



# **The international network of the Savings Banks Financial Group**













**Our Year 2017**





2017: APP-solutely.

## 2017: What we achieved

 CountryDesk: Contents.....	3
 CountryDesk: Directors' Foreword.....	4
 CountryDesk: Task sharing in the network.....	5
 CountryDesk: S-weltweit App .....	6 - 7
 CountryDesk: 1. SCD Award .....	8 - 9
 CountryDesk: RE Think Europe from ICUnet.AG .....	10
 CountryDesk: EuropaService – reaching out beyond EU borders .....	11 - 12
 CountryDesk: RMs in action.....	13
 CountryDesk: ASEAN.....	14
 CountryDesk: Successful in figures .....	15
 CountryDesk: Shareholders .....	16
 CountryDesk: Legal Notice.....	17

## CountryDesk: Directors' Foreword

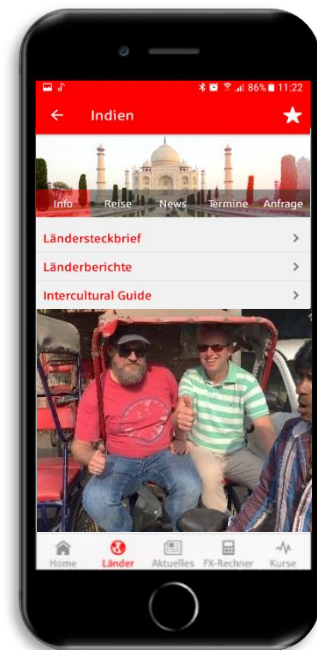
Ladies and Gentlemen,  
Friend and Supporters of S-CountryDesk,  
Valued Partners at home and abroad,

Our Foreword has for many years included a picture illustrating an experience from the year under review. In 2017 a business trip took us to India.

Different countries. Different customs. This is clearly also true for the choice of executive transport, which in Delhi afforded us a close-up view of the city and its people. It was an impressive tour through the heart of a metropolis which pulsated alternately fast and erratic, sometimes verging on the chaotic, totally uncoordinated. It took us a while to get in sync.

Even a good six months later those impressive sights and experiences are still in our minds. And also the good feeling that even the most intense smell of sweat, unlike diesel particles, is not classified as an air pollutant. Surrounded by the waste of a throbbing metropolis, for a moment at least, we had the impression of moving in harmony with the environment.

Understanding each country's idiosyncrasies – this is where our S-weltweit app has been helping our customers for some 18 months now. With topical information and a host of different features, S-weltweit provides an efficient starting point for success abroad.



This is something which our customers seem to have recognised. With currently over 23,000 downloads, it belongs to the most successful business apps in this segment and up to now is one of its kind. We are happy for ourselves and for our customers at this success and will in future do everything to enhance and further develop S-weltweit.

But S-weltweit has also changed our network for good. On the one hand, many new tasks have arisen and more helping hands have come on board. But also, our network is becoming more visible for everyone to experience first hand. This makes for fresh enthusiasm among all those involved, to tackle the variety of tasks which lay ahead.

We would like to thank all members of staff, our friends and supporters for the work they have put in and for their commitment which could be felt every step of the way. We are looking forward, with you, to an equally successful year in 2018.



Christoph Holzem

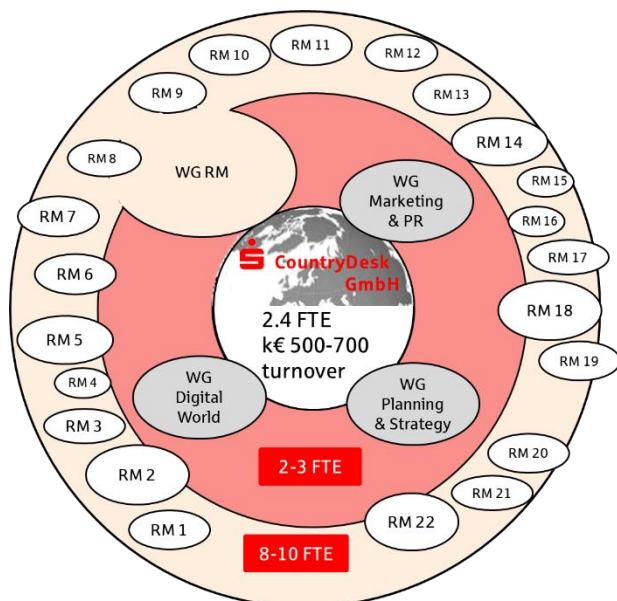


Michael Kompa



## CountryDesk: Task-sharing in the network

In 2017 there was again a marked increase in the tasks to be mastered by our network and the demands placed upon it. In particular the Coordination Office in Bad Homburg suffered some real bottlenecks. As a short-term solution, we slightly increased working hours and since November 2017 we have taken on an intern to support us, but this will not be enough. This is why we have taken a good hard look at the way work is distributed in our network and considered if there might be any further opportunities for outsourcing.



Although there are a total of some 70 people working within the network (see the inner and outer sleeves of this report) there are only 5 people (a cumulative fulltime equivalent (FTE) of 2.4), including the two managing directors who are actual employees of S-CountryDesk in the strict sense of the word.

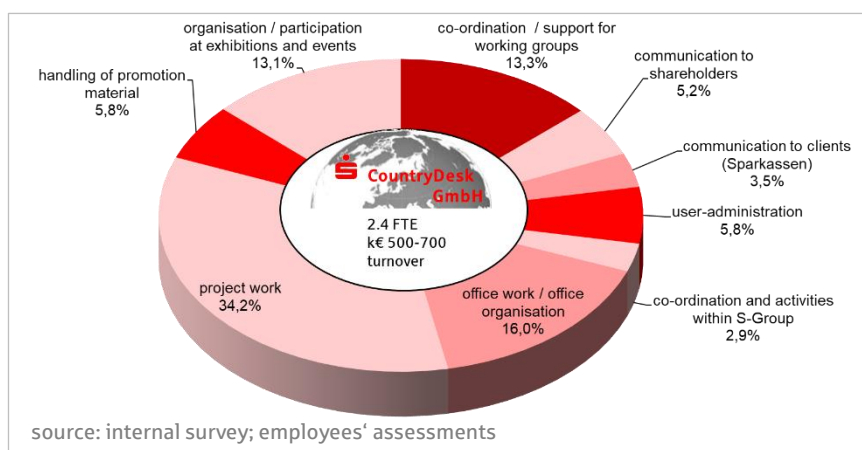
It is the 23 Relationship Managers (RMs) who form the real driving force of the network, backed up by over 30 support team colleagues. We have estimated their commitment for country topics and enquiries at a cumulative FTE of 8-10.

In addition, there are the tasks in the remaining three working groups(-WG-), which we have estimated at a cumulative FTE of 2-3.

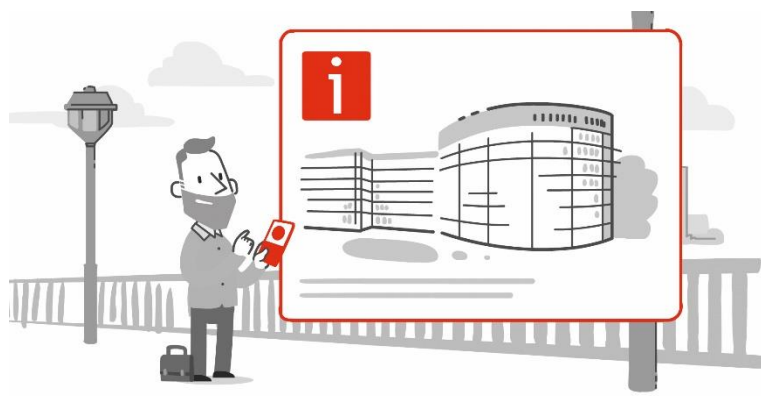
In total, the network has at its disposal human resources of some 14 FTE. To put it another way, from the GmbH's point of view, approx. 83% of network tasks are already "outsourced" to our shareholders. It is only this close cooperation within the network which allows us to provide S-CountryDesk services at such a favourable price. A big thank-you for this goes out to all those involved, especially to those responsible at the "active" member institutions.

The breakdown of working time within the GmbH was also analysed (see pie chart right). The results did not bring to light any further outsourcing options, not least because many centralised tasks have already been distributed externally.

In order to avoid a further migration of tasks to the shareholders, we will be considering for 2019 to what extent we can meaningfully increase our own manpower, to enable us to meet future challenges, in particular in connection with S-weltweit.

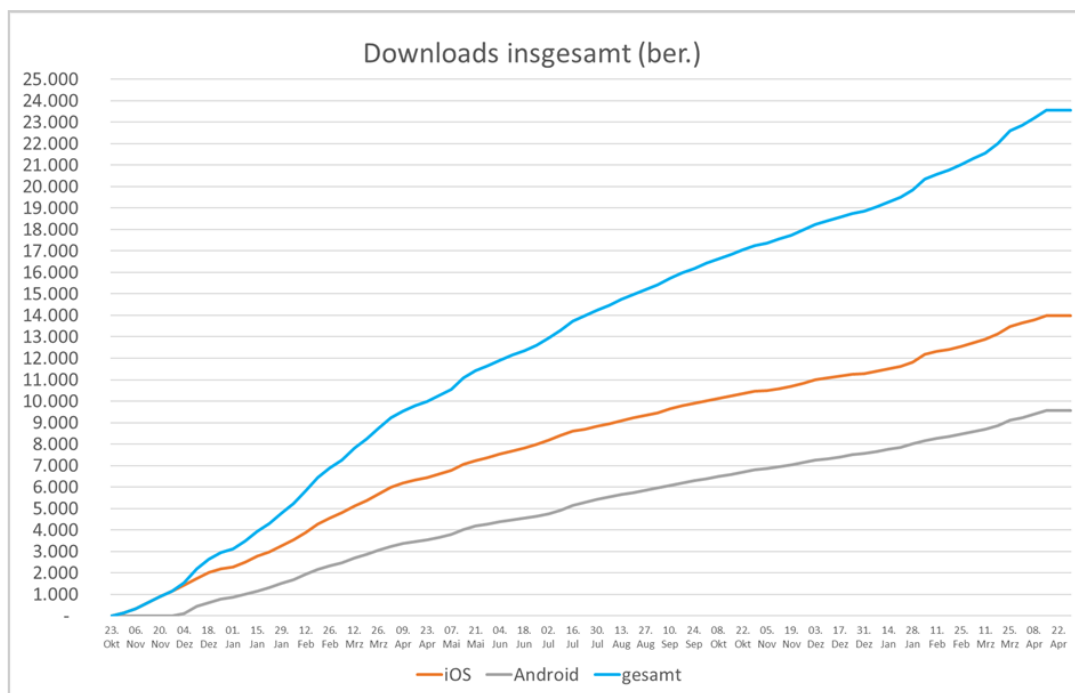


## CountryDesk: S-weltweit App



The development of the S-weltweit app was an "absolute" hit and set the scene for the year 2017. Everyone is talking about digitalisation; with S-weltweit it is there for our SME customers to behold on their mobile devices. In this way we can present our efficient network to business customers directly, a true gain in competence perception for the S Financial Group. In the 18 months it has been on the market, S-weltweit has been downloaded over 23,000 times. The assessments in the app stores have all been on the favourable side and S-weltweit remains the only app for international business from the German financial services sector.

wnloads



Through S-weltweit, S-CountryDesk has been able to continue establishing itself as a creative think tank for international business banking. In so doing, the business model with SCD and S-weltweit has undergone a distinct further development. The user institutions all have their own highly individual ways of connecting with SCD and solutions to questions of the most varied nature have been found. The SCD has managed all this, and according to a sensational poll following the introduction of the app, over 190 savings banks had signed up for S-weltweit. This favourable development is being continued. S-weltweit allows savings banks to maintain their position as innovators in business banking and to deepen the relationships to their good customers. An innovative product is good, but a market leader must always defend its innovative position, reason enough in 2017 to focus our attention on new developments within the app through the Digital World and Marketing working groups..

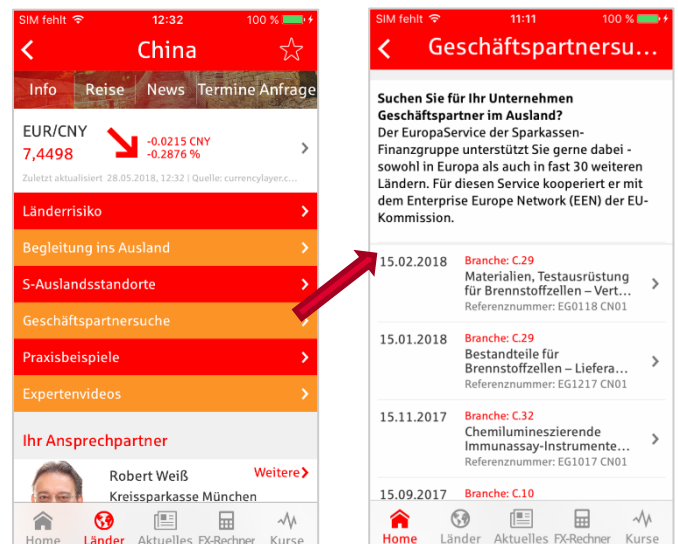
## CountryDesk: S-weltweit App

With the release of S-weltweit 2.0 at the beginning of 2018, S-CountryDesk was able to take the next quantum leap in the digitalisation of international business.

The new version of S-weltweit brought enhanced usability and a host of new features:

- Currency converter / including cross rates
- Improved and more personalised exchange rate information on many levels
- Enhanced trade lead searches
- "Share" function
- "Push" messages
- and lots more besides

We are particularly proud of the comprehensive company database supplied by the Savings Banks Financial Group's EuropaService, now integrated into each respective country in a clear and user-friendly design. By tapping the button "Geschäftspartnersuche" (Trade lead), business customers can find any number of company profiles for trade leads in the country of their choice. This helps to considerably simplify market entry abroad, a unique service which the savings banks can offer their customers on their way into foreign markets.



2018 will also be characterised by a further development of the app. We intend extending our numerous foreign exchange features to include an "exchange rate alarm" or "Devisenwecker".



S-weltweit gives savings banks a boost in the public presentation of their international business competence. Stadtsparkasse München put this to good use with its own attractive stand at the Munich and Upper Bavaria Chamber of Commerce Export Conference in November 2017. The freebies developed by SCD all proved very popular. 100 new downloads were achieved and a number of new customers acquired.

The former Bavarian Industry Minister Ilse Aigner was also very pleased with S-weltweit, joining the international specialists from Stadtsparkasse München und Kreissparkasse München Starnberg Ebersberg in their appreciation.



Michael Kompa, SCD Managing Director  
Ilse Aigner, former Bavarian Industry Minister  
Robert Weiss, KSK München Starnberg Ebersberg (left to right)

## CountryDesk: 1st SCD Award

For the first time, S-CountryDesk honoured the work of its Relationship Managers from the shareholder institutions with an award, at the DSGV International Business Banking Congress on 13.11.2017 in Berlin. "The success of our app S-weltweit has moved S-CountryDesk more into the limelight. There has been a marked increase in the demands placed on the work of our Relationship Management teams", said Christoph Holzem, Managing Director of S-CountryDesk. At the same time as accompanying customers into foreign markets, their work also consists of making sure there is a constant supply of information in S-weltweit on countries, markets, events and best practice examples.



The prize was awarded in three categories:

- Best Relationship Management "Focus Countries"
- Best Relationship Management "2<sup>nd</sup> Tier Countries"
- Deal of the Year

For each category there is an award of EUR 1,000.00 prize money. The 2017 award winners mainly donated the money to charitable causes.

The award for the best Relationship Management in the "**Focus Countries**" went to Stephen Peacock at Sparkasse KölnBonn, who is responsible for the countries USA and France. In her laudation, Anke Bunz from the German Savings Banks Association (DSGV) praised "his calm and refined manner" and that "he always places customer needs at the centre of all his activities. Customers, savings bank colleagues and our international network partners all feel with him that they are in good hands."

The prize for the Best Relationship Management for "**2nd Tier Countries**", was awarded to Jitka Benesch at the Ostsächsische Sparkasse in Dresden, who has only been responsible for the countries Czech Republic and Slovakia for the past two years on behalf of S-Country Desk. "I am delighted that Ostsächsische Sparkasse has grown into the tasks required of a Relationship Management," said Ernst-Josef Mesterom (DSGV). Alongside its many introductions, the Dresden-based team has shown great commitment in the content it has provided for the S-weltweit app.



SCD Managing Director Michael Kompa presents Jitka Benesch from Ostsächsische Sparkasse in Dresden with the SCD Award. The former SCD Managing Director Ernst-Josef Mesterom from the DSGV praised the winner with a laudation (left to right).



## CountryDesk: 1st SCD Award

The winners in the category **"Deal of the Year"** were Sofie Quast from Frankfurter Sparkasse and Ralf Hüpel from Sparkasse Bielefeld. Together they guided a take-over in Italy by a company from Westphalia, offering a complete package comprising international financing by a partner bank and Deutsche Leasing Italia, co-financing by the local savings bank in Germany coupled with legal and tax advice. In the words of Matthias Peschke, Deputy Chairman of Kreissparkasse Heilbronn, who gave the laudation and presented the award, "a magnificent example of the efficiency of our S-CountryDesk network." The success of the deal is a measure of how commitment as a Relationship Manager can bestow a mark of excellence upon the respective savings banks. Two experienced RMs pulled out all the S-CountryDesk stops, proving once again that savings banks with an RM mandate are very successful at accompanying their customers' activities abroad.



**The proud SCD award winners 2017:**

Markus Görgen standing in for RM Stephen Peacock, Sparkasse KölnBonn  
Jitka Benisch, Ostsächsische Sparkasse in Dresden  
Sophie Quast, Frankfurter Sparkasse and Ralf Hüpel, Sparkasse Bielefeld (left to right).



The search for the winners of the 2nd SCD Award has started and, applications can be presented up until 31 August.2018.

The award ceremony will again take place at the DSGVO IFG Congress on 12 November in Berlin.

## CountryDesk: RE Think Europe from ICUnet.AG

As Relationship Manager at S-CountryDesk responsible for our partner ICUnet.AG, Markus Mues (Area Manager at S-International Westfalen, Dortmund) had the opportunity to attend ICU's Congress, on 28-29 September 2017 in Passau, which went under the motto **"ReThink Europe. Shaping together the Europe of tomorrow"**.

ICU, the specialists for intercultural consultancy and Global Mobility, had invited a real "Who is who" from the European political and business world, for a group debate on the opportunities Europe can offer and how the basic concept of the EU can be given a sharper profile. 150 representatives from business, culture and politics attended the congress, sponsored by Foreign Minister Sigmar Gabriel and Manfred Weber, Leader of the EVP Group in the European Parliament. They were joined by the (German) Minister for Migration, Refugees and Integration, Aydan Özoguz as well as high-ranking representatives from corporations such as Allianz, Siemens, Beiersdorf and some regional mid-market companies.



Dr. Fritz Audebert, ICUnet; Markus Mues, SCD (left to right)

"We regard the Congress as both a platform and a bridge," said its initiator and CEO of ICUnet AG, Dr. Fritz Audebert. For Dr. Audebert, dialogue is the catchword, which will decisively shape the future. "ReThink Europe" should be seen under this premise. "Above all, it's about the possibilities of the dialogue we can have with each other," according to Dr. Audebert.

The programme encompassed three main themed blocks: one of them with the caption "Germany and Austria: at the frontier of the European powerhouse", illustrated how political and economic relationships of neighbouring countries can be optimised and how companies in particular can benefit more from a Europe without internal borders. Taking up the main question, "How do companies go about giving the so-called "Generation Y" a perspective", highly qualified young entrepreneurs from Europe were brought together with Human Resources board members from DAX-quoted companies. Relationships with Turkey were examined from economic, political and ethnic standpoints.

"Building and reinforcing bridges, maintaining dialogue, finding the right measure, looking for a middle way" – this was how patron and Leader of the EVP parliamentary group Manfred Weber made clear, what Europe needs in order to combat the climate of fear in a globalised world and to maintain peace.

As a delegate, Markus Mues was impressed by live contributions from interested participants from throughout Europe. "Questions put forward via Facebook and other points of criticism were actively integrated into the discussions. The professional approach and open attitude from all podium members towards these questions was a sure sign that talking to each other in the true meaning of "ReThink Europe" can be seen not only in their words but in their actions. I hope to be able to take part again next year, when Europe's relations with Africa will be the focus of the meeting."

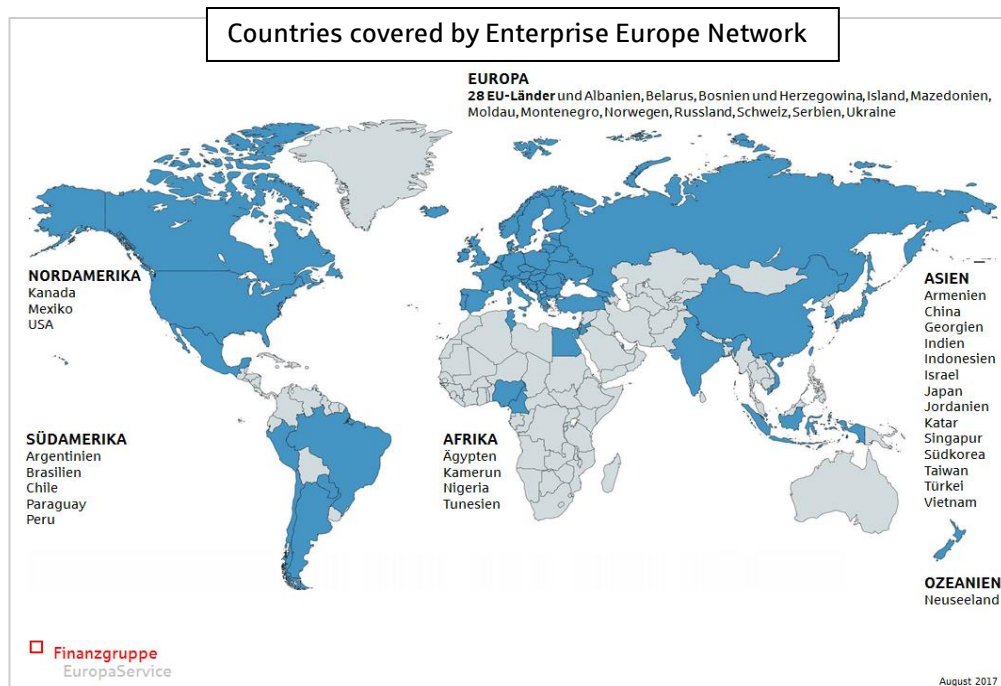
## CountryDesk: EuropaService – reaching out beyond EU borders

"It was the right fit straight away." – this was the positive reaction of Novosal boss Uwe Strauss. With the help of Sparkasse Germersheim-Kandel and the EuropaService, he found a new business partner in Canada. The new relationship came about through a so-called "Eurokontakt", a short profile, here of a Canadian company, which he had seen on the EuropaService website. "Euro contacts" are something which Strauss believes are particularly well suited for small and medium-sized companies, because on other internet platforms foreign companies often appeared only to be interested in big ticket partnerships.

"There are good trade lead opportunities for SMEs in particular", was the conclusion of a customer of Kreissparkasse Esslingen-Nürtingen. She found her new business partner in Slovenia not through one of the "Euro contacts" but through an active business partner search. This was achieved by having her own company profile and the things she was looking for in a potential partner entered into the protected Enterprise Europe Network (EEN) database via her Sparkasse and EuropaService. In response, she had several messages from interested parties in Slovenia, among which she found an appropriate business partner.

"A no-nonsense, effective means to gain further contacts outside of Germany" is how a customer of Kreissparkasse Osterholz assesses the business partner search through the Sparkasse and the EuropaService. He discovered a new business partner in Sweden.

A customer of Kreissparkasse Steinfurt was just happy that his Sparkasse was able to assist with the search for a business partner abroad at all and found a good connection in Denmark.



Through its cooperation with the Enterprise Europe Network, the Savings Banks Financial Group's EuropaService is able to offer assistance in finding a business partner in some 60 countries. This support network, the largest of its kind worldwide for internationally orientated SMEs, consists of near on 3,000 members of staff and around 600 partner organisations such as Chambers of Commerce or regional development agencies and is promoted by the EU.

## CountryDesk: EuropaService – reaching out beyond EU borders

The extension of the network is explained by Thomas Steiert, Project Advisor from the network Executive Agency, as being born from a desire to help small and medium-sized companies in the European Union to also capture important international growth markets.

In the summer of last year, for example, there was a new arrival in the form of Qatar. The small state on the Arabian Gulf wants to diversify its economy and is very interested in opening up its markets. After only a short while, the emirate had uploaded 30 company profiles to the database. A selection can be found in German among the EuropaService's "Euro contacts". In spite of the blockade by neighbouring Arab countries, Qatar's economy grew last year at a rate of 2%. An increase of 2.8% is expected for this year. There are already 139 German companies with a presence in Qatar.

Through its association with the EEN, EuropaService is also able to assist with questions relating to any of the network countries. For example, a customer of Sparkasse Dachau was pleased to receive contact data and information on government grants when setting up a service office in Brazil.

Also the country information section, which EuropaService offers for 41 countries, can help business customers early on with their international plans. A customer of Sparkasse Holstein found these "significantly more helpful and user-friendly" than other sources of information, when considering new production facilities in eastern or southern Europe.

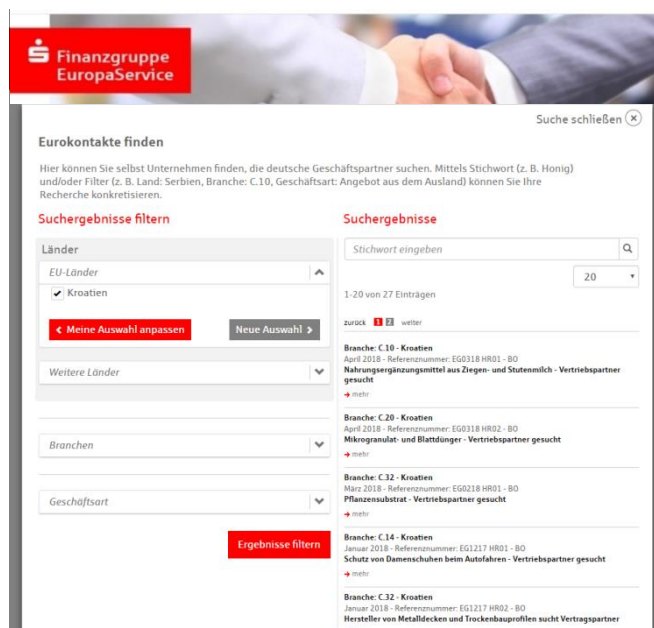
### Many ways lead to the market of opportunities

On its internet site, EuropaService has at any one time around 1,800 short profiles of foreign companies, all looking for business partners in Germany. These Euro contacts are updated on a monthly basis and can be searched by country, line of business, type of cooperation and keyword.

A guide and an illustration showing the process of a business partner search are also available on the EuropaService web-site. <https://europaservice.dsgv.de/>

In the S-weltweit app, developed by S-CountryDesk, the short profiles are already assigned to their relevant country.

The country information can be found both on EuropaService's website and in the S-weltweit app.



The screenshot displays the EuropaService website's search interface. At the top, the logo 'Finanzgruppe EuropaService' is visible. Below it, the section 'Eurokontakte finden' provides instructions on how to use the search function. The search results are filtered by 'Länder' (EU-Länder, Kroatien), 'Branchen', and 'Geschäftsart'. The results list shows several entries for 'Kroatien', including details like 'Branche: C.10 - Kroatien', 'April 2018 - Referenznummer: EG018 HR01 - BG', and 'Nahrungsergänzungsmittel aus Ziegen- und Stutenmilch - Vertriebspartner gesucht'.



### Greece gradually moves back into focus

As a part of S-CountryDesk, Kreissparkasse Köln has for many years been responsible for nine European countries: the seven successor states that emerged from ex-Yugoslavia including Kosovo, together with Albania and Greece. This inter-connected territory in South-East Europe has a total area of 427,000 km<sup>2</sup> and as such, is around one fifth larger than Germany, but with its population of 35.5 million people, has not even half the population of the Federal Republic.

Customer enquiries relating to these countries are highly varied in nature, reflecting the cultural and economic differences within the region as a whole.



S-CountryDesk staff: Patrik Richter, Henry Rehkuh, Annette Geist, Klaus Werner and Yvonne Nebeling (left to right)

Enquiries for Serbia, which, like Macedonia, is currently negotiating its accession to the EU, are often connected in some way with infrastructure projects. For neighbouring Croatia, the most recent EU member, requests tend to concentrate more on financial services and investment in tourism.

Tourism – up until about 10 years ago, this was the keyword for almost any enquiry relating to Greece. At a time when the sovereign debt crisis was still out of sight, enquiries for financing the tourist trade were the order of the day. And yet the financial collapse, with Greece losing a quarter of its economic power since 2008, brought the country the attention of a good many customers. Now, ten years later, the forecasts for Greece are gradually improving. Greece will be leaving the EU debt relief programme in August 2018 and will be returning to the capital markets. The capital controls introduced in 2015 will be loosened step by step. Legal entities and tradespeople can meanwhile transfer abroad up to EUR 20,000 per day for import business. The lower unemployment rate, down from almost 30% in 2013 to a forecast of around 20% for 2018, also gives grounds for optimism. The EU Commission is also forecasting a slight increase in private consumption to approx. 1.2% for 2018 and 2019. Economists are expecting economic growth of around 2.5% for the year 2018.

To be sure, this positive data cannot belie the fact that confidence in the Greek banking sector has not nearly been fully restored. The image of the banks is still one characterised by low liquidity levels, restrictive lending practices, low interest rates and controls on capital. Nevertheless customers are increasingly becoming aware of new buds growing on the fragile plant that is tourism. If in the past few years, enquiries concentrated on capital controls and export credit guarantees, in the meantime there is a steady increase in requests for current accounts and mortgage loans.

As and when savings bank business customers decide to strengthen their business relationships with Greece, Kreissparkasse Köln will be at their service, with its southern European network at its disposal. The fact that the first company is making use of these services, is a pleasing sign – both for Greece and for the EU.

## ASEAN is growing and with it, the German "Mittelstand"

In the past few years, many ASEAN countries have been working hard to create attractive conditions for foreign direct investment. Average annual growth rates of approx. 5% are a sign of the economic progress made.

For German companies, which up to now have primarily been active in the Chinese market, as well as for companies looking towards the ASEAN countries for the first time, the region offers great market potential. This is also borne out by the increasing number of free trade agreements.

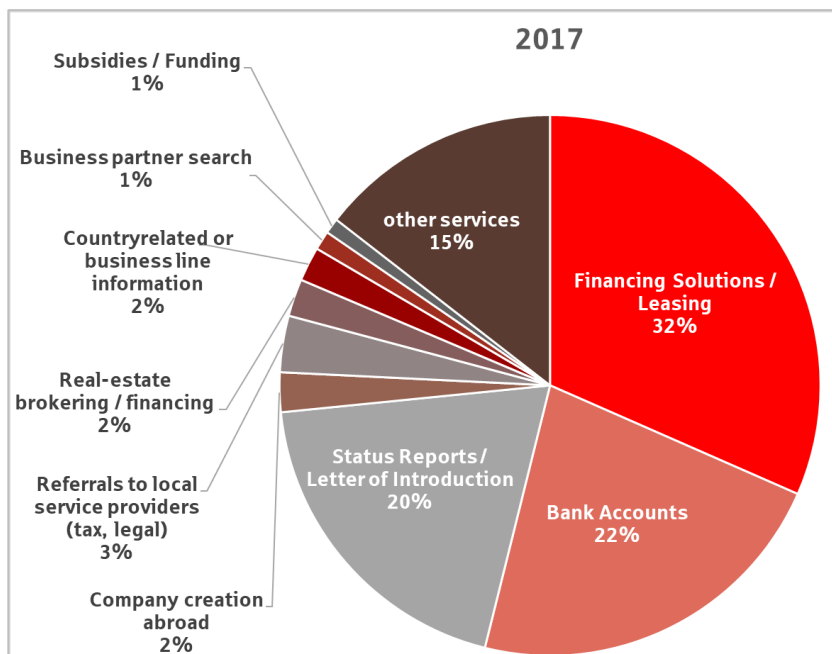
Some companies have already relocated here parts of their value chain or even their whole value chain, from the development phase through to marketing and sales in tomorrow's markets, in order to save costs and to produce in the markets where their products are sold. For market entry, Singapore, at the Asia-Pacific hub, can offer the best conditions and opportunities for managing further planning and investment in the ASEAN region. Its investor-friendly location advantages as well as its political and economic stability provide a solid basis from which to start. The increasing number of enquiries dealt with by S-CountryDesk is a visible sign of the strongly increasing interest in the ASEAN countries from German companies. Whether it be for initial information, current accounts, introductions to legal or tax advisors, Helaba Landesbank Hessen-Thüringen's CountryDesk team and their regional partners have proved their quality of service very well.

Helaba Landesbank Hessen-Thüringen's network in the region, coordinated through Helaba's Singapore Representative Office, enabled the many incoming enquiries in 2017 to be given precise answers and guidance, leading to successful completion. In 2018 too, the team is available to savings banks as their reliable partner in the ASEAN region, true to their motto "Welcome to Asia".



Henning Rosendahl, Cornelia Grund, Christoph Winnat, Elke Oster, Susanne Polan, Christian Schneider, Ralf Schuster (left to right)

With around 2,000 enquiries from mid-market companies to institutions connected to S-CountryDesk, demand was up slightly compared with the previous year.

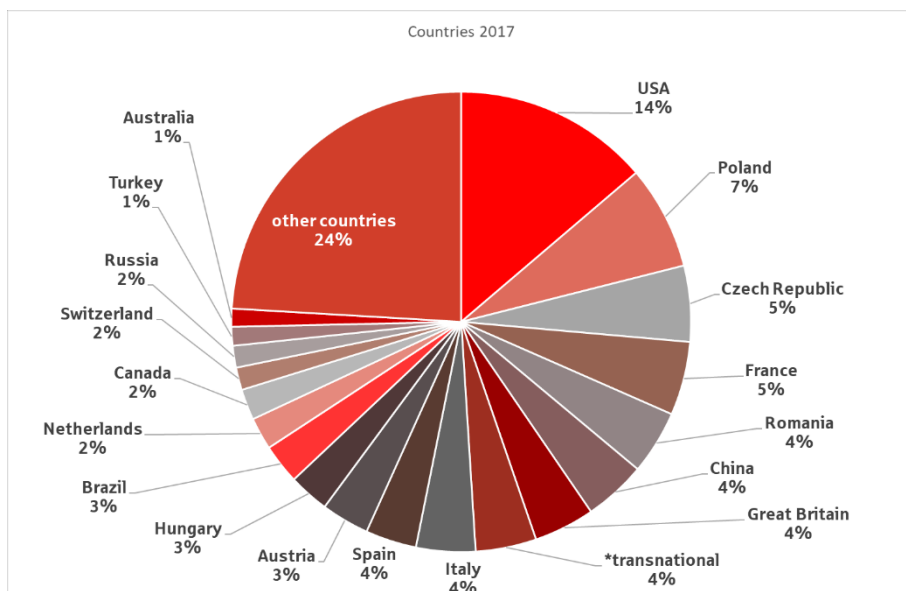


Services available through S-CountryDesk and its partners include:

- Offers of international financing
- Bank accounts worldwide
- Up-to-date country information
- Offers of leasing for sales and investment
- Fully-equipped office space to facilitate market entry in emerging markets
- Customised research / trade leads
- Location advice and site selection assistance
- Intercultural counselling
- Customer care at destination through selected finance partners
- Assistance outside of the main cities in many important destinations

Almost 1/3 of all enquiries concerned financing in a foreign country, of which around 88% were serviced by our shareholder Deutsche Leasing. Requests for the opening of a bank account abroad came in at 2nd place, unchanged as against the previous year.

In 30% of enquiries dealt with by the Sparkassen, a Relationship Manager gave their colleagues a helping hand. The Sparkassen were able to process the remaining enquiries on their own, often of course by using the information and contact lists made available by the Relationship Managers for their particular countries in the S-CountryDesk intranet.



The shares of the enquired countries were almost identical to the distribution seen in the previous years.

## CountryDesk: Shareholders

### Savings Banks / Sparkassen

Sparkasse Aachen  
Landesbank Berlin /  
Berliner Sparkasse  
Sparkasse Bielefeld  
Sparkasse Bochum  
Die Sparkasse  
Bremen AG  
Sparkasse  
Dortmund  
Ostsächsische  
Sparkasse Dresden  
Stadtsparkasse  
Düsseldorf  
Sparkasse Essen  
Kreissparkasse  
Esslingen-Nürtingen  
Frankfurter  
Sparkasse  
Sparkasse Freiburg -  
Nördlicher Breisgau  
Kreissparkasse  
Göppingen  
Hamburger  
Sparkasse AG  
Sparkasse Hannover



Kreissparkasse Heilbronn  
Sparkasse Hanauerland  
Kreissparkasse Köln  
Sparkasse KölnBonn  
Sparkasse Krefeld  
Stadt- und Kreissparkasse  
Leipzig  
Kreissparkasse Ludwigsburg  
Stadtsparkasse München  
Kreissparkasse München  
Starnberg Ebersberg  
Sparkasse Münsterland Ost  
Sparkasse Nürnberg  
Landessparkasse zu  
Oldenburg  
Sparkasse Osnabrück  
Sparkasse Pforzheim Calw  
Mittelbrandenburgische  
Sparkasse in Potsdam  
Kreissparkasse Waiblingen  
Nassauische Sparkasse  
Sparkasse  
Mainfranken Würzburg

### Landesbanks

Bayerische Landesbank  
Landesbank  
Baden-Württemberg

Landesbank Hessen-Thüringen  
Norddeutsche Landesbank  
Landesbank Saar

### S Financial Group

Deutsche Leasing

Deutsche Factoring Bank



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