

Sparkasse Pforzheim Calw

Issuer View • 4. February 2025

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Ratings

Sparkasse Pforzheim Calw		
	Rating	Outlook
Fitch*	A+	Stable
Moody's	-	-
S&P	-	-

Homepage

www.sparkasse-pforzheim-calw.de

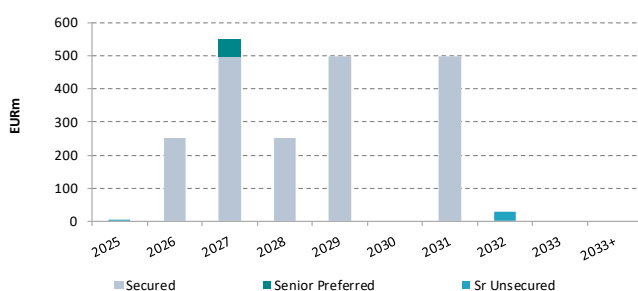
*Verbundrating

Sparkasse Pforzheim Calw is a public-law institution based in Pforzheim. In terms of total assets, it is the largest savings bank in Baden-Württemberg. The savings bank's sponsors are the city of Pforzheim, the Enzkreis district and the Calw district. With total assets that have exceeded the EUR 15bn threshold on average over the last four years, it has been recognised as a nationally significant institution since FY/2022. Sparkasse Pforzheim Calw is a member of the Savings Banks Association of Baden-Württemberg and, through this association, part of the German Savings Banks and Giro Association (DSGV). As a member of the DSGV, the bank is affiliated to the guarantee system of the Sparkassen-Finanzgruppe. The savings bank is rated by the rating agency Fitch with a long-term issuer default rating of A+ (rating of the Sparkassen-Finanzgruppe). In its business area, the savings bank claims to be the market leader in the areas of private and business current accounts. The approximately 1,900 employees (FY/2024) serve private customers, companies and local authorities at the head office and over 75 other branches. In addition to the focus on the deposit and lending business, the financial year 2024 was characterised by strong activities in the precious metals business and growth in the securities business, among other things. The Sparkasse's refinancing mix consists primarily of customer deposits, liabilities to institutional customers and Pfandbriefe. Since 2023, the Sparkasse has been an active issuer of Pfandbriefe in the EUR benchmark segment. Since 2024, the Sparkasse has pooled its renewable energy business in a new division of the same name in order to strengthen its advisory and financing expertise in this area and leverage synergy effects.

Balance Sheet

(EURm)	2021Y	2022Y	2023Y
Net Loans to Customers	9,940	10,705	10,760
Total Securities	3,363	3,261	3,926
Total Deposits	9,921	10,191	12,338
Tier 1 Common Capital	1,104	1,154	1,212
Total Assets	16,096	16,710	17,352
Total Risk-weighted Assets	9,063	9,542	9,580

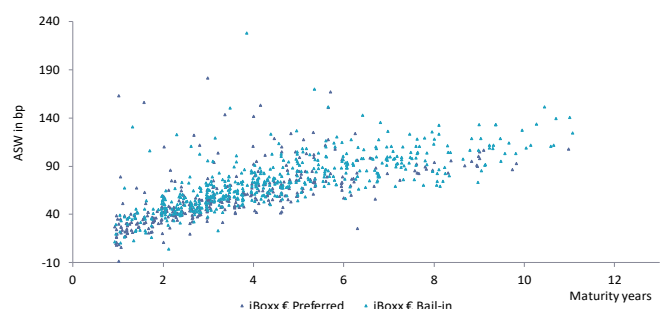
Redemption Profile



Income Statement

(EURm)	2021Y	2022Y	2023Y
Net Interest Income	211	315	259
Net Fee & Commission Inc.	74	76	77
Net Trading Income	20	18	15
Operating Expense	201	208	226
Credit Commit. Impairment	31	149	21
Pre-tax Profit	49	49	58

Senior Unsecured Bonds (EUR BMK)



Company Ratios

	2021Y	2022Y	2023Y	2021Y	2022Y	2023Y	
Net Interest Margin	1.38	1.99	1.59	Liquidity Coverage Ratio	123.50	157.30	175.10
ROAE	1.32	1.26	1.19	IFRS Tier 1 Leverage Ratio	-	-	-
Cost-to-Income	62.94	46.30	61.04	NPL/Loans at Amortised Cost	-	-	-
Core Tier 1 Ratio	12.18	12.10	12.65	Reserves/Loans at Amort. Cost	-	-	-

As of 04.02.2025; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Floor Research

Strengths / Opportunities

- Regional market position
- Member of the Sparkassen-Finanzgruppe

Risks / Weaknesses

- Profitability
- Regional concentration risks

Covered Bonds

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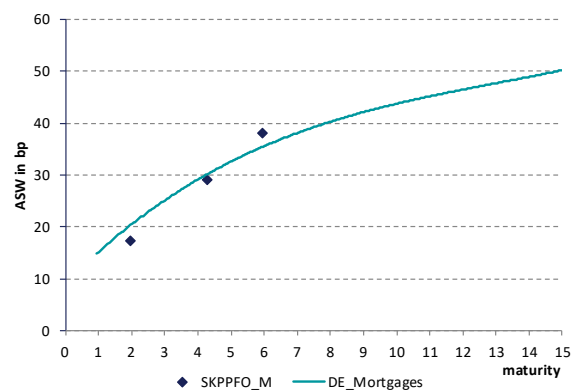
Outstanding Pfandbrief volume totals around EUR 2bn

Sparkasse Pforzheim Calw only maintains a programme for issuing mortgage Pfandbriefe. As at the reporting date of 31 December 2024, Sparkasse Pforzheim Calw's cover pool had a cover pool volume of around EUR 3.1bn. This is offset by mortgage Pfandbriefe issued in the amount of around EUR 2bn, resulting in an arithmetical overcollateralisation ratio of 49.7%. The bank is represented in the current composition of the iBoxx EUR Covered with three outstanding bonds in benchmark format, with the last issue dating back to January 2024. In addition, the bank also has an outstanding Pfandbrief (volume: 250m) in the EUR sub-benchmark segment.

Programme data

31 December 2024	Mortgage
Covered bonds outstanding	EUR 2,048m
Cover pool volume	EUR 3,066m
OC (current / legal)	49.7% / 2.0%
Type primary cover	86.7% Residential
Main country	100% Germany
Avg. LTV (mortgage lending value)	53.2%
NPL	0.0%
Fixed interest (Cover Pool / CBs)	93.1% / 100%
Avg. seasoning	5.3y
CB Rating (Fitch / Moody's / S&P)	AAA / - / -

Spread overview (BMK) – Germany



Source: Issuer, rating agencies, Bloomberg, NORD/LB Floor Research

Cover assets to be located exclusively in Germany

As at the reporting date of 31 December 2024, 95.9% of Sparkasse Pforzheim Calw's cover pool consisted of primary cover assets, which are located exclusively in Germany. With a share of 86.7%, the majority of primary cover assets are residential assets. This puts the share of commercial cover assets in the Sparkasse's cover pool at 13.3%. At 61%, the majority of the residential cover pool assets are in the category of detached and semi-detached houses, followed by owner-occupied flats at 27%. The commercial assets are mainly distributed across the categories of industrial buildings (35.1%), office buildings (24.4%) and other commercially used buildings (23.1%). With a 75.1% share of primary cover, the "Up to and including EUR 300,000" category is the largest asset class in terms of share, which indicates a high granularity of the mortgage cover pool. The cover pool does not include any non-performing loans. The average LTV ratio calculated on the basis of the mortgage lending value was 53.2% as at 31 December 2024.

Rating and regulatory treatment

Sparkasse Pforzheim Calw's covered bonds have the highest rating from the rating agency Fitch (AAA). On this basis, a preferred risk weight of 10% is relevant for the covered bonds in accordance with CRR. In addition, we believe that the institution's benchmark transactions are suitable as Level 1 assets within the scope of LCR management. The issuer's covered bonds are also suitable as collateral in the context of transactions with the ECB. Pfandbriefe placed by the issuer from 8 July 2022 can bear the "European Covered Bond (Premium)" label.

Appendix

Contacts at NORD/LB

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Relationship Management

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