

## Financial Center Frankfurt

The city of Frankfurt is the most important financial hub in continental Europe and a key center of financial market stability. It features a unique concentration of European and national supervisory bodies, international banks, insurance companies and legal practitioners.

On top of Germany's general political and economic stability, five factors in particular make Frankfurt an attractive place to set up office:

- Reputation for financial soundness and solidity
- Function as a central hub for national, European and global financial activity
- Depth and density of resources, with proximity and access to key players up to and including ECB
- Site-specific qualities including affordable office rents and costs of living
- Regulators

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## Financial Hub Frankfurt

The financial hub of Frankfurt is home to an exceptional network comprised of 202 banks (40 domestic banks, 162 international banks and 33 representative offices), 7,900 financial services companies and investment funds as well as large branches of all of the world's best-known consulting agencies, law firms and auditing companies.

There are a number of different stock exchanges with different focal points in Germany. The Frankfurt Stock Exchange is the most important stock exchange location in Germany and also the home of the Deutsche Börse Group. The Deutsche Börse Group is active internationally, with operations in Luxembourg, Prague, London, Zug, New York, Chicago, Hong Kong, Singapore, Beijing, Tokyo and Sydney.

In Frankfurt, Deutsche Börse operates the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse FWB®), one of the world's largest trading centers for securities and an international trading center. Of the approximately 200 market participants, roughly half are from countries other than Germany. Besides the specialist trading at Frankfurt Stock Exchange, its fully electronic trading system Xetra® is one of the leading electronic trading platforms in the world. With a share in turnover of around 90 per cent, the Frankfurt Stock Exchange is the largest of Germany's seven stock exchanges.

Frankfurt is domicile for the euro clearing for banks from non-Euro countries. The Eurex is the leading derivatives market in Europe and Eurex Clearing serves more than 175 clearing members in 17 countries and administers a collateral pool accounting for around EUR 50 billion. The central securities depository Clearstream covers more than 50 markets worldwide with its international net of depositaries and processes more than 10 million transactions in more than 850,000 securities each month. Shares, bonds and fund units worth more than EUR 13 trillion are in custody.

Frankfurt is also domicile in the EU for renminbi clearing. The other stock exchanges in Germany are situated in [Berlin](#) [↗](#), [Dusseldorf](#) [↗](#), [Hamburg](#) [↗](#), [Hanover](#) [↗](#), [Leipzig](#) [↗](#), [Munich](#) [↗](#) and [Stuttgart](#) [↗](#).

## Talent Pool and Leading in Business and Technical Infrastructure

## FINANCIAL CENTER FRANKFURT

As a center for academic, scientific and research activity, Frankfurt benefits from 34 first-rate higher education institutions all located within a one-hour drive from Frankfurt. Centers of study and research in the Frankfurt region place a strong emphasis on fields closely related to banking, the financial sector, monetary and currency policy, international economic policy, and insurance systems. These links between sectors and stakeholders give the city a unique competitive advantage over all of the other financial centers in Europe. The number of financial market participants who want to set up offices in Frankfurt or expand their activities there is growing continuously.

Today, over 100,000 people in the Frankfurt/Rhine-Main region work in the financial services sector. First-rate research centers such as the House of Finance at the Goethe University Frankfurt, the Frankfurt School of Finance and Management, the Center for Financial Studies and the International Center for Insurance regulation provide scientific expertise and offer top-notch education to highly qualified young talent. Within a 45-minute travel radius, over 26,000 students are currently working towards a degree in economics, and over 16,000 students are engaged in the study of law.

Nearly all law firms and auditing companies have expanded their Frankfurt operations in recent years and moved their regulatory practice departments there.

Frankfurt is Europe's digital capital, and with more than 6 Terabit per second peak traffic, DE-CIX Frankfurt is the world's leading Internet Exchange. This interconnection platform currently manages over 5.5 terabits per second peak traffic. Hundreds of internet service providers are connected with each other via this exchange, which in Frankfurt alone is itself connected with 19 data centers. All of the global players in the data center industry have operations in Frankfurt: e-shelter, Equinix, Level 3, KDDI/Telehouse, Global Switch, Digital Reality and many other providers are distributed throughout the metropolitan area, and every section of Frankfurt has access to high-availability, redundant systems and to banking and financial services data stored in the data centers.

## Center of Financial Market Stability

Frankfurt has become the center of financial market stability in Europe – for the euro area and beyond. Its closely linked network of banks, insurance companies, and national and European institutions and supervisory bodies (including the ECB, ESRB, SSM, EIOPA, Deutsche Bundesbank and BaFin) is without equivalent – and unmatched by any other financial center in Europe.

Important European financial supervision actors are located in Frankfurt.

- **European Central Bank (ECB)** [🔗](#): The central bank of the 19 European Union countries that have adopted the euro. Its main task is to maintain price stability in the euro area, thereby preserving the purchasing power of the single currency. Supervisor of the 120 biggest banks/banking groups within the euro system and approximately 80% of assets in the euro zone.
- **European Systemic Risk Board (ESRB)** [🔗](#): Established in 2010 to oversee the financial system of the European Union (EU) and prevent and mitigate systemic risk.
- **Single Supervisory Mechanism (SSM)** [🔗](#): Refers to the system of banking supervision in Europe. It comprises the ECB and the national supervisory authorities of the participating countries. The SSM is one of the two pillars of the EU banking union, along with the Single Resolution Mechanism.
- **European Insurance and Occupational Pensions Authority (EIOPA)** [🔗](#): Part of a European System of Financial Supervisors that comprises three European Supervisory Authorities (one for the banking sector, one for the securities sector and one for the insurance and occupational pensions sector) as well as the European Systemic Risk Board.
- **Global Legal Entity Identifier Foundation (GLEIF)** [🔗](#): Supra-national not-for-profit organization making available the only global online source that provides open, standardized and high quality legal entity reference data. GLEIF is uniquely positioned in the entity identification market.

## FINANCIAL CENTER FRANKFURT


The Federal Financial Supervisory Authority (BaFin - Bundesanstalt für Finanzdienstleistungsaufsicht) and Federal Agency for Financial Market Stabilisation (FSMA - Bundesanstalt für Finanzmarktstabilisierung) are also located in Frankfurt.

- **Federal Financial Supervisory Authority (BaFin - Bundesanstalt für Finanzdienstleistungsaufsicht)** [🔗](#): One of the largest financial supervisory authorities in Europe. BaFin takes an industry-appropriate and risk-oriented approach to supervision on the basis of recognised European supervisory standards. BaFin's departments competent for supervising securities and capital markets are located in Frankfurt.
- **Federal Agency for Financial Market Stabilisation (FSMA - Bundesanstalt für Finanzmarktstabilisierung)** [🔗](#): Germany's national resolution authority manages numerous shareholdings with financial institutions on behalf of the federal government and is responsible for nationally administering the Single Resolution Fund's bank levy. In addition, the FMSA supervises the two EAA and FMS-WM wind-down agencies.
- **Deutsche Bundesbank** [🔗](#): Central bank of the Federal Republic of Germany.
- **FrankfurtMainFinance** [🔗](#): Financial center initiative for Frankfurt am Main with more than 40 members including the State of Hesse, the cities of Frankfurt and Eschborn, and dozens of prominent actors in the finance sector.
- **Service Point Financial Center Frankfurt:** [🔗](#) a service of the State of Hessen assisting financial institutions in all matters relating to the clarification of any tax law-related issues as well as issues of a practical nature.
- **Deutsche Börse Venture Network®** [🔗](#): Deutsche Börse Venture Network helps improve the financing situation of developing companies. It does so by bringing young, fast-growing companies together with national and international investors.

Sources: Bundesregierung, BMF, Bundesverband deutscher Banken, Deutsche Bundesbank, VAB, GDV, FMF

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