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**PROFESSOR ULRICH REUTER**  
President of the German Savings Banks Association



“Since they were founded, the Savings Banks have experienced a great deal. They have survived five political regimes, currency reforms and the years of Germany’s economic miracle. Throughout this time, they have always remained at the side of local people. This will continue to be the case in the future.”

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Berlin, July 2024

*Ladin and Gunkelmer,*

The Savings Banks performed well in 2023 despite major socio-political and economic challenges. The interest rate reversal in particular led to a significant increase in earnings after taxes. This allowed the public-sector institutions to increase their provision reserves by EUR 9.7 billion – the highest allocation in the last decade.

This means that the institutions are well equipped to deal with potential setbacks. Many companies continued to be affected last year by the weakening economy and demand, increased material and energy costs and a shortage of skilled labour. And the situation has not become any easier in the current year 2024. It was only in April that the German government lowered its growth forecast from 1.3% to 0.3%.

The Savings Banks' business customers are generally well capitalised and highly resilient. However, problems in the retail and construction industries are becoming apparent in the individual value adjustments. Many private customers are also facing a whole range of challenges.

Because of this difficult situation, it remains both important and challenging for the Savings Banks to fulfil their founding mission: to help people across the board to achieve economic self-determination and social participation, and to support the local economy.

We have optimised the Savings Banks Finance Group's business strategy to ensure that it continues to be successful. It defines customer satisfaction as an important measure of business activity: if customers are satisfied, the Savings Banks retain their market relevance – and their robustness in the market is based on this.

I am certain that the Savings Banks will develop their strategy successfully. The institutions enjoy the trust of a great many people, which is reflected not least in last year's net increase of 376,000 current accounts. In particular, young customers under 30 have expressed their confidence in the Savings Banks in this way.

However, it is important that politicians at federal and EU level maintain the framework conditions that make trusting cooperation between Savings Banks and their customers possible.

The institutional and deposit guarantee schemes of the Savings Banks and Volksbanken are a key pillar upon which this trust is based. They give customers the certainty that their money will remain with the regional institutions and that their deposits will be used for regional commitments and not to hedge high-risk transactions.

The Savings Banks are therefore sceptical about the communitisation of deposit protection, irrespective of whether this is being discussed by proponents under the names "EDIS" or "CMDI review".

As the Savings Banks Finance Group, we will continue to work together with the cooperative banks and large parts of the German economy to maintain and ensure the effectiveness of the tried and tested guarantee systems. And we are confident that the German government will continue to support us in these endeavours.

