



Mobile online banking | © gettyimages.de / Sawayasu Keith Tsuji

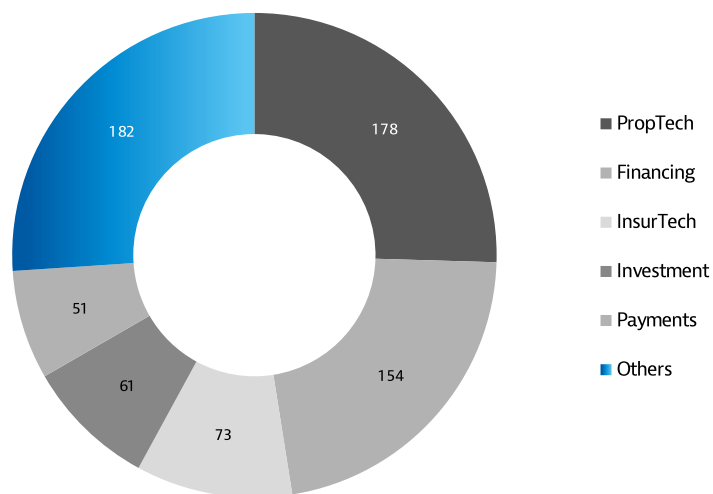
FinTech

Germany is an important FinTech market in Europe and the fourth largest in the world.

Many FinTech companies - offering specialized and more customer-oriented financial services ("Fin") by employing technology-based systems ("Tech") - are starting up operations in Germany. The German market is also becoming increasingly attractive to international FinTech companies who are establishing branches in Germany in order to serve the large domestic market. On the basis of EU passporting, services can be provided from Germany to other EU countries.

German FinTech Market by Sectors

Number of Companies

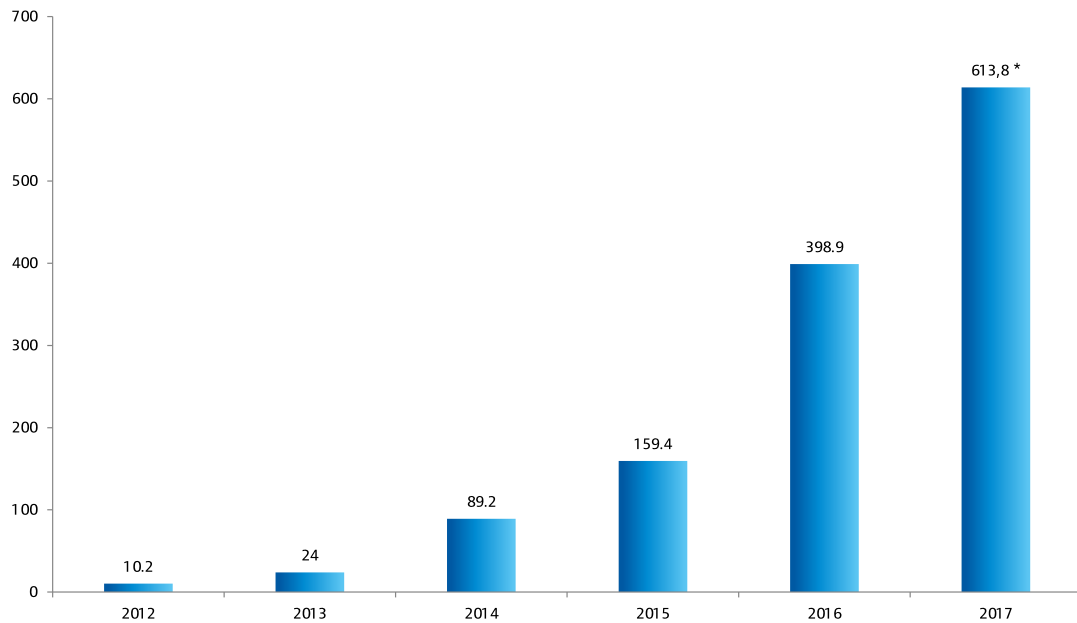


Source: comdirect 2017; Data as of Sept. 2017
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German FinTech Market by Sectors | © comdirect 2017; Data as of Sept. 2017

Germany is home to a growing number of FinTechs. A recent survey found around 700 companies in the sector, half of which were established during the last three years alone. FinTechs in Germany receive the second largest amount of venture capital funding in Germany after e-commerce businesses. Venture capital investment in FinTech companies in Germany is expected to reach EUR 613 million in 2017.

Investment in German FinTechs; Volume in EUR million



Source: EY Germany FinTech Landscape; * Data for 2017 projected based on 1H'17

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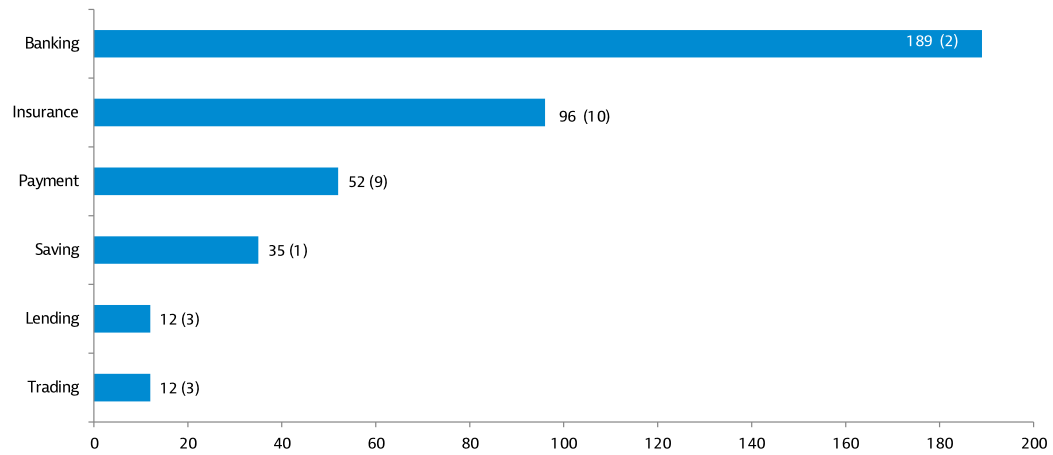
FinTech in Germany - Investment in German FinTechs; Volume in Mio. EUR | © EY Germany FinTech Landscape;

* Data for 2017 projected based on 1H'17

FinTech in Germany

Investment Sub-Sectors

Risk Capital Investment 1H'18 (in Mio. EUR)



Source: Start-up-Barometer Deutschland, July 2018;
* In Brackets: Number of Investment Rounds

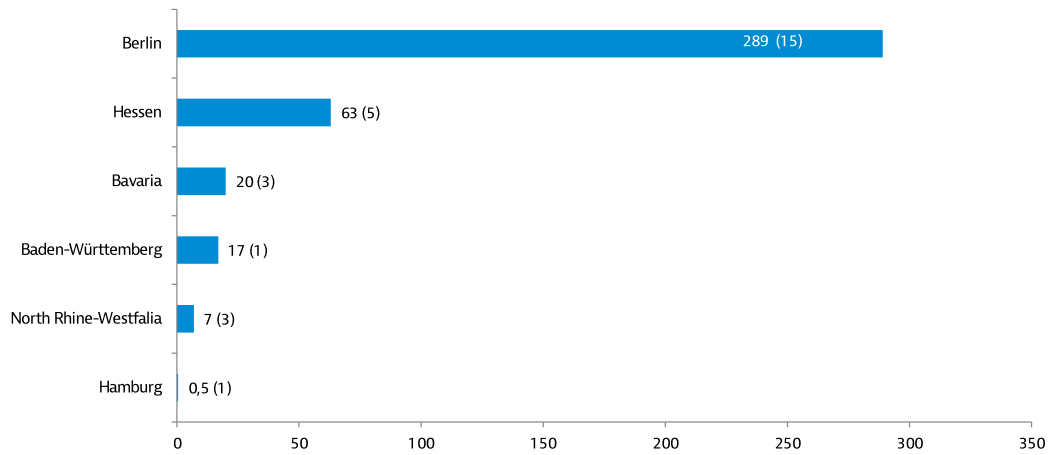
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FinTech in Germany - Investment Sub-Sectors - Risk Capital Investment 1H'17 (in Mio. EUR) | © Start-up-Barometer Deutschland, July 2018

FinTech in Germany

Investment Regions

Risk Capital Investment 1H'18 (in Mio. EUR)



Source: Start-up-Barometer Deutschland, July 2018

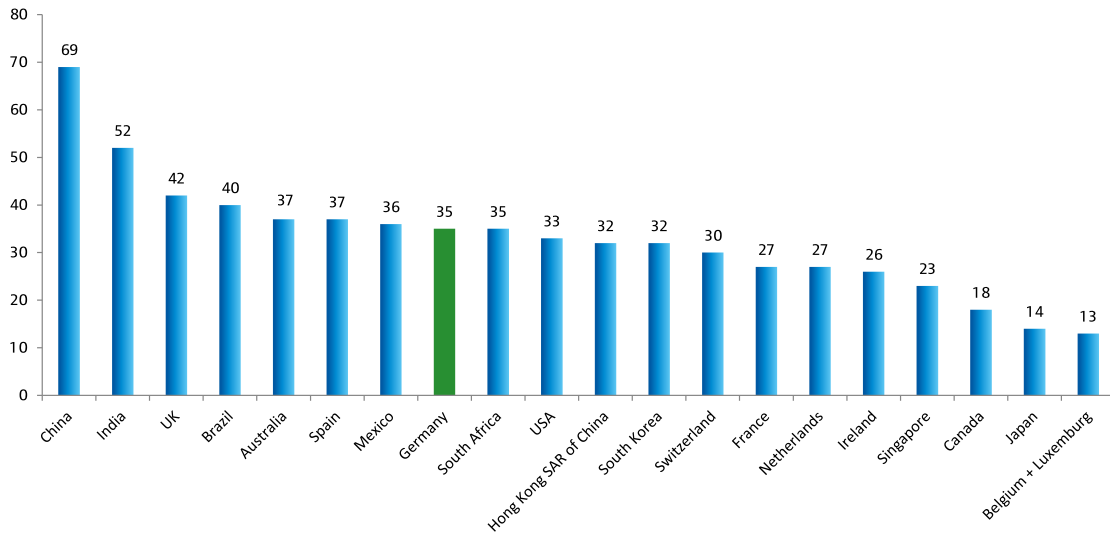
* In Brackets: Number of Investment Rounds

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FinTech in Germany - Investment Regions - Risk Capital Investment 1H'17 (in Mio. EUR) | © Start-up-Barometer Deutschland, July 2018

FinTech Acceptance Worldwide

FinTech Adoption Rates



Source: EY FinTech Adoption Index 2017
 Please note: The figures show FinTech users as a percentage of the digitally active population. All figures are shown in percentages.
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FinTech in Germany - Acceptance Worldwide - FinTech Adoption Rates | © EY FinTech Adoption Index 2017

Geographically, most German FinTech companies are established in Berlin (228 companies as of September 2017), followed by Frankfurt and Munich (84 respectively), Hamburg (67), and major cities in North Rhine-Westphalia (53)*.

*Source: comdirect 2017; EY Germany Fintech Landscape

Infrastructure

Talent: Germany has an internationally recognized education system with university and non-university training. The country is also a desirable place to work for people from Europe and further afield.

Financing: A variety of financing options are available within the FinTech sector. Innovative business models are financed in particular by VC donors and corporate VC's but also by other investors and banks.

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Accelerators and Incubators: Banks, insurance companies and other companies initiate corporate start-up programs and establish accelerator and incubator offices in order to establish new FinTech companies in the market. Some company builders are also focussing their activities in FinTech.

Coworking: Housing and commercial rents in German cities are relatively moderate compared to international FinTech centers. A wide range of coworking spaces and other flexible solutions are available across the country.

Financial Regulation: The Federal Financial Supervisory Authority (BaFin) brings the supervision of banks, financial service providers, insurance undertakings, and securities trading together under one roof. It is an autonomous public-law institution and is subject to the legal and technical oversight of the Federal Ministry of Finance (BMF). FinTech business models are diverse and may – depending on their structure – require authorization from the Federal Financial Supervisory Authority.

Entrepreneurs and FinTechs can contact the supervisory agency on the BaFin website. Here, they can also make preliminary inquiries via a contact form and submit specific questions regarding the business model. In order to facilitate the companies dealing with supervisory issues, BaFin offers a FinTech-tailored and compact set of current FAQs about FinTech business models on its website.

- [Company Start-ups and FinTech companies](#): ▶
- [Contact BaFin \(in German only\)](#) ▶

Hub Initiative of the Federal Government: A series of regional digital hubs have been established in Germany as part of an initiative of the Federal Ministry for Economic Affairs and Energy. Start-ups, science, SMEs, industry, and local administration join together to become centers of digital transformation. The cities of Berlin and Frankfurt are home to one FinTech hub each and the cities of Cologne and Munich each have an InsurTech hub.

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Trends

The FinTech market in Germany demonstrates high potential for growth and development. According to estimates from a BMF commissioned study*, the following projections in a base scenario for the market volume in Germany in different FinTech industries were established:

FinTech Industry	Market volume 2015	Projection 2020
Finance and asset management	EUR 2.2 bn	EUR 58 bn
Crowdfunding	EUR 36 mn	EUR 313 mn
Crowdinvesting	EUR 47 mn	EUR 69 mn
Crowdlending	EUR 330 mn	EUR 5 bn
Factoring	EUR 500 mn	EUR 13 bn
Social Trading, Robo Advice et al	EUR 1.36 bn	EUR 40 bn
Personal Finance Management (PFM)	1.2 mn users	8 mn users

**Dorfleitner/Hornuf "FinTech Market in Germany", report 17.10.2016*



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