

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.



Digital payment usage up as Germans forego cash in Corona crisis

The Covid-19 crisis has accelerated the trend towards cashless payments. Almost half of Germans have changed their payment behaviors in response to the global pandemic. Read the whole article here!

Latest Publication

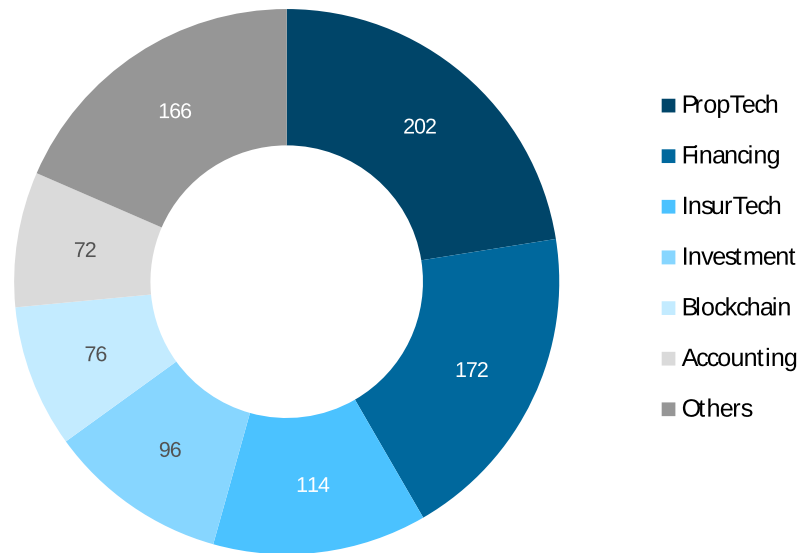


Fact Sheet: FinTech in Germany

FinTechs have firmly established their presence in the marketplace. Find out how.

Industry and Market

German FinTech-Market by Sectors (Number of Companies, 2019)

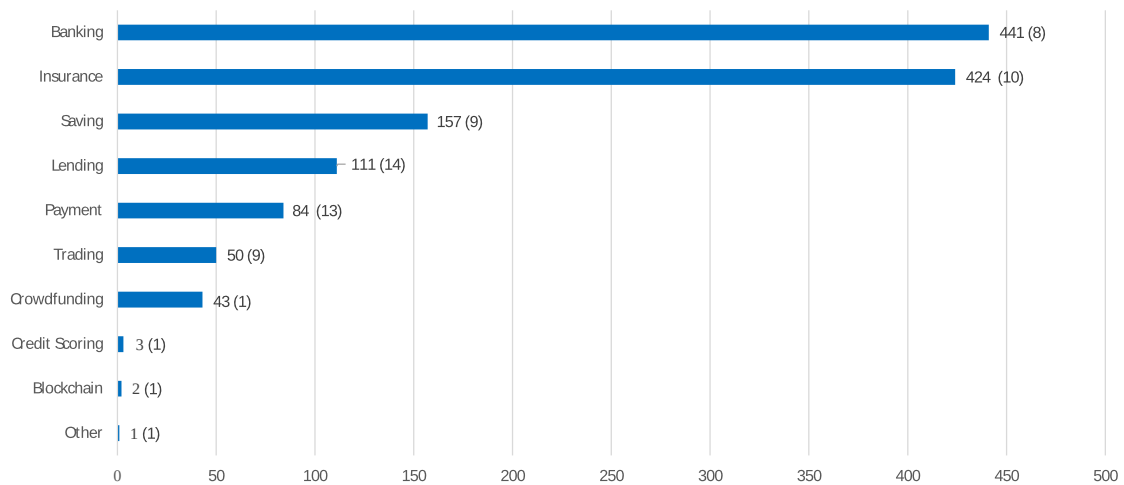


Source: comdirect 2019 „FinTech in Deutschland“
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Germany is home to a growing number of FinTechs. A recent survey found around 900 companies in the sector. FinTechs in Germany receive the second largest amount of venture capital funding in Germany after mobility. Venture capital investment in FinTech companies in Germany has reached EUR 1316 million in 2019.

FinTech in Germany Investment Sub-Sectors

Venture Capital Investment 2019 (in Mio. EUR)



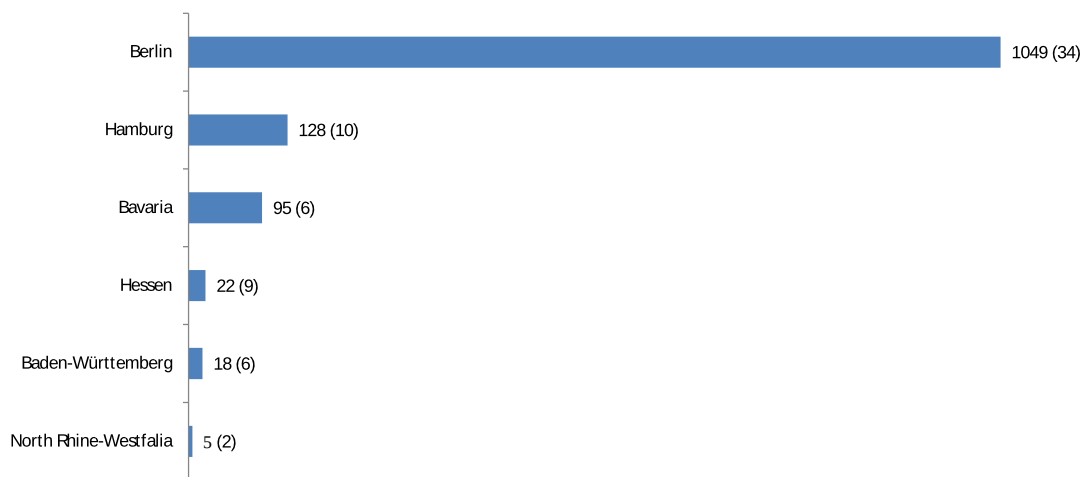
Source: EY Start-up-Barometer Deutschland, January 2020

* In Brackets: Number of Investment Rounds

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FinTech in Germany Investment Regions

Venture Capital Investment 2019 (in Mio. EUR)

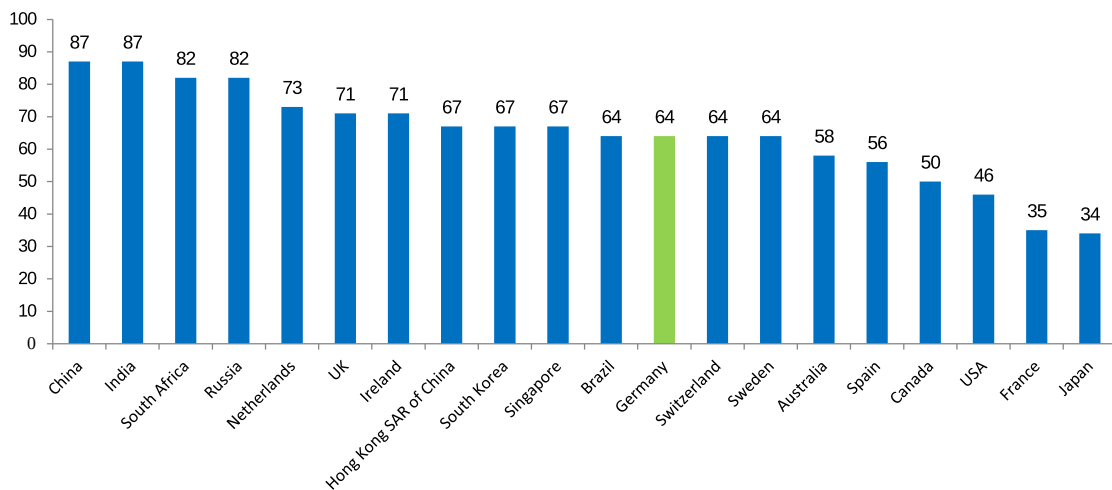


Source: Start-up-Barometer Deutschland, January 2020; * In Brackets: Number of Investment Rounds

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FinTech Acceptance Worldwide

FinTech Adoption Rates



Source: EY FinTech Adoption Index 2019
 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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Important FinTech and InsurTech locations are Berlin, Frankfurt, Munich, Hamburg and the major cities in North Rhine-Westphalia.

*Source: comdirect 2018; EY

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.

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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Contact Us

Dr. Josefine Dutschmann

 +49 30 200 099 204

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