

# FinTech in Germany

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**FinTech has transformed the global financial services landscape. Germany's FinTech market is one of the most dynamic markets in the world – and a resilient one in times of global economic challenges and turbulence. FinTech companies' use of future key technologies makes them important drivers of digital innovation in the traditional economy.**

## FinTech Adoption Increasing

FinTech adoption rates are growing around the world. The adoption rate in Germany is currently comparable to the global average. FinTech acceptance and adoption rates increased within Germany – and Europe – in direct response to the global coronavirus pandemic. This in turn helped accelerate digitalization, with more people turning to digital banking and payments. Germany now has the second-largest number of FinTech users in Europe. The country's average yet rising adoption rate and its largest population in Europe contribute to ensuring that user potential is far from exhausted.

## Maturing Market

Germany's FinTech marketplace is showing increased maturity with many FinTech companies scaling up and accelerating growth. In 2024, around USD 1 billion investment was ploughed into the FinTech sector – making Germany the third largest recipient of FinTech investments in Europe. There are now over 1,000 active FinTechs in Germany that provide digital products and services along the entire financial value chain of companies active in the B2B and B2C sectors. In 2024, Germany's FinTech sector generated the second-highest turnover in Europe. Germany's established FinTech ecosystem, the need for increasingly specialized B2B and B2C solutions and the willingness of the traditional financial sector and innovative FinTech companies to collaborate are creating business opportunities for international FinTechs. Significant opportunities exist in a plethora of market sectors including banking, digital payments, cryptocurrencies, and InsurTech.

## German FinTech Industry in Numbers



FinTech sector

**>1,000**

firms active in Germany



FinTech revenue in 2023

**USD 2.9 billion**

(2nd largest in Europe)



FinTech investment in 2024

**USD 0.9 billion**

(3rd largest in Europe)



digital payments in 2024

**46 million users**

(3rd largest in Europe)

Sources: FinTech Consult 2024, Statista 2024, Statista 2025, Statista 2025

# Market Opportunities

Germany’s maturing FinTech market provides excellent opportunities for international actors in a number of market segments including payments, investment, retail banking, and insurance.

Current hot topics include embedded finance, sustainable and green finance, and cybersecurity as well the potential launch of the digital euro. FinTechs are major drivers of digitalization making increased use of artificial intelligence and blockchain solutions and remain important collaboration partners for established players within the traditional financial sector.

## Banking

Germany’s banking sector secured the most FinTech investment in 2024. Incumbent banks are increasingly turning to cooperations and partnerships with FinTechs, providing them with a regulatory umbrella and access to customer bases while profiting from innovation in return. A number of FinTechs are also deploying “cooperation through acquisition” strategies. While the neobanking market is consolidating, further banking potential is seen in unique business models that include lifestyle banking services and new saving products as well as compliance-focused banking-as-a-service.

## Digital Payments

The global digital payments market is growing. Germany is home to the second-biggest digital payments market in Europe. The largest market is the digital commerce market, with expected volume of almost EUR 245.3 billion in 2025. FinTech plays a decisive role in the delivery of digital payment services – whether in the realm of digital commerce or mobile POS payments.

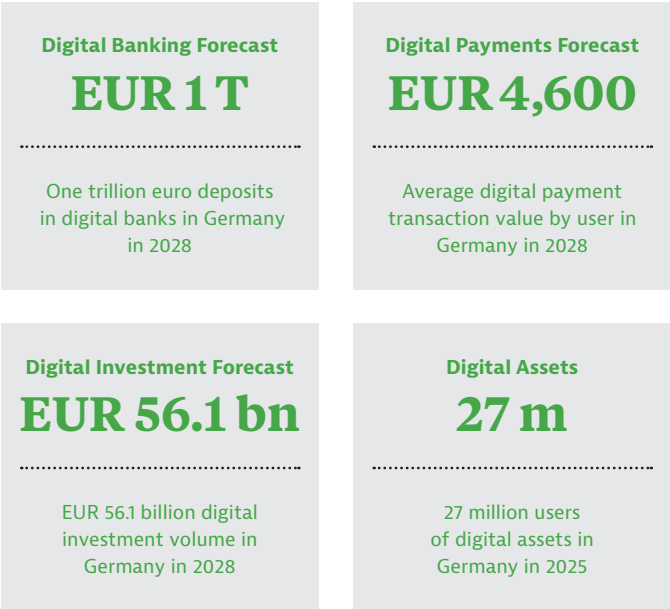
## Blockchain and Digital Assets

The Markets in Crypto-Assets (MiCA) regulation has been in force since 2025 and unifies the crypto market within the European Union with regulations and standards that will increase domestic consumer confidence in crypto products. Banks are also already working on the first projects for tokenized deposits of real-world assets. In 2025, the market for digital assets in Germany is expected to reach USD 1.9 billion, which corresponds to 21 percent of the EU market.

## InsurTech

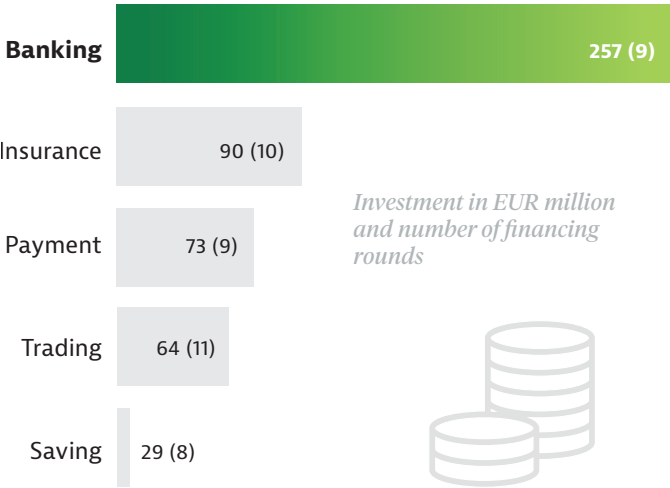
Germany’s InsurTech market remains highly relevant in the FinTech industry – receiving the second largest amount of FinTech investments in 2024. The “New Players Network” lists 146 InsurTechs – including digital insurers, contract managers, claims adjusters, and comparison platforms – currently active in the country. InsurTechs are intensifying their footprint in the incumbent value chain with a new trend especially towards B2B business models that integrate into existing distribution channels. Digitalization and sustainability represent key opportunities and challenges for the insurance industry.

## FinTech Market Forecast 2025-2028



Source: Statista 2024

## Venture Capital Investments in FinTech 2024



Source: EY Startup Barometer Germany 2025

## Alternative Investments and WealthTech

Awareness of private pension planning is growing in Germany, driven by an aging population and anticipated pension gaps. Digital platforms are transforming how people invest, trade, and save, with robo-advisors and trading apps attracting younger users. WealthTechs can offer retirement-focused products, automated saving plans, and tools that enhance financial literacy across all age groups.

# Strong Networks and Support

**Germany has a number of advisory policy bodies, platforms and initiatives that are working together to ease market entry and support market growth activities across industry sectors.**

Cross-segment partnerships can allow FinTechs to access a greater consumer base, reduce their client acquisition spending and move more quickly to market. This trend has been most noticeable in the case of B2B FinTechs whose technology and infrastructure services enable other FinTechs in different segments. Germany's B2B segment also offers singular opportunities for FinTech service providers to tap into the country's thriving market of around 3.6 million registered SMEs. They represent more than 99 percent of all enterprises – of which more than 350,000 are exporters to global markets. Germany is also home to the largest number of banks in Europe – over 1,400 are active here. A sharp rise in corporate venture capital investments further demonstrates collaboration willingness between incumbents and innovators.

## **Accelerators, Incubators and Company Builders**

Germany – as a start-up hotspot in Europe – is home to numerous accelerators, incubators and company builders who provide funding and support services to help high-potential start-up enterprises scale their business in Germany and beyond. The de:hub initiative, backed by the German government, supports dedicated FinTech and InsurTech hubs across Germany that connect innovative fintechs with established players in the traditional financial sector. The government-backed German Accelerator supports German-based start-ups in entering the US and Southeast Asian markets.

## **Association of German Banks**

The Association of German Banks actively promotes partnership between banks and FinTech companies. In addition to providing extraordinary membership to a number of FinTechs, the association has established a Digital Banking Project Committee (made up of chief digital officers from the banking sector and leading figures from the German FinTech scene) that provides a platform to banks, FinTechs, academics, start-ups, policy makers, and administrators.

## **Bitkom**

Bitkom is Germany's digital industry association. The association's "Digital Banking and Financial Services" steering group is working to create a digital single financial market in Europe. The association connects FinTechs, established banks and incumbent insurance providers, IT service providers, and legal experts to promote innovation-friendly market framework conditions. Bitkom's blockchain steering group informs about blockchain developments across various industries – predominantly finance – and serves as one of Germany's largest dialogue and exchange platforms for blockchain companies.

## **FinTech Internationalization**

Almost three quarters of FinTechs in Germany operate highly scalable business models (online platforms and software-as-a-service solutions). A comparable number of FinTechs active in Germany also plan to internationalize their service provision, with the European Union being the focal point of these activities. The European Union provides companies with a harmonized legal system and a "Single Euro Payments Area" (SEPA) for simplified bank transfer activities. European Union passporting allows licensed FinTechs to offer their services cross-border within the EU and European Economic Area, providing access to a market of over 500 million people.

## *Regulatory Framework*

### **Who regulates banking, financial services and insurance providers in Germany?**

The Federal Financial Supervisory Authority (BaFin) is one of Europe's largest financial supervisory authorities. BaFin ensures the stability of the largest financial market in continental Europe as an integrated financial supervisor for the banking, securities and insurance sectors. BaFin offers transparent, reliable operations and communication in English to support international companies.

### **Are FinTechs subject to special regulation?**

Germany has a regulatory level playing field. Some FinTechs – subject to their business model and structure – may be subject to BaFin supervision. Others need only comply with the requirements of the Industrial Code. European Union passporting allows companies to access the entire EU market of 320 million consumers.

### **Which FinTech business models are subject to authorization?**

The different business models laid out by BaFin are indicative in nature and do not constitute a final legal assessment by the authority. Authoritative evaluations are made on a case-by-case basis.



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