



21st WSBI World Congress

“Globalization and the experience of proximity banking”

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- ▶ **Sparkasse Aachen at a glance**
- ▶ **Globalization and the Aachen region**
- ▶ **Impact on corporate and private banking**
- ▶ **Conclusion**

The German savings bank organization



▶ 463 public-law savings banks

- 16,200 branches and 2,200 self-service locations
- 40 million current accounts
- Business volume of € 1,014 billion
- 261,000 employees



▶ Networked expertise

- 11 state banks and 11 state building societies
- 1 investment service provider and 12 insurance companies
- Leasing and factoring companies
- Business volume of € 3,300 billion
- 377,000 employees



Source: DSGV, 2005

Sparkasse Aachen at a glance



- ▶ **Total assets: € 9.5 bn**
- ▶ **2,198 employees**
- ▶ **12th largest savings bank in Germany**
- ▶ **98 branches in the city and district of Aachen**
- ▶ **Moody's rating**
 - Long-term (Aa3)
 - Financial strength (B)
- ▶ **570,000 people living in the city and district of Aachen**



Example 1:

- ▶ **Industrial mining since the mid-19th century**
- ▶ **Dominant economic factor in the region:
17 mines employ over 30,000 people.**
- ▶ **Coal mining in the Aachen region
ends in 1992.**
- ▶ **Structural change is required from
the mid-1980s at the latest.**



Example 2:

- ▶ **The water quality in Aachen and its environs prompted the first cloth factories to set up shop around 1900.**

- ▶ **Around 1970, the top-quality Aachen cloth loses importance and is largely replaced with cloth of ordinary quality.**

- ▶ **Strong decline in cloth factories**
 - 1955: 170 factories
 - Today: 1 factory

- ▶ **Globalization arrived in the Aachen area many years ago.**
 - Internationality in the border region of Belgium - Germany - Netherlands
- ▶ **Coal is now imported from Australia, China, Russia and the USA.**
- ▶ **Clothes are today produced in India and China.**



The effects of globalization are not remote and abstract but can be felt locally.

▶ Structural change to become a high-tech centre

- Automotive, plastics, laser technology
- Aachen's RWTH university has an excellent international reputation in the fields of electrical engineering, mechanical engineering and informatics
- Numerous research institutes
- Pooling of resources in business and investment promotion companies as well as technology centres
- Young entrepreneurs, highly qualified graduates and spin-offs of RWTH Aachen have access to an excellent consulting network to assist them in the implementation of their business ideas.



- ▶ **Aachen companies operate on an international scale**
 - Imports and exports or direct investments abroad, e.g.
 - automotive engineering with branches in China, Korea and the USA
 - needle industry with production facilities in India and know-how development in Germany
- ▶ **Most of these are medium-sized companies.**
- ▶ **These companies expect advisory services and assistance in the development of international markets.**

Basis: Full range of banking products for international commercial business

- ▶ **Sparkasse Aachen's advisory services are provided by highly qualified, specialized employees.**
- ▶ **The partners in the "CountryDesk" network ensure that clients receive excellent support abroad.**
- ▶ **Use of central bank services**
- ▶ **German Centres in Beijing, Jakarta, Mexico City, Shanghai, Singapore and Yokohoma assist medium-sized companies in building up their branches/offices in promising markets.**

- ▶ **Foreign companies are setting up shops in Aachen.**

- ▶ **Sparkasse Aachen and its existing network offer competent advice on complex issues:**
 - Choosing the right location
 - Hiring and personnel issues
 - Choosing the right legal form
 - Tax aspects

- ▶ **The retail banking business has also been affected by globalization.**
- ▶ **The most recent example: The closure of the picture tube factory of a large international corporation means the loss of some 1,000 jobs.**
- ▶ **Sparkasse Aachen has a strong position in retail banking and is therefore also exposed to such corporate decisions.**

- ▶ **A savings bank cannot slow down or stop globalization.**
- ▶ **But it can be a positive facilitator in the process, e.g. as a bank that supports companies planning to position themselves in the globalized marketplace.**
- ▶ **Opportunities lie in the consolidation and intensification of existing business relationships.**
- ▶ **Risks result mainly where regional banks are very closely related with individual sectors or companies and these are affected by the negative effects of globalization.**

- ▶ **Sparkasse Aachen is not an active player in the globalization process.**
- ▶ **However, we take the wishes and requirements of our clients seriously.**
- ▶ **To secure and protect our market position as a regional bank, we offer customer-oriented solutions and advisory services for our internationally-oriented clients.**



**Thank you very much
for your attention**