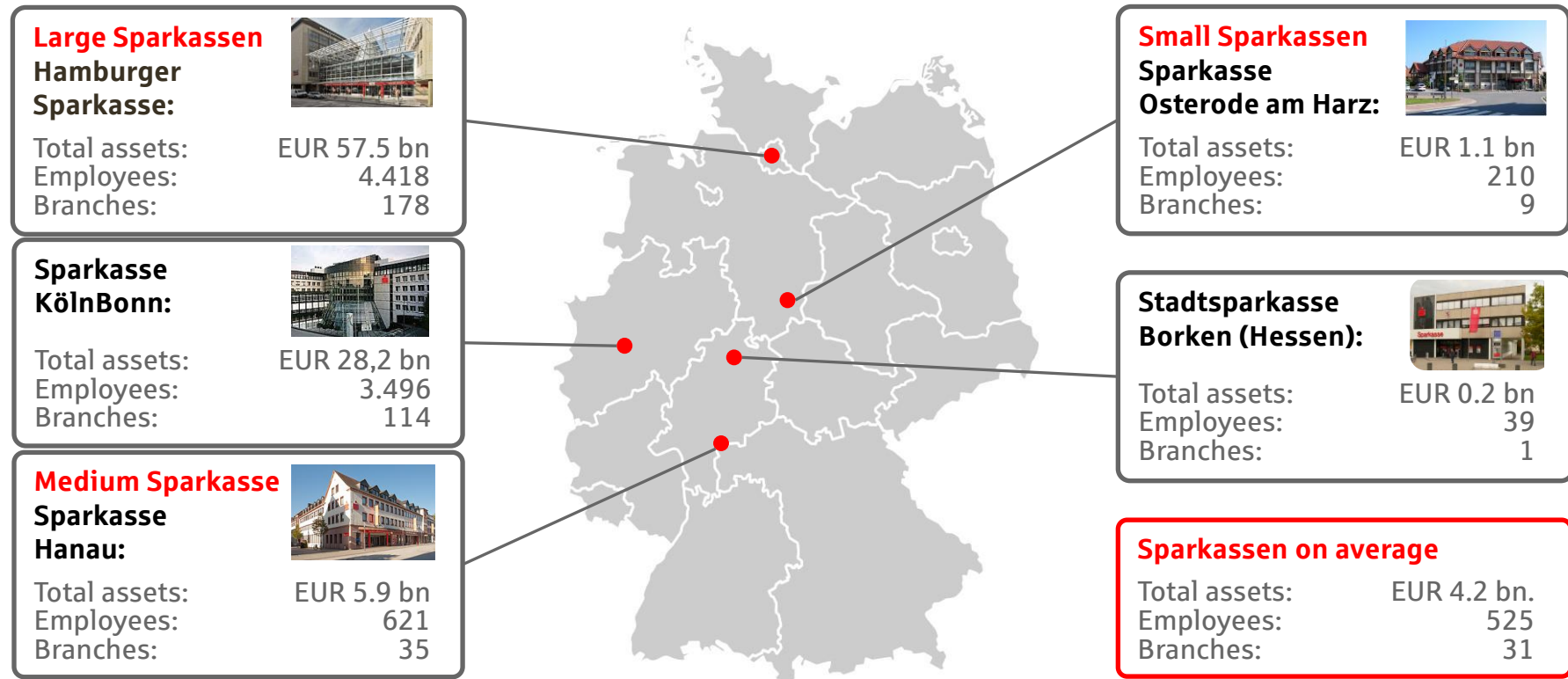
- **are closer to the people**
- **provide for their financial security**
- **do business for the region**
- **are committed to the common good**

**Sparkassen:
Good for the
region. Good for
the people.**



Profit maximisation is not the main objective of the Sparkassen.

Size is not decisive - proximity to the clients and excellent service quality are what matters

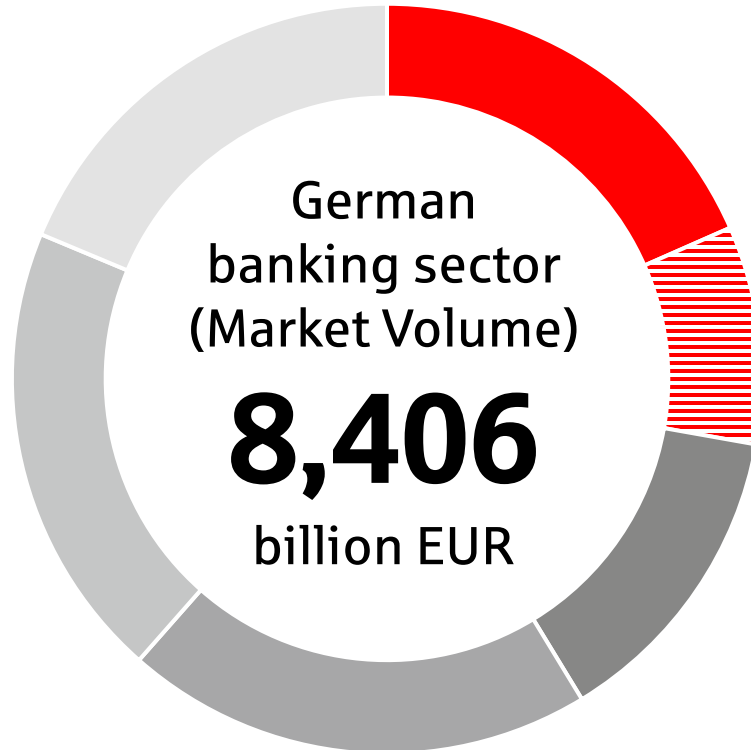


As of: 31.12.2022



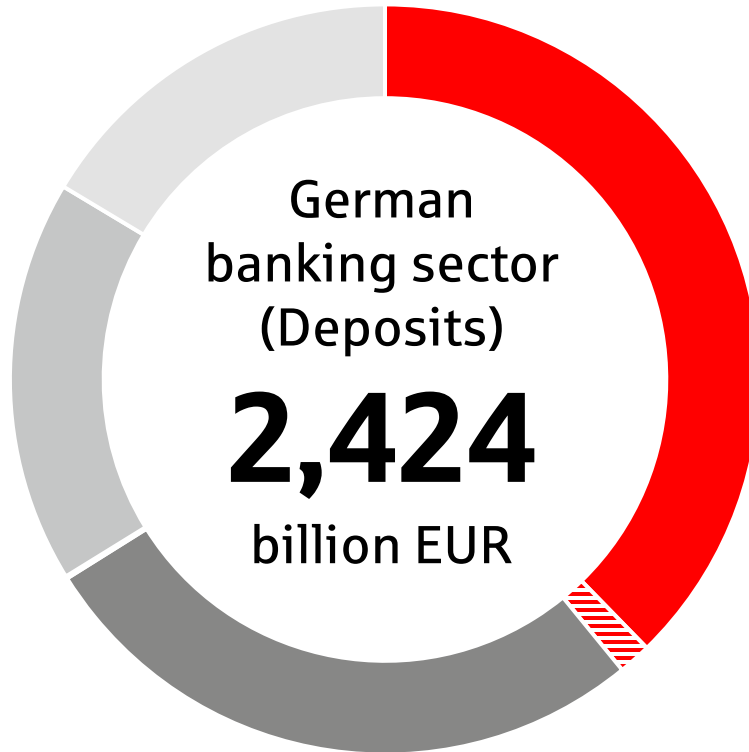
**To achieve sustainable growth,
profitability is a necessary prerequisite.**

Sparkassen Finance Group: Market leader by business volume in Germany



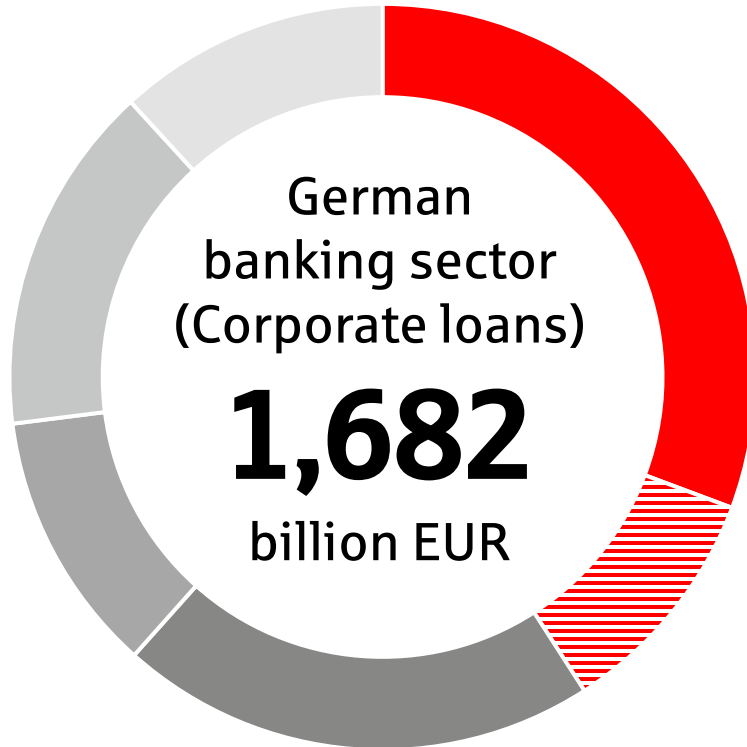
- Sparkassen (18,4%)
- ≡ Landesbanken (9,4%)
- Cooperative banks (13,5%)
- Other credit institutions (20,2%)
- Regional banks / foreign banks (19,8%)
- Big banks (18,7%)

Sparkassen Finance Group: Deposits – unrivalled market leader



- Sparkassen (37,7%)
- = Landesbanken (1,4%)
- Cooperative banks (27%)
- Other credit institutions (0,1%)
- Regional banks / foreign banks (17,4%)
- Big banks (16,4%)

Sparkassen Finance Group: Excellent market position in lending to entrepreneurs



- Sparkassen (30,7%)
- = Landesbanken (10,2%)
- Cooperative banks (20,7%)
- Other credit institutions (11,4%)
- Regional banks / foreign banks (15,2%)
- Big banks (11,8%)

2.1

Success factors of the Sparkassen Finance Group

Independent but together!

We can rely on our strong network



Sparkassen Finance Group



Institutions: 510 | Business volume: EUR 3.330 bn | Employees: 284.800

Independent but together!

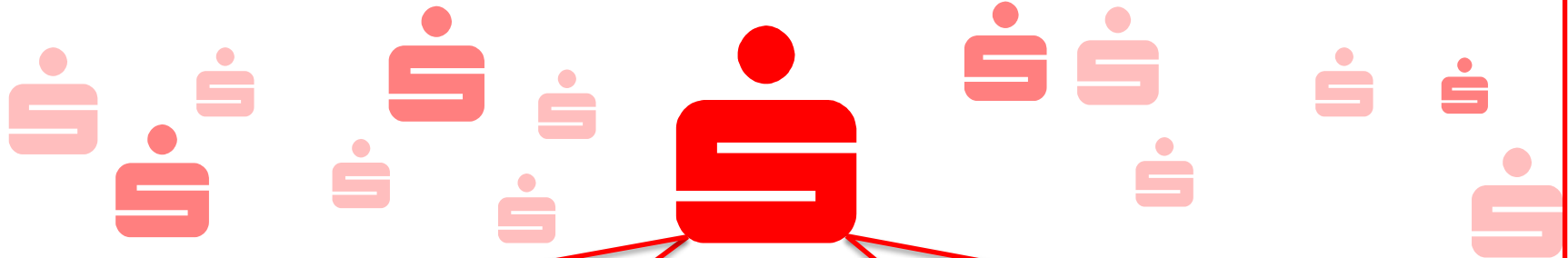
Cooperation in the group is the key to success

Sparkassen Finance Group

Cooperation within the Group

Decentralised Structure

Operational Efficiency



Public Legal Form

Municipal Trusteeship

Public Mandate and Social Commitment

“Regional Principle”

Independent but together!

Twelve associations for all strategic and operational needs

**Sparkassenverband
Niedersachsen (SVN)**

**Sparkassenverband
Westfalen-Lippe (SVWL)**

**Rheinischer Sparkassen-
und Giroverband (RSGV)**

**Sparkassenverband
Rheinland-Pfalz (SVRP)**

**Sparkassenverband
Saar (SVSaar)**

**Sparkassenverband
Baden- Württemberg
(SVBW)**

**Sparkassen- und Giroverband
für Schleswig-Holstein (SGVSH)**

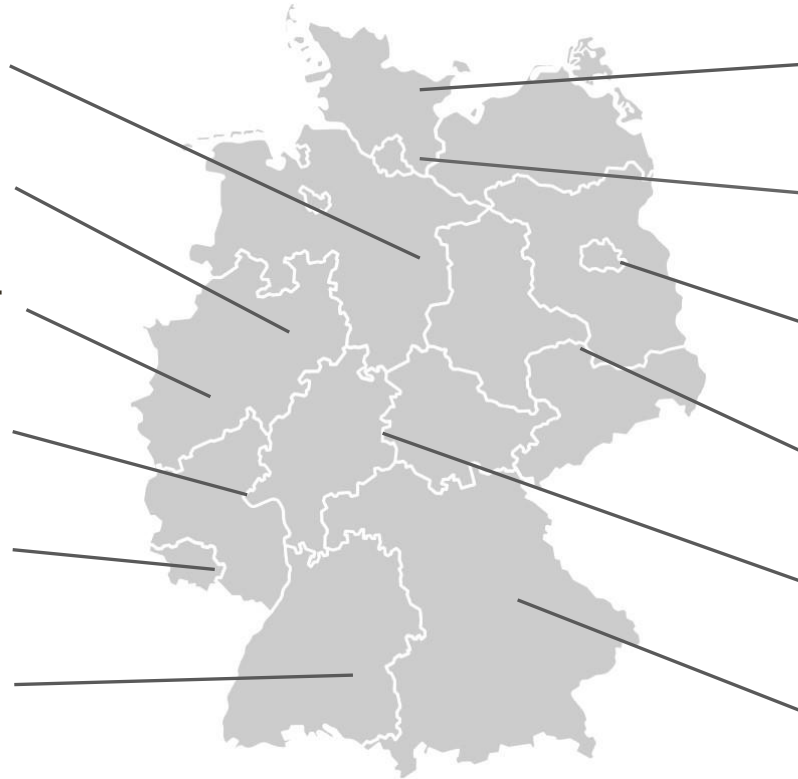
**Hanseatischer Sparkassen-
und Giroverband (HSGV)**

**Sparkassenverband
Berlin (SV)**

**Ostdeutscher
Sparkassenverband (OSV)**

**Sparkassen- und Giroverband
Hessen-Thüringen (SGVHT)**

**Sparkassenverband
Bayern (SVB)**



Independent but together!

DekaBank – Asset Manager of the German Sparkassen



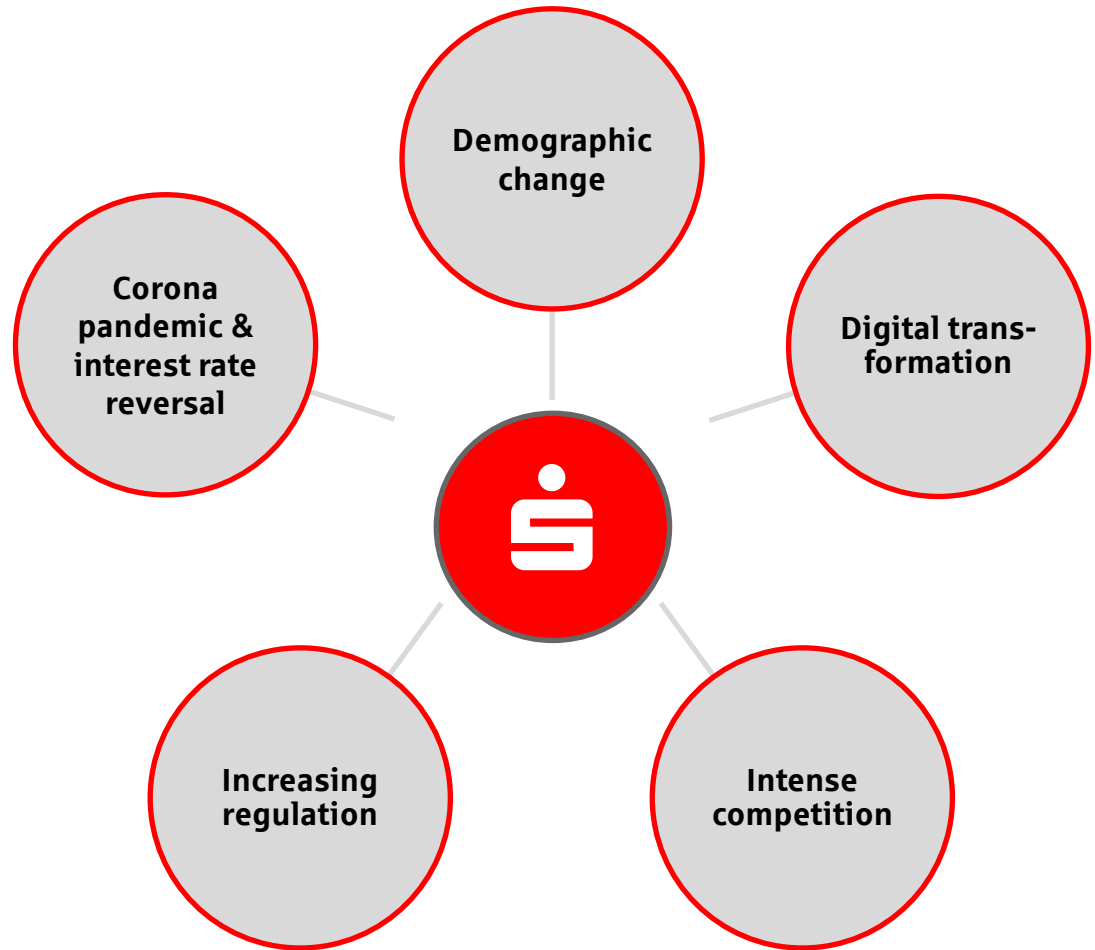
- DekaBank is the asset manager of German Sparkassen.
- Deka Group ranks among Germany's major securities service providers.
- DekaBank ensures access to a wide range of investment products and services for retail and institutional investors.
- Deka's roots go back to 1918, when Deutsche Girozentrale (DGZ) was established. In 1956, Deka was founded as a capital investment company.

2.2

Fit for the future

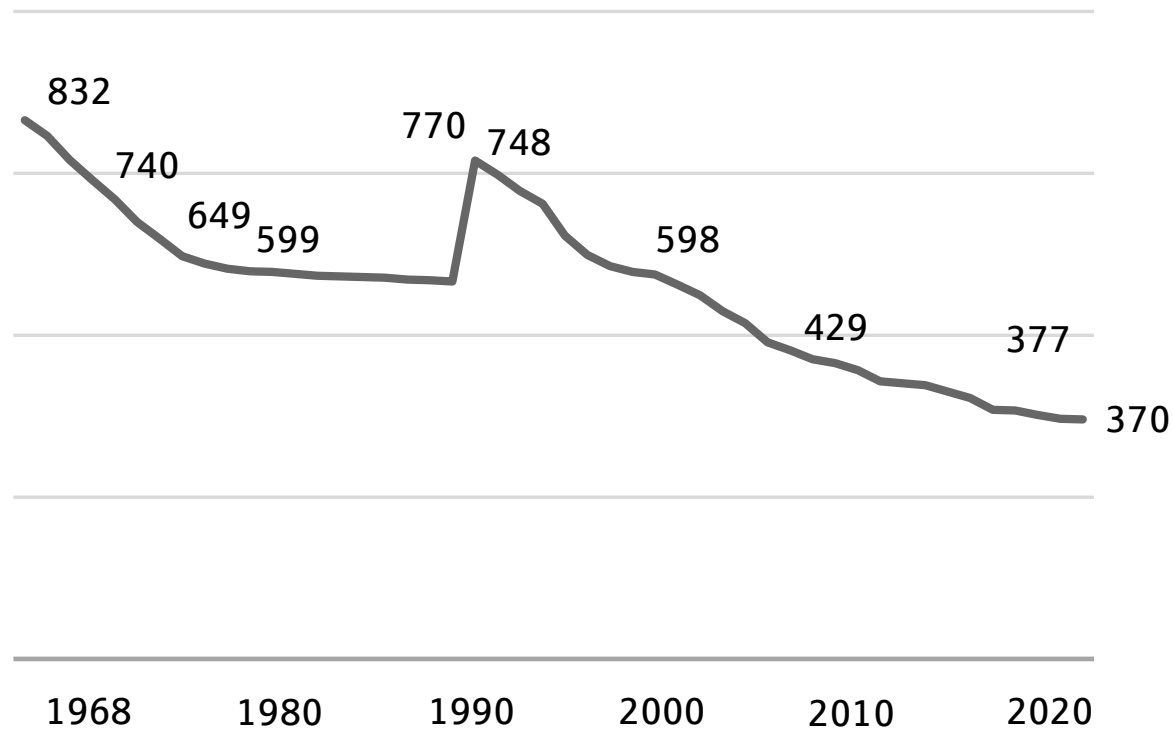
Fit for the future

Challenges we master



Fit for the future

Consolidation and merger



As of 31.12.2021

Fit for the future

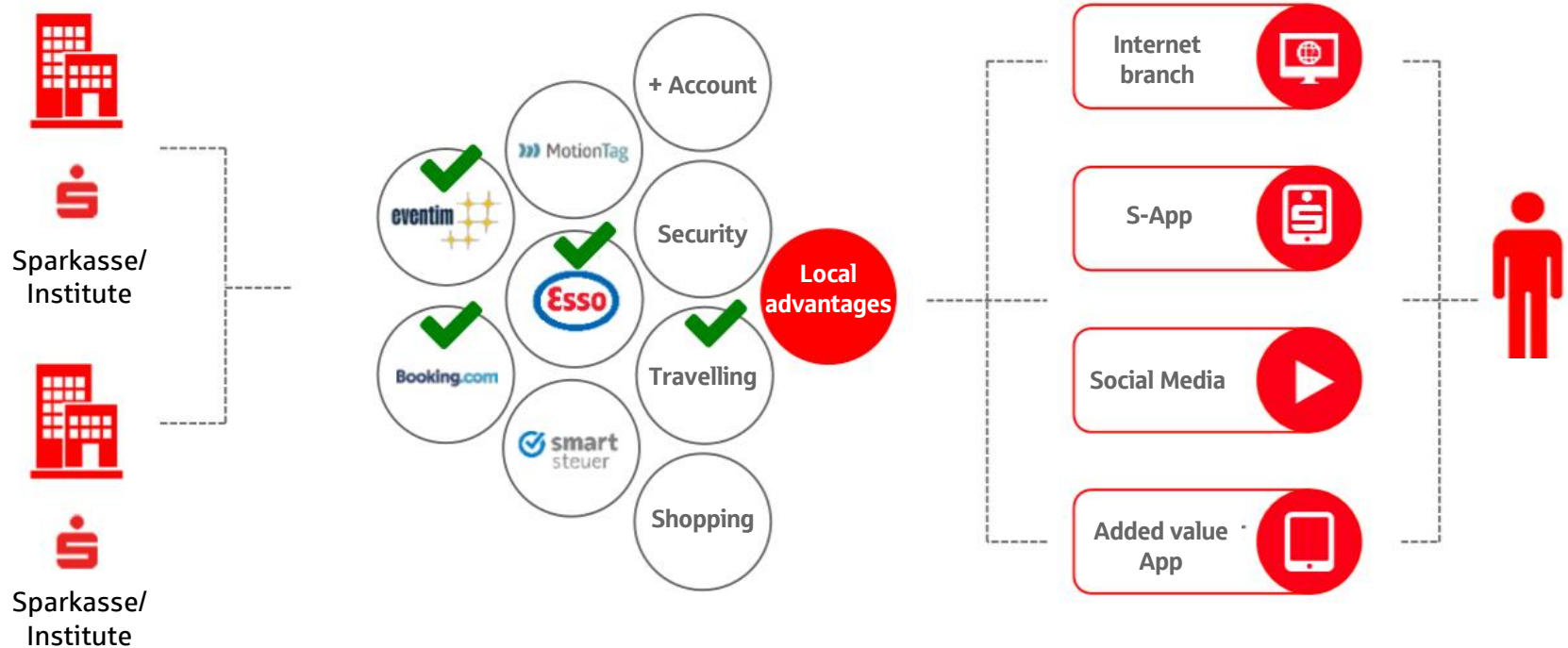
Finanz Informatik (FI)



- Holistic IT services for the Sparkassen Finance Group (from application development, infrastructure and data center operation to consulting, training and support).
- Management of more than 115 million bank accounts.
- Handling of 151 billion technical transactions annually on its computers and systems.
- Development of new IT solutions for business and private customers.
- Specialized subsidiaries such as Finanz Informatik Technologie Service, Finanz Informatik Solutions Plus, Star Finanz, inasys and FINMAS complement the service portfolio.

Fit for the future

The digital ecosystem of the Sparkassen



Fit for the future

S-Hub – user-centric digital innovation



The S-Hub is the innovation driver of the Sparkassen-Finanzgruppe in the areas of User Experience & User Interface Design, New Work and new trends in the financial industry.

The S-Hub brings many advantages to the Sparkassen:

- Innovative, forward-looking topics, use cases and piloting of new products.
- In-depth understanding of the needs of Sparkassen customers as a point of innovation.
- Product ideas that are inspired by and developed close to practice.
- Process optimisation to retain and win customers of the future.

Fit for the future

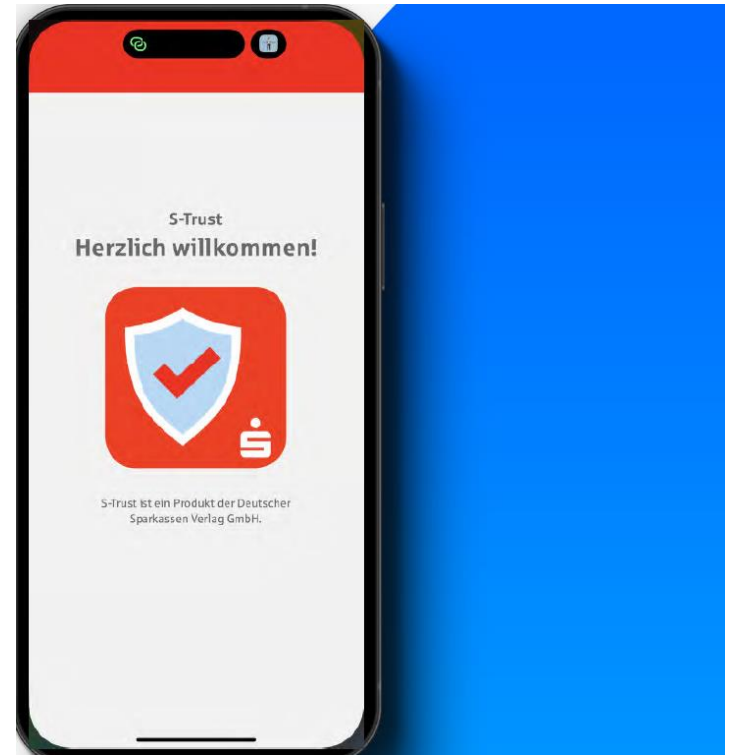
Innovation example: S-Trust

The S-Trust is

- trustworthy
- digital
- secure
- available to all!

The S-Trust enables customers and non-customers alike to store their digital assets securely online. For example,

- Contracts
- Insurance policies
- Documents such as wills
- Passwords



Fit for the future

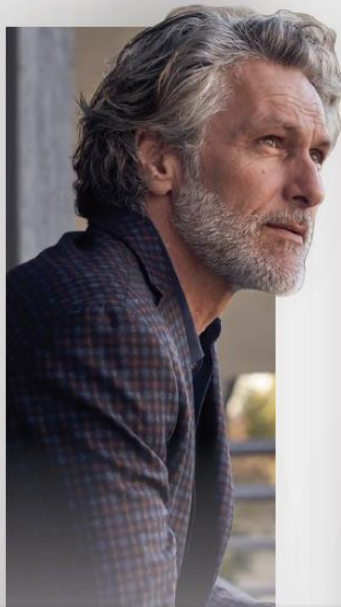
Our goals & challenges



GENERATION ALPHA



DIGITAL ASSISTANTS & SELF SERVICE



AGEING SOCIETY



DIGITAL EURO



MONETISATION OF NON-BANKING

**Innovation, economic efficiency and
social commitment are not
contradictory.**

2.3

**It's about more than
money: Social engagement
in Germany**

It's about more than money

Financial Literacy



Consumer consulting service

“Geld & Haushalt” (Money and Private Households)

Consulting service to support customers with their private financial planning while transferring financial literacy knowledge

- Guidebooks
- Seminars
- Online tools

Sparkassen-SchulService (Sparkassen School Service)

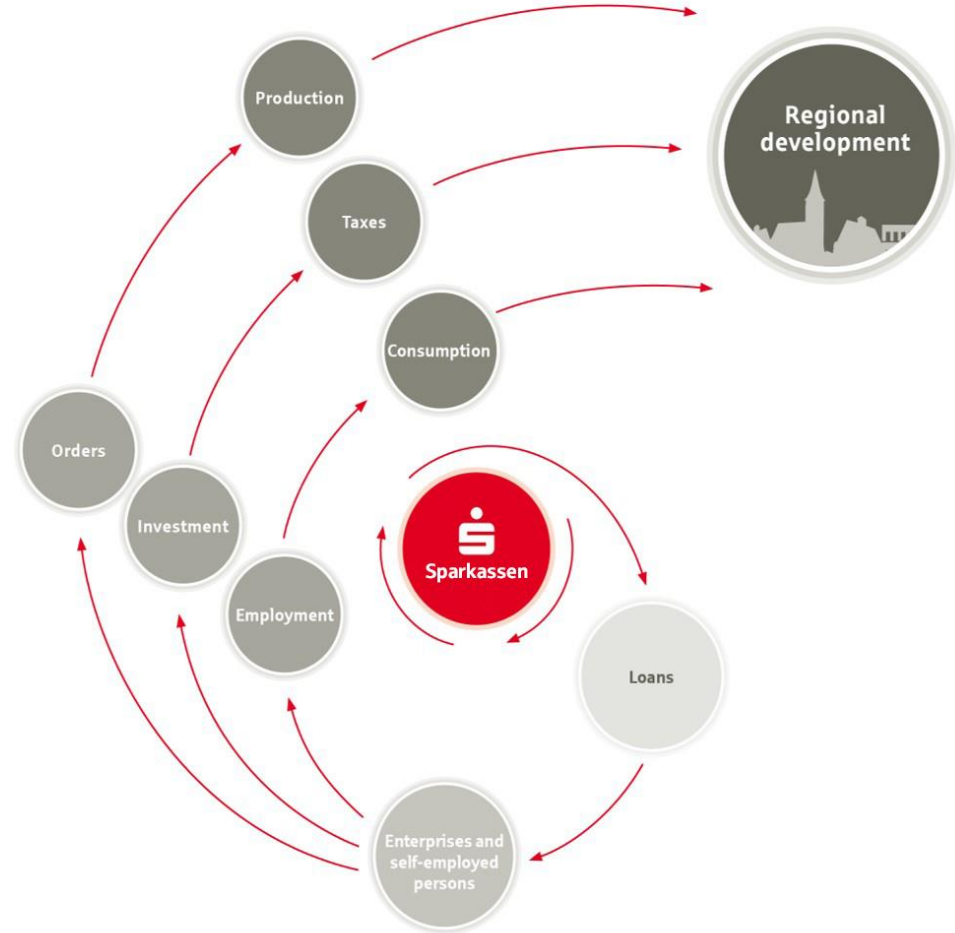
Service to support schools with topics around money, finance and the economy

Planspiel Börse (Stock exchange simulation game)

The online learning game is aimed at pupils, students and anyone who wants to give the stock exchange a try.

It's about more than money

Regional strength and development



It's about more than money



Image: <https://www.svreichenbach.com/post/sparkassenstiftung-macht-s-m%C3%B6glich-100-kinder-trainieren-mit-dem-fu%C3%9Fballweltmeister-guido-buchwald>

**It's about more
than money**

**The local foundation of
the Sparkassen**



760
Charitable Foundations

2,8bn EUR
Capital resources

69 Mio EUR
Disbursed funds

With the highest number of charitable foundations in Germany,
the Sparkassen are very committed socially

As of: 31.12.2021

Klingt.
Gut.

classics

Klingt. Gut für Witten.

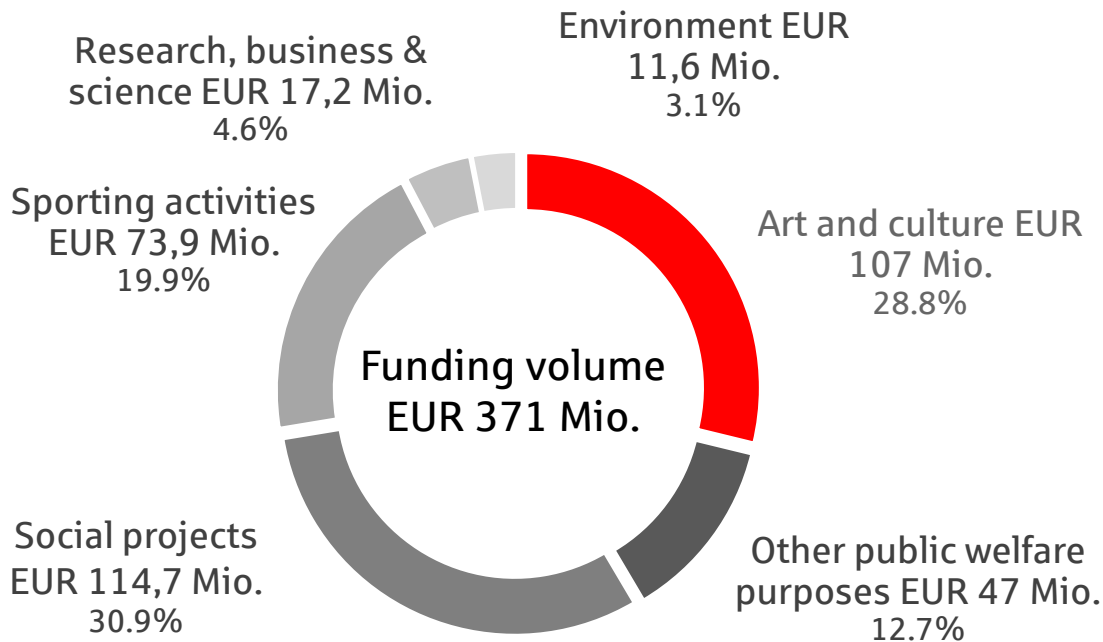
Klingt.
Gut.

It's about more than money

Image: <https://magazin.sparkasse-witten.de/sparkassen-classics-2022-bank-noten-fuer-das-orchester/>

**It's about more
than money**

**Sparkassen promote the
common good**



As of 31.12.2021

Image: <https://www.nr-kurier.de/artikelbild/68322--knax--taschenlampenkonzert-begeisterte-viele-besucher>

Sparkassen knowledge and values are highly regarded around the world.

3

German Sparkassenstiftung for International Cooperation

German Sparkassenstiftung Explained [Video]



**Download the video and embed it before your presentation.
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German Sparkassenstiftung

Committed to financial
inclusion since 1992



German Sparkassenstiftung

Our roots

The DSGV supports the establishment of financial institutions in developing countries in Africa, Asia and in Latin America.

1980s

DSIK supports the Philippine NGO CARD in setting up its own bank. Today, CARD itself advises other MFIs worldwide.

1997

1961

DSGV supports the Egyptian government in setting up credit cooperatives in the Nile delta

1991

German Sparkassenstiftung is founded by a member resolution of the DSGV. Start of operative business in mid-1992.

German Sparkassenstiftung

Our development

In the meantime, World Savings Day has been introduced in around 20 project countries by German Sparkassenstiftung.

2011

2006

Nobel Peace Prize for Dr Muhammad Yunus and the Grameen Bank, which was supported by the DSGV.

2022

The German Sparkassenstiftung for International Cooperation celebrates its 30th anniversary

German Sparkassenstiftung

Non-profit organisation
(registered association)

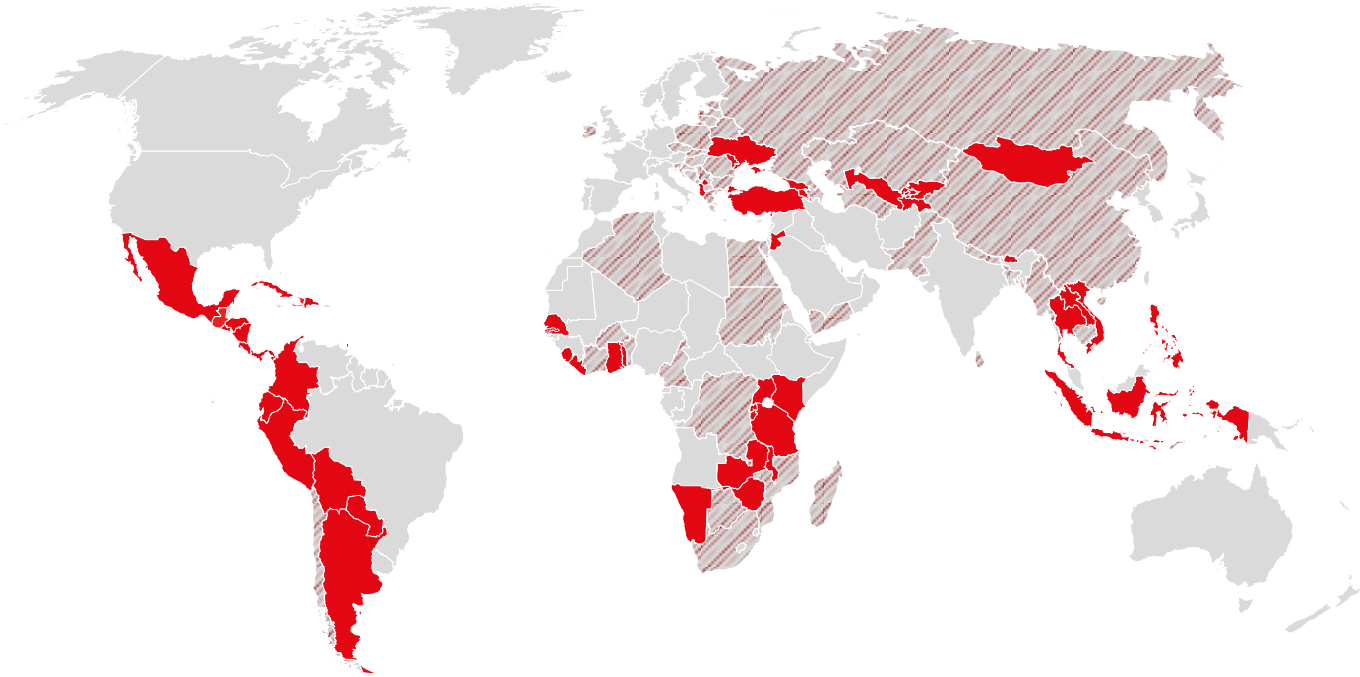
Head Office: Bonn

- Employees in Bonn: 43
- Employees worldwide: 330

Active in 54 countries

Project volume 2022: EUR 31,05 million

Our projects worldwide



Since 1992, we have implemented over 200 projects in more than 100 countries.
Currently we are active in 37 projects and 54 countries.

German Sparkassenstiftung

Our organisational structure

Our members:
Sparkassen, Associations, Landesbanken, Insurers

Our Members make up the
Board of Trustees

Board of Trustees

The Board of Trustees elects
the Management Board

Management Board

Management

Head Office Bonn

Project offices in Africa, Asia, Europe & Latin America

German Sparkassenstiftung

Our funding

Interest on equity
capital

Interest revenues

Compulsory for
members:
Sparkassen
State Banks
Insurance
companies
Etc.

Members' donations

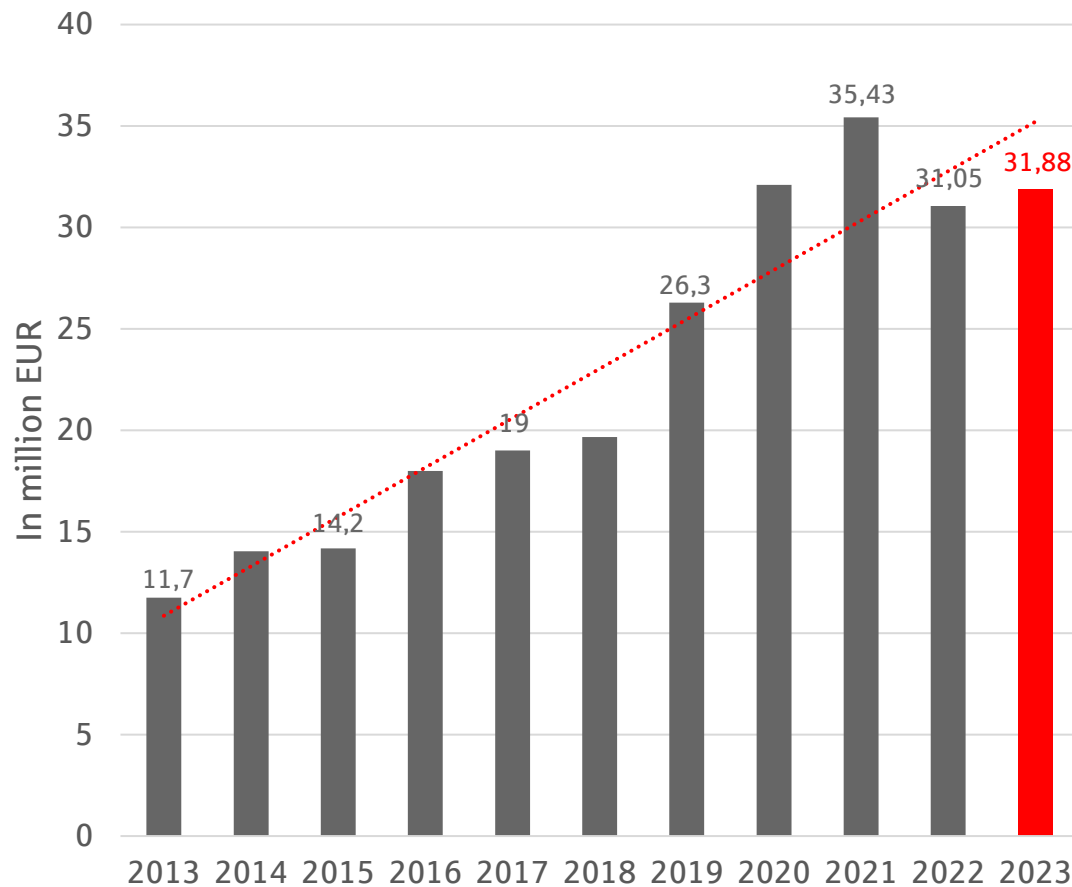
National donors:
BMZ
GIZ
KfW

International
donor:
EBRD
EU
World Bank
IFC
Others

Project sponsor

German Sparkassenstiftung

Our project volume



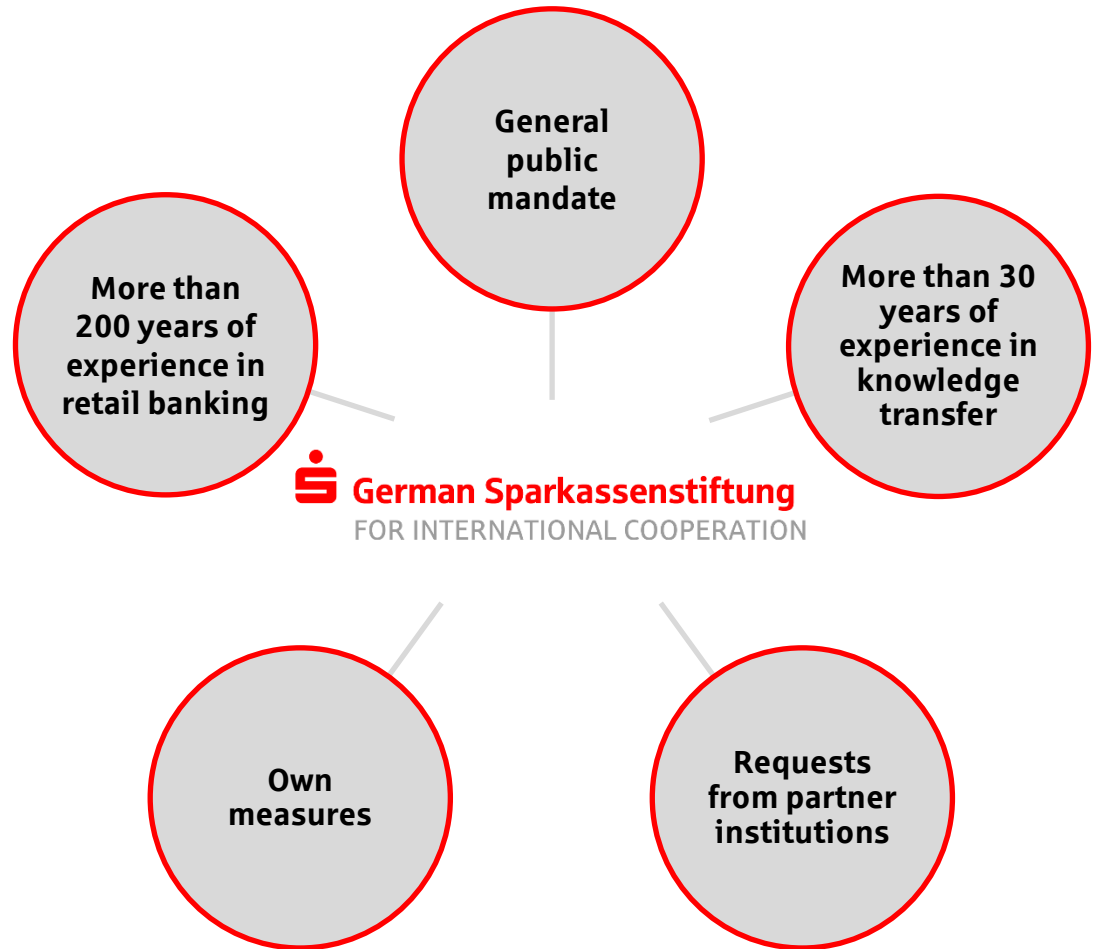
As of: 31.12.2022

3.1

Our work worldwide

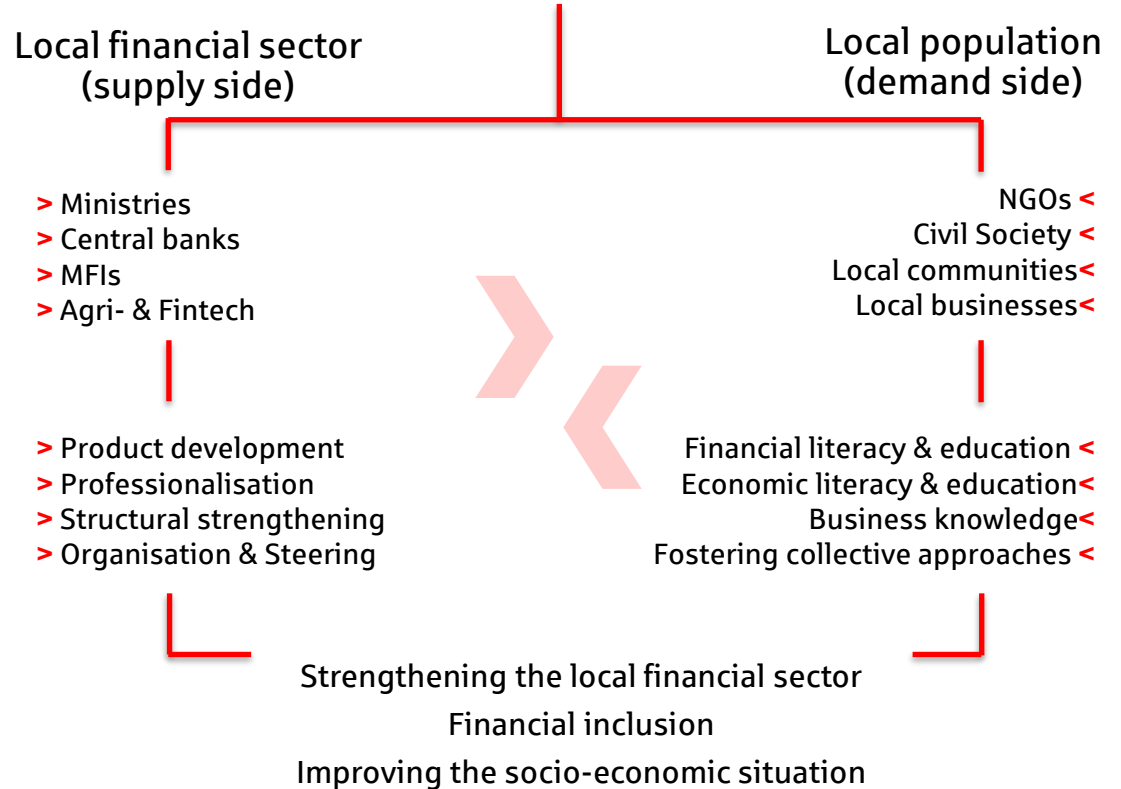
Our work worldwide

Our mandate



Our work worldwide

Improving supply and strengthening demand



Our work worldwide

Business Game trainings for the local population

Micro Business Game

The Micro Business Game is an interactive training for micro entrepreneurs and anyone who wants to learn in practice how to improve the success and sustainability of a start-up or small business.

Farmers Business Game

The Farmers Business Game is an interactive training for smallholder farmers, aspiring farmers and agri-entrepreneurs who want to improve their expertise for successful and sustainable farm management.

Savings Game

The Savings Game is an interactive training for households, young people and small family businesses who want to learn how to manage a family budget efficiently and build savings.

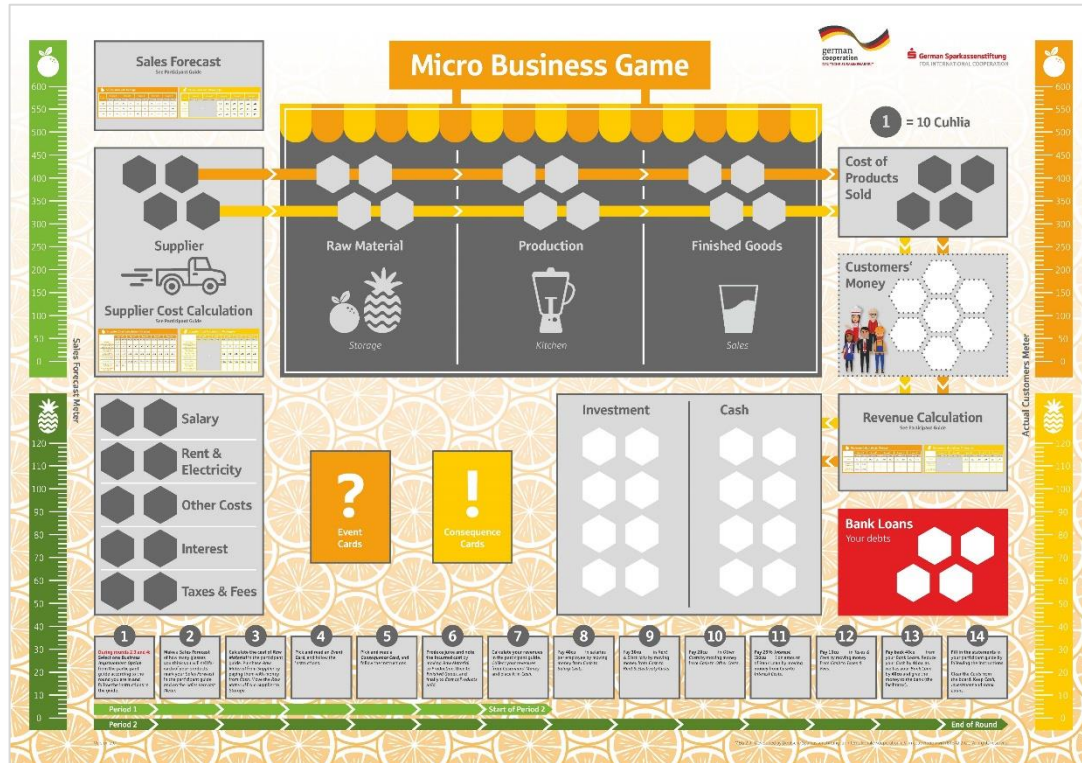
Managing Climate Resilience

The Managing Climate Resilience Business Game is an interactive training for smallholder farmers and agri-business owners who are affected by climate change and want to build their businesses more resiliently.

Business games are available as board games, virtual classroom trainings and as an app.

Our work worldwide

Micro Business Game



Target group:

Entrepreneurs, founders, employees of microfinance institutions, as well as pupils and students

Aims:

Business management and accounting are practiced, and participants are prepared for everyday business life

Key contents:

Business planning, leadership and management skills, marketing, human resources, investments, accounting

Our work worldwide


Savings Game


Round 1

Round 2


Round 3

Savings Game







Susan




Stefan




David



Alexandra



Marie



Balance Calculation


Round 1	0	14	14
Round 2	14		
Round 3			
Round 4			
	Last Round	Balance for Round	Disposable Balance

Money Placement


	14	6	14
	Cash	Bank Savings	Ending Balance

Loans


Event Cards




Consequence Cards




Family Goals



Update Cards



Quality of Life



Family Budget Planner

	Round 0	Round 1	Round 2	Round 3
Salary	100			
Income Adjustments	0			
Total Income	100			
Housing	30			
Transport	10			
Food	15			
Event Costs	15			
Other Purchases	14			
Interest Cost	2			
Total Costs	86			
Balance for Round	14			
Family Goal				

Target group:

Private households, micro and small (family) businesses, pupils and students

Aims:

Basic concepts of financial literacy are practiced in a playful way and the meaning of saving and money become understandable

Key contents:

Investing money, manage savings and loans, the role of financial institutions, inflation, etc.

Our work worldwide

Farmers Business Game



Target group:

Employees of financial and microfinance institutions, agricultural businesses, pupils and students

Objectives:

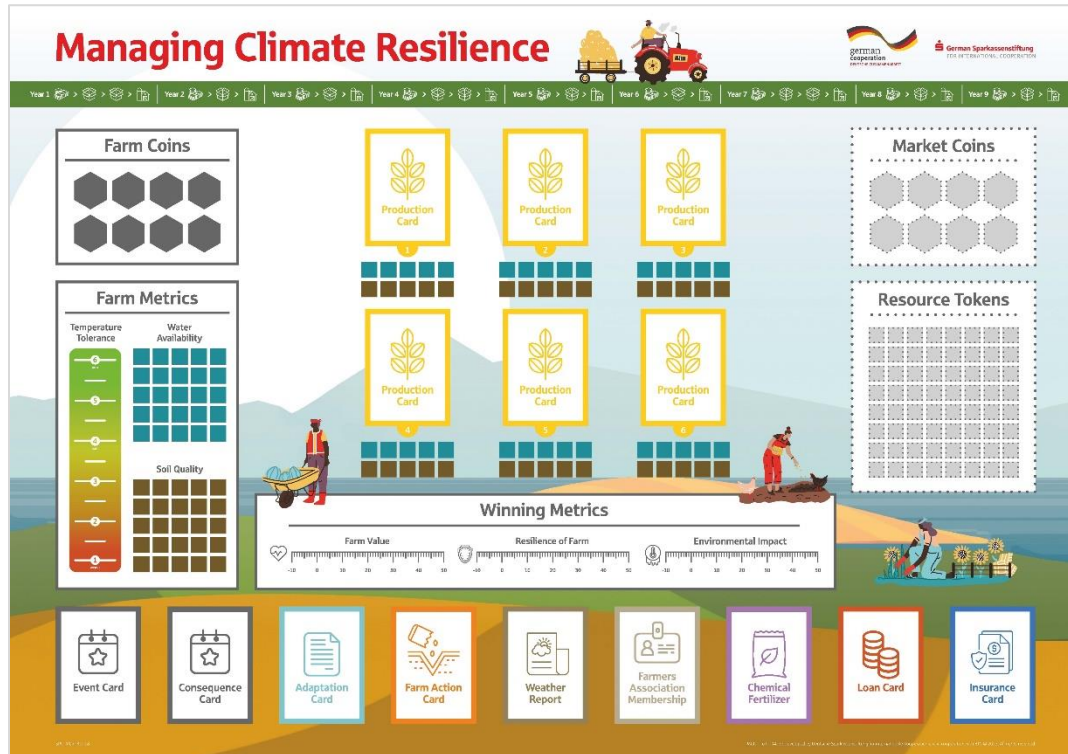
Acquisition of management skills for agricultural enterprises such as bookkeeping and investment decisions

Key contents:

Management and planning of enterprises, as well as competencies in the areas of marketing, human resources, investments and accounting

Our work worldwide

Managing Climate Resilience



Target group:

Employees of financial and microfinance institutions, agricultural businesses, pupils and students

Objectives:

Agricultural enterprises can prepare themselves for the consequences of climate change and are able to manage their farms economically

Key contents:

Climate change, climate change adaptation, risk management, long-term planning, role of insurance and financial institutions

Our work worldwide

Products and trainings for the financial sector

MFI Management Game

The Microfinance Institution (MFI) Management Game is aimed at senior and middle managers as well as junior managers who want to understand how the success of an MFI can be improved through management methods (best practice).

Green Finance Compass

The Compass is a pragmatic and adaptable tool for systematic stocktaking, project planning and progress monitoring in the implementation of Green Finance in financial institutions. The tool has been tried and tested many times in the Sparkassen-Finanzgruppe.

Risk Radar

The Risk Radar is a proven tool that helps financial institutions identify industry-specific or sectoral climate and catastrophe risks. Once these risks are identified, the exposure of their own portfolio can be better managed.

Our work worldwide

MFI Management Game



Target group:

Employees of microfinance and financial institutions, senior and middle management as well as junior executives

Aims:

Demonstrating the compatibility of social responsibility and financial sustainability as well as teaching the skills required to achieve this

Key contents:

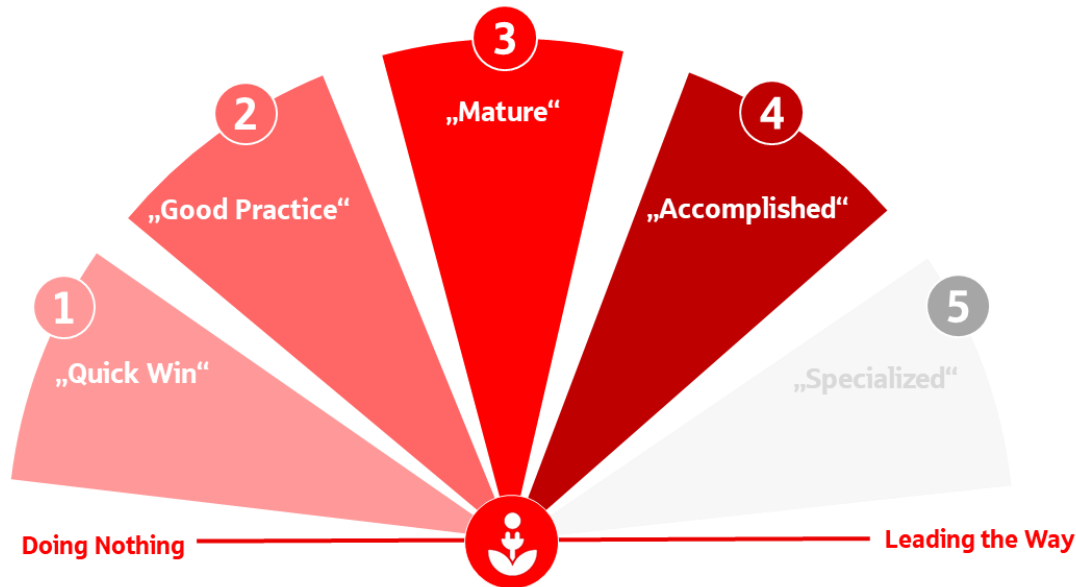
MFI strategies and objectives, marketing, market analysis, risk & human resource management, and sustainable profit optimisation

Our work worldwide

Green Finance Compass

No size fits all

The Green Finance Compass has no predefined target level.
It is tailored to the needs of the respective institution.



Target group:

Employees of financial institutions and microfinance institutions, senior and middle management

Aims:

To support financial institutions in developing and pursuing sustainability strategies

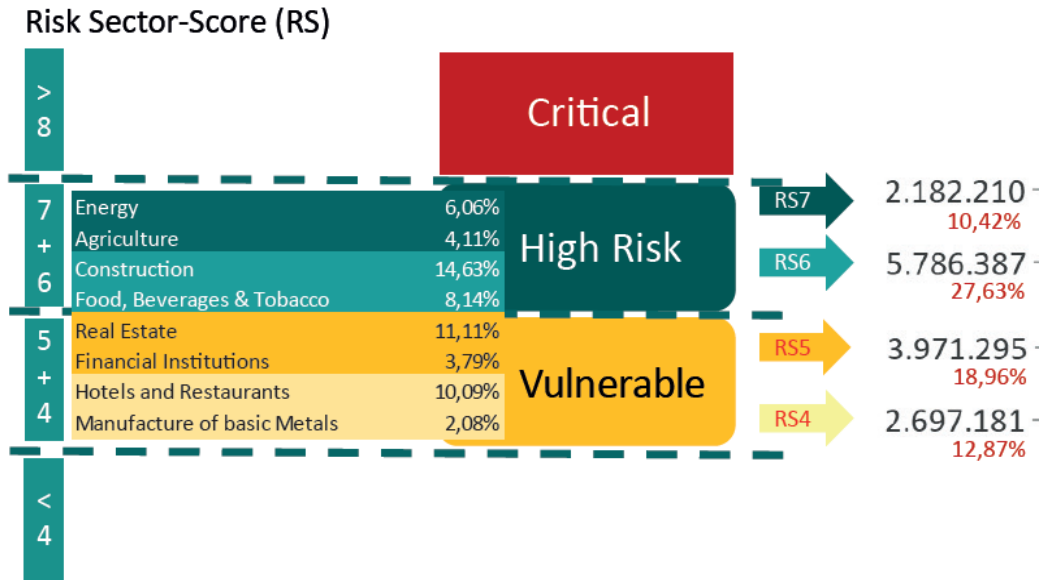
Key contents:

Systematic stocktaking, project planning and monitoring in the implementation of green finance in financial institutions. Adapted to the initial situation of the respective financial institution

Our work worldwide

Risk Radar

Heat map shows climate vulnerability by sector



Target group:

Employees of financial and microfinance institutions, senior and middle management, political partners and central banks

Aims:

Strengthen the capacity of partner institutions to build ESG-compliant, low-risk loan portfolios

Key contents:

Assess ESG risks at sector or industry level through stock taking, action planning and climate & catastrophe risk controls

Our work worldwide

On 25 September 2015, the United Nations General Assembly adopted 17 Common **Goals for Sustainable Development** to be achieved by 2030.

With our work, we contribute to the achievement of **12 (of the 17) goals**.

Achieving global goals together



Our work worldwide

Global impacts, global successes 2022

127,900

Newly created jobs in our project countries

47%*



54,830

People with improved working conditions

47%*



1,731,111

People now have improved access to financial services

54%*



1,070,078

People who participated in a training or further education measure

72%*



*Share of women

3.2

Stronger together - Collaborative partnerships

Collaborative partnerships



Collaborative partnerships

In all projects worldwide



Our international donors



Our local project partners*



* Among many others

Collaborative partnerships

With our members



Well over half of all German Sparkassen as well as Landesbanken, regional associations and other association partners are members of the German Sparkassenstiftung for International Cooperation (DSIK).

Through their membership, the Sparkassen strengthen the power of the Sparkassen system: they experience that the hallmarks of the successful Sparkassen model - regionality, social commitment, proximity to customers and trust - also work far away from home. This turns employees into convinced Sparkassen ambassadors and increases their loyalty to the Sparkasse as a company.

Collaborative partnerships

As a partner Sparkasse for a single project



Member Sparkassen can become official partners for a selected project. These “Partnersparkassen” are particularly important because

- they facilitate staff exchanges, knowledge transfer, delegations, etc.
- the institutions of the Sparkassen Finance Group act as role models for German Sparkassenstiftung's local project partners.
- they have a long-term impact. As a rule, the Partnersparkasse works together with German Sparkassenstiftung and the local partner from the beginning to the end of the project.

4

A glance at our projects

Image film German Sparkassenstiftung [Video]



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4.1

Global topics

Global topics



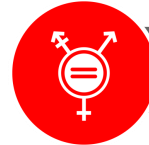
Climate Change Mitigation

We advise our partner institutions on how to determine the vulnerability of their portfolios to the impacts of climate change and develop appropriate risk management systems.



Displacement and Migration

We support refugees in establishing a new livelihood in the country of transit or home country. At the same time, we strengthen local host communities so that economic integration succeeds.



Women in Business

By empowering women in all of our projects, we want to eliminate gender-specific differences in access to financial products and strengthen overall gender equality in the long term.



Digital Transformation

We not only support our partners in the transition from analogue to digital financial services but improve internal processes through digital innovation and the introduction of new technologies.

Global topics: Climate Change Mitigation



Climate Change Mitigation



German Sparkassenstiftung offers technical assistance for financial institutions through:

- Developing (environmental) sustainability strategies.
- Improving risk management through assessment and improved handling of climate risks in the credit portfolio.
- Expanding the range of green financial products.
- Strengthening capacities to offer financial services for sustainable development.
- Institutional strengthening to offer demand-driven finance to the rural target group.
- Application of the specially developed Green Finance Compass and the Risk Radar.

Global topics: Women in Business



Women in Business



German Sparkassenstiftung provides technical assistance by:

- Advising financial institutions on their capacity to provide services to women and women-owned SMEs.
- Advising financial institutions on starting, continuing or expanding efficient lending to women (through restructuring and developing appropriate organisational structures, business models, strategies as well as processes).
- Offering tailor-made capacity building trainings for financial institutions.
- Offering organisational development by and for financial institutions, including internal training capacity development.
- Advising on the development of financial and non-financial services and products.

Global topics: Displacement and Migration



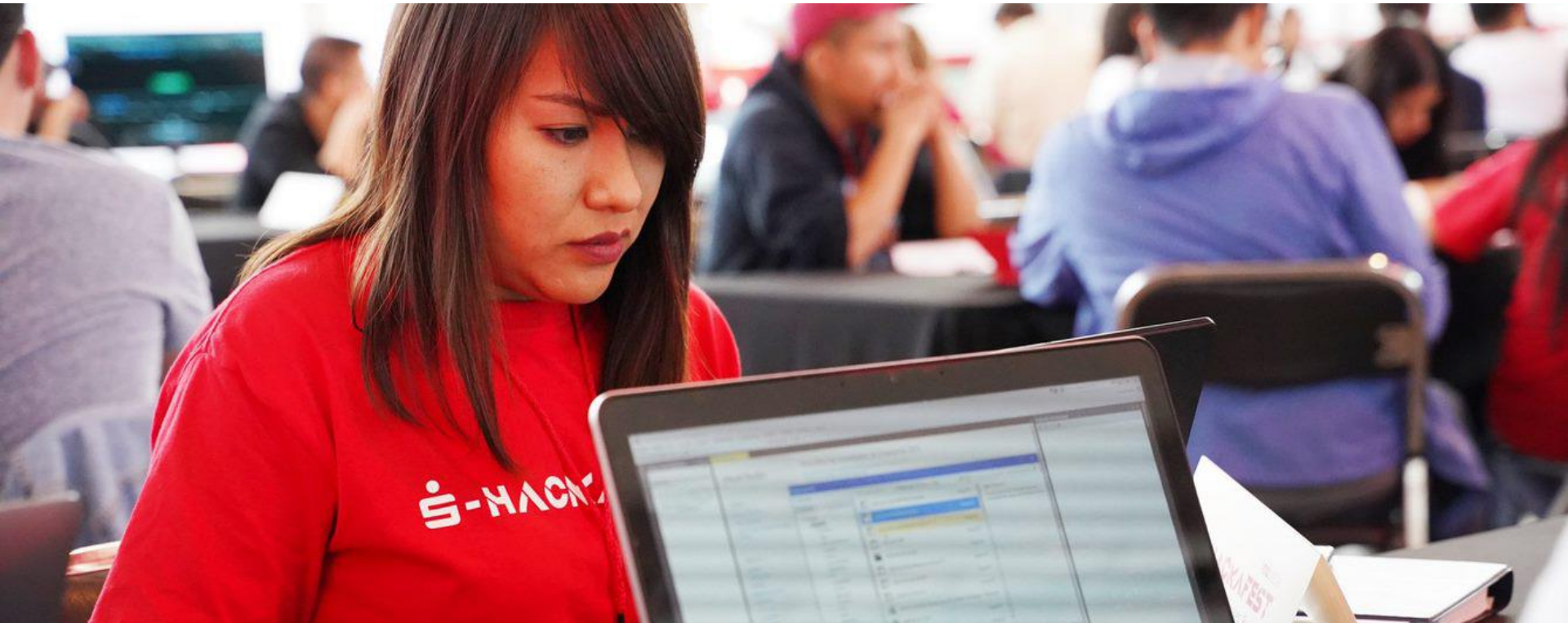
Displacement and Migration



German Sparkassenstiftung provides technical assistance by:

- Advising financial institutions on their capacity to provide basic financial services to host society, migrants and refugees.
- Advising financial institutions on starting, continuing or expanding efficient lending to the target group (by restructuring and developing appropriate organisational structures, business models, strategies as well as processes).
- Selecting and conducting due diligence on financial institutions willing and able to serve the target group.
- Implementing or supporting necessary adjustments in terms of processes and financing conditions (e.g., smart subsidies).

Global topics: Digital Transformation



Digital Transformation



German Sparkassenstiftung offers technical assistance by:

- Accompanying financial institutions in their transition to use more digital services and expand their product portfolios.
- Policy and strategy advice on potential digital services and on the effective use of digital, tailor-made financial and non-financial services.
- Advising financial institutions on the development of internal strategies, structures, processes and competencies, and on strengthening a culture of innovation.
- Implementation of comprehensive capacity development measures (training & coaching) for the digital transformation.
- Building internal training capacities for digital products and services.

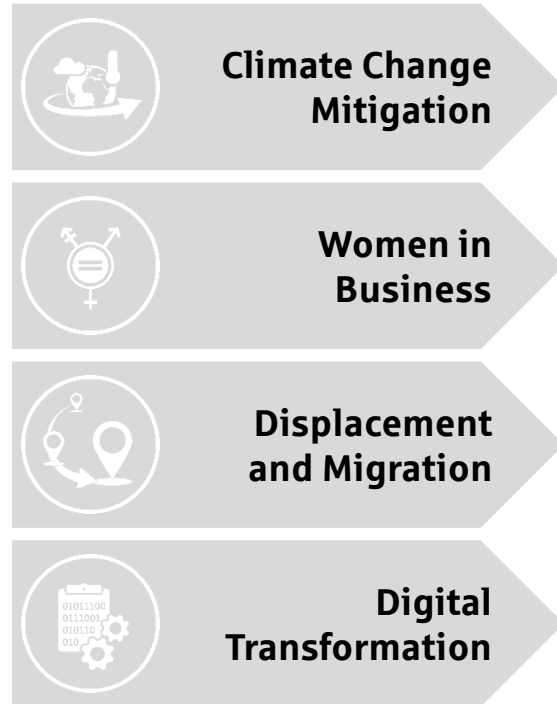
How do we address these global topics in our projects?

4.2

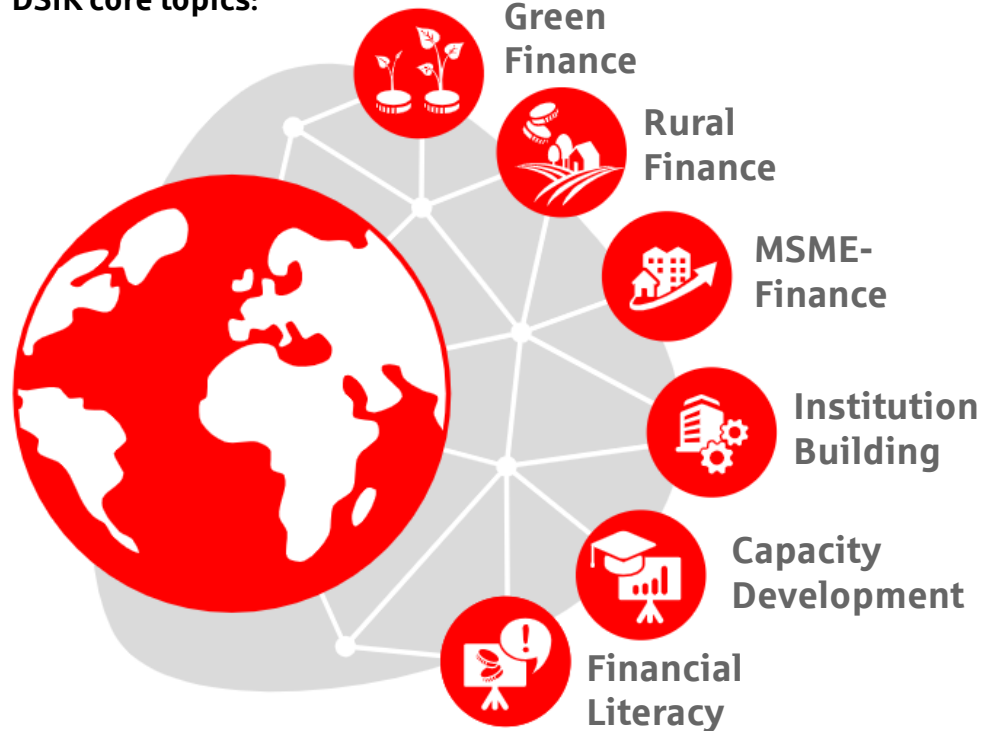
Global topics in our project work

Global topics lead to a constant adaptation and further development of the DSIK core topics

Global topics:

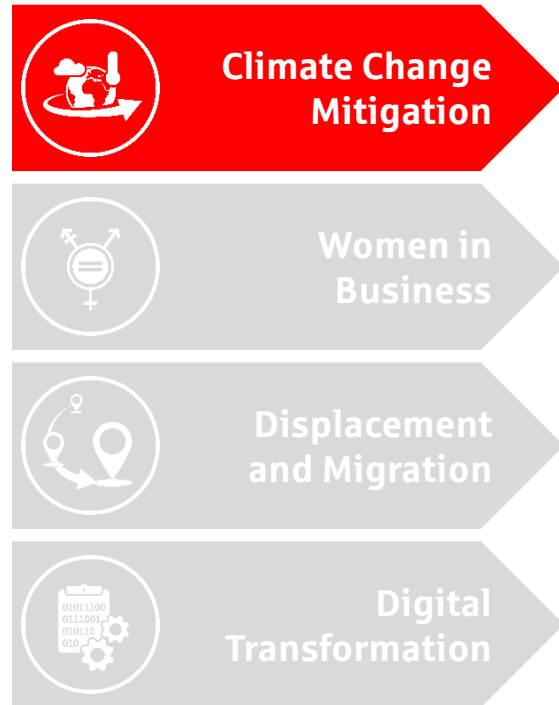


DSIK core topics:

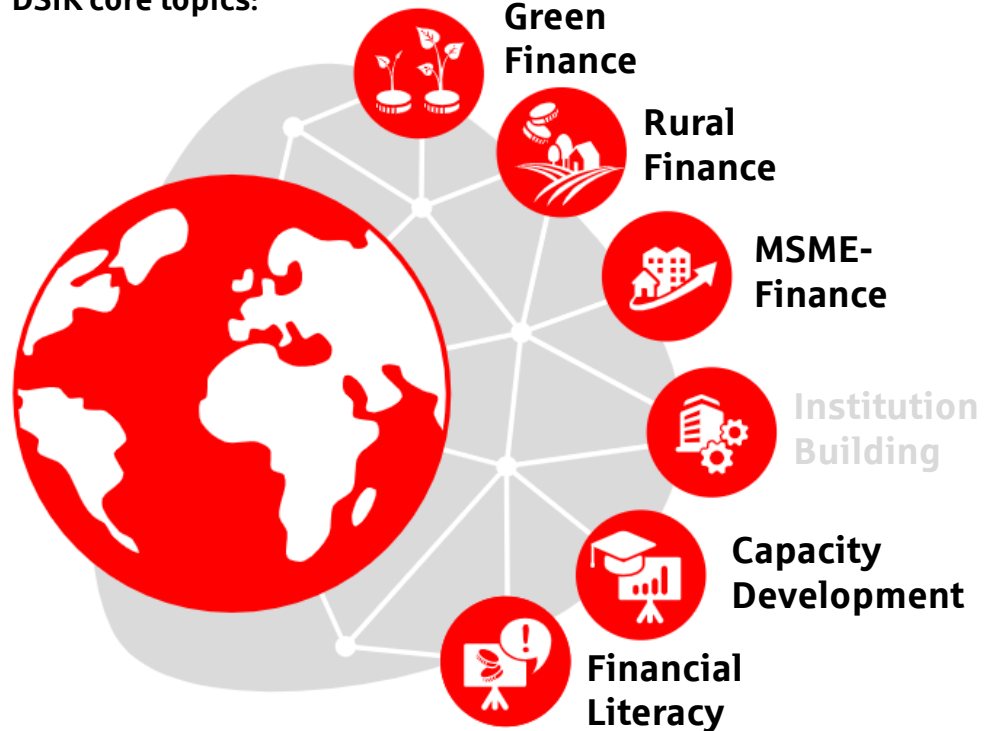


Global topics lead to a constant adaptation and further development of the DSIK core topics

Global topics:



DSIK core topics:



Green Finance Compass & Risk Radar

Georgia



German partner: n.a.

Local partner: Crystal MFI, National Bank of Georgia, Credo Bank

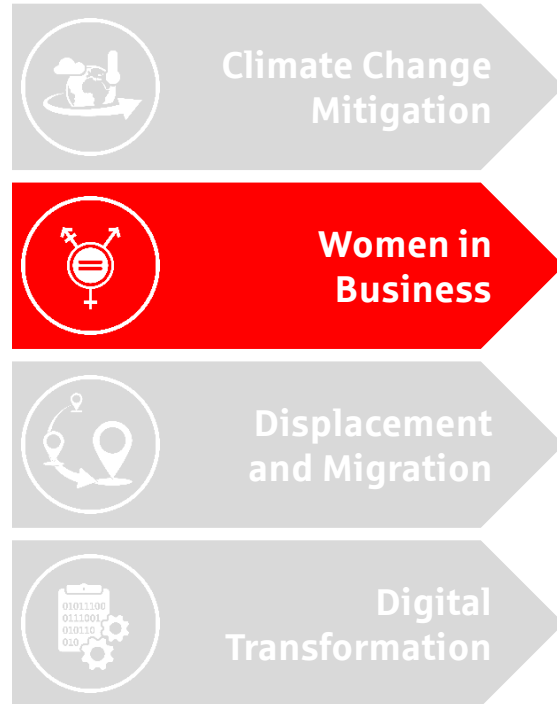
Donor: Federal Ministry for Economic Cooperation and Development

Activities

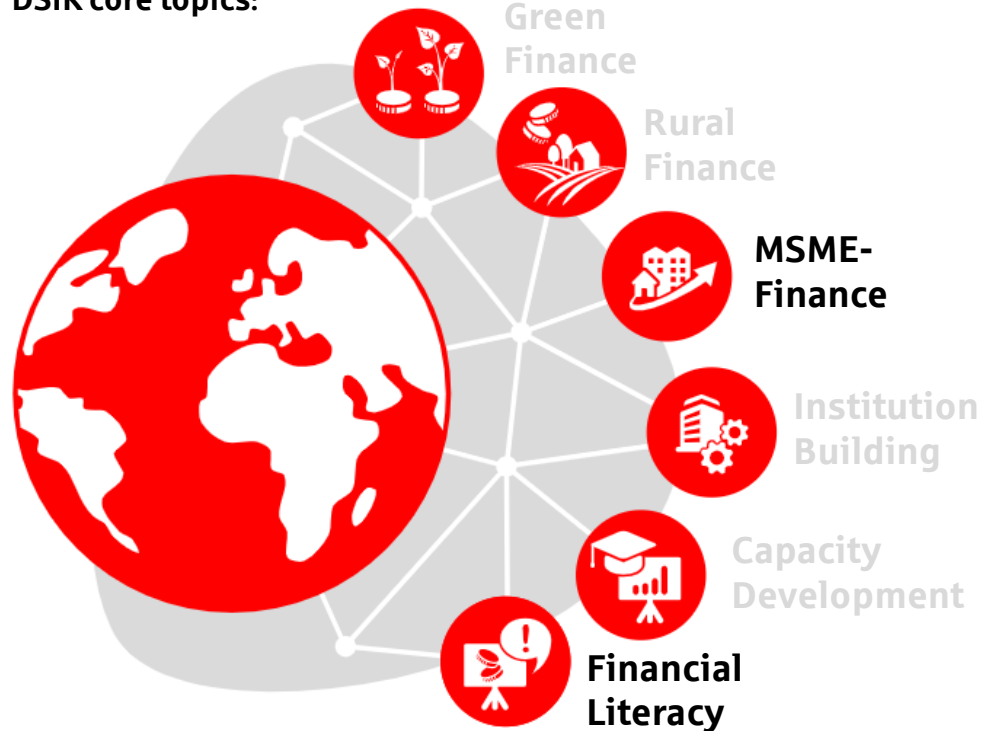
- Raising awareness of climate risks in the financial sector through the Green Finance Compass and the Risk Radar
- Improving access to a sustainable financial market for rural MSMEs
- Developing and providing demand-driven financial services
- Improving the financial, environmental and entrepreneurial skills of MSMEs
- Socially and ecologically optimised business processes of local financial institutions

Global topics lead to a constant adaptation and further development of the DSIK core topics

Global topics:



DSIK core topics:



Support for women-owned MSMEs

Turkey



German partner: n.a.

Local partner: Turkish Grameen Microfinance Program (TGMP), Ministry of Education, State Agency for SME Promotion and Employment Agency; Regional Chambers of Industry and Commerce

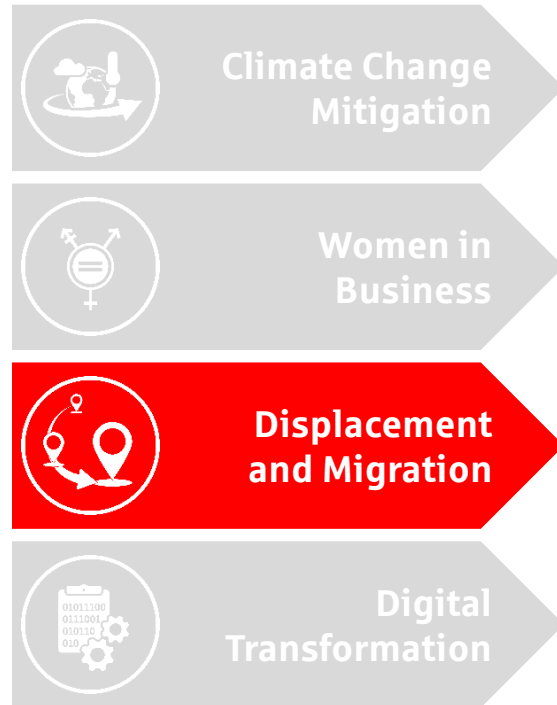
Donor: Federal Ministry for Economic Cooperation and Development

Activities

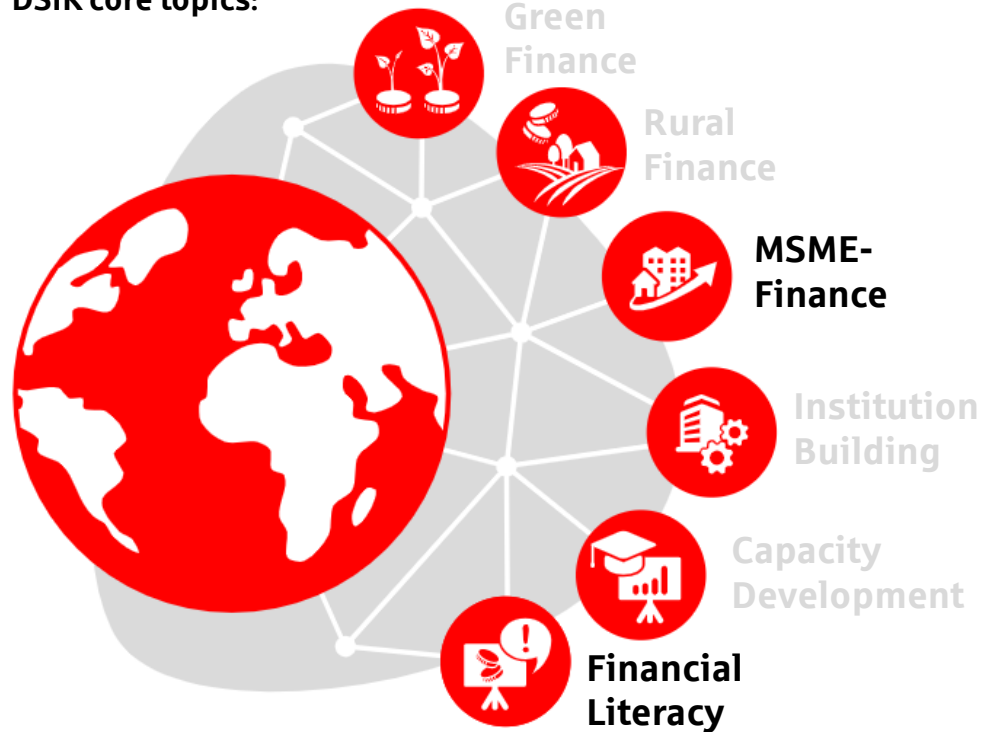
- Improving the living conditions for women with experiences of displacement as well as local host communities
- Financial inclusion of disadvantaged people (women, youth, refugees) through financial education
- Increasing the financial and entrepreneurial skills of women through special trainings
- Improving and expanding the supply of and access to adequate and appropriate financial products
- Establishment of credit funds for sustainable financing of (women-owned) start-ups and MSMEs

Global topics lead to a constant adaptation and further development of the DSIK core topics

Global topics:



DSIK core topics:



Support for returnees

Ghana and the Gambia



German partner: n.a.

Local partner: n.a.

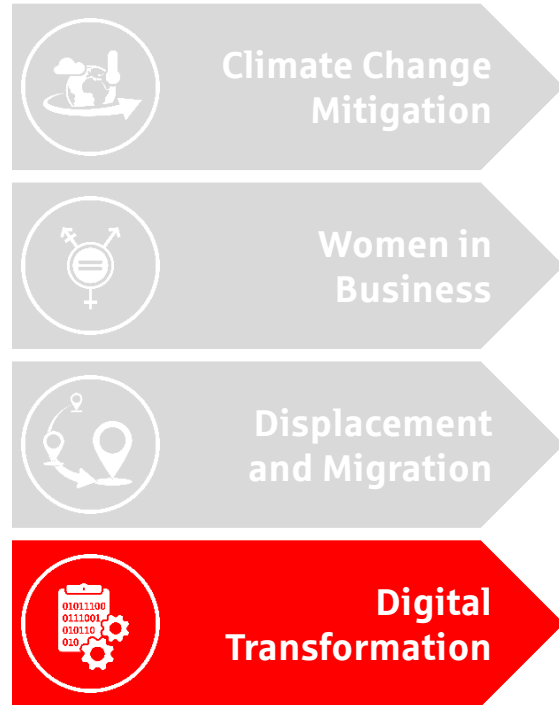
Donor: Gesellschaft für internationale Zusammenarbeit (GIZ)

Activities

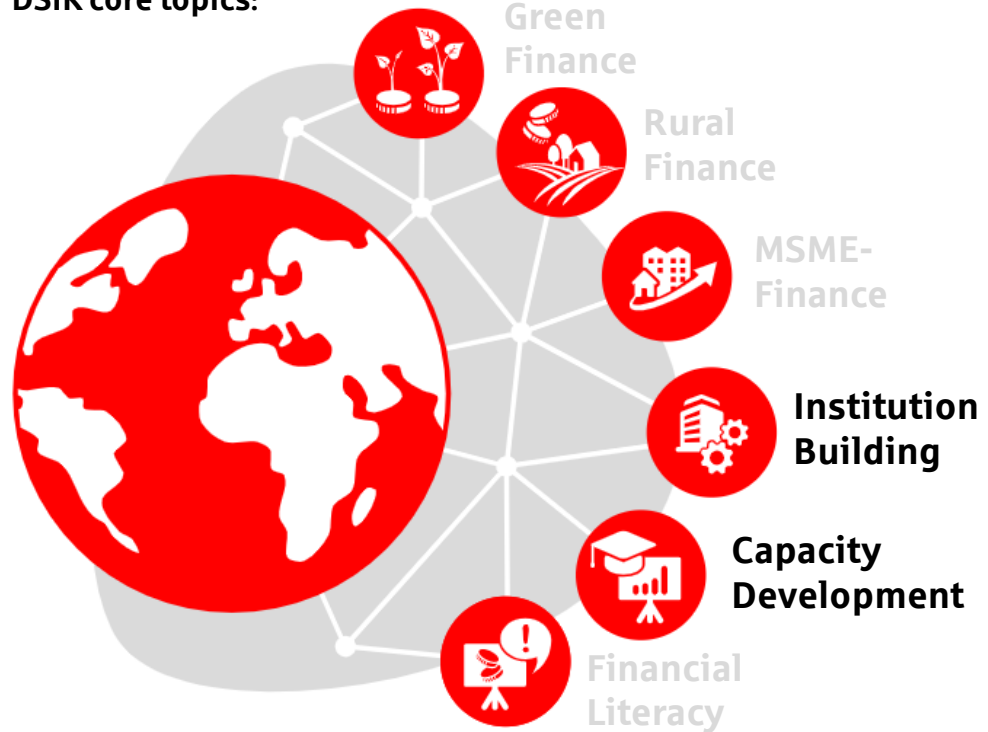
- Measures for the economic integration of returnees
- Provision of business management skills (marketing, planning, personnel, finance) to returnees
- Offering business coachings for the target group
- Improving access to financial services through credit cooperatives
- Granting of business start-up loans through credit cooperatives

Global topics lead to a constant adaptation and further development of the DSIK core topics

Global topics:



DSIK core topics:



Automation of the banking business of financial institutions

Rwanda



German partner: Sparkasse Heidelberg

Local partner: SACCOS

Donor: Federal Ministry for Economic Cooperation and Development

Activities

- Development of the Core Banking System (CBS) together with the Rwandan Ministry of Finance and Economic Planning.
- Development of a data capture and migration programme (DCMT)
- Digitisation of the paper-based banking business
- Conduct of basic IT trainings, training for the DCMT and training for the new core banking system with bank staff, banking supervisors and Rwandan auditors
- Planned integration of mobile payment systems

Global topics

Global impacts, global successes 2022

127,900

Newly created jobs in our project countries

47 %*



54,830

People with improved working conditions

47 %*



1,731,111

People now have improved access to financial services

54 %*



1,070,078

People who participated in a training or further education measure

72 %*



*Share of women

**Thank you
for your attention!**



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