Welcome to Frankfurt, Welcome to Hessen

Germany’s leading FinTech ecosystem
The financial industry is in a state of upheaval. Technological innovations have given rise to a fundamental change in the needs and behavior of customers. In addition, digital technologies and applications are changing the processes, provider structures, and business models of financial industry companies. Innovative FinTech start-ups are revolutionizing financial technologies and are creating a new basis for the interaction between banks and their customers while improving the efficiency of financial services.

“(...) The digital transition taking place in the financial industry represents an opportunity that we are ideally equipped to capitalize on. The Rhine-Main region is a financial center as well as an ICT industry hot spot. This combination offers enormous potential in today’s world where digital technologies are giving rise to the creation of entirely new business models. And it is precisely this potential that we are now in the process of mobilizing.”

Tarek Al-Wazir
Minister of Economics, Energy, Transport and Regional Development, State of Hessen

The financial centers of Hessen and Frankfurt unite the largest and most important financial center in continental Europe with the expertise and skills of a rapidly growing ICT industry. As an economic center, Hessen is centrally located within Germany and Europe, and it is home to the largest international airport in continental Europe. These factors serve as ideal conditions to enable start-up companies in the FinTech scene to implement their business ideas, network with other industry players and customers, and successfully establish themselves on the market and grow.
FinTech Key Information

The financial center of Hessen offers FinTech companies a unique set of location specific advantages. In addition to the numerous supervisory authorities and regulatory agencies, the greater Frankfurt area is home to outstanding expertise in the ever-important area of IT security.

Regulation, IT Security, and Data Centers

**FinTech Activities of the Federal Financial Supervisory Authority (BaFin)**

The Federal Financial Supervisory Authority (BaFin) oversees the financial market to ensure that the German financial system remains functional. Alongside a wide range of information on the supervision of financial services, BaFin provides a contact form for preliminary inquiries and questions concerning FinTech business models. In addition, the newly created “Financial Technology Innovations” department and an enhanced internal network of experts will ensure that supervisory issues concerning emerging technological developments are addressed rapidly and effectively.

www.bafin.de/EN

**Further regulatory agencies:**
- Bundesbank
- ECB
- EIOPA

**CRISP (Center for Research in Security and Privacy)**

More than 450 researchers in Darmstadt are presently addressing the burning issues surrounding cybersecurity research. Their activities are aggregated within CRISP, the Center for Research in Security and Privacy. Together, these researchers are working on resolving key cybersecurity issues that affect society, the economy, and public administration.

www.crisp-da.de/en

**Data Centers and Big Data**

The Frankfurt-Rhine-Main region is home to major data centers and 5,000 servers nationwide. Hessen has placed a major emphasis on energy-efficient data centers, which can be seen in the Green IT Cube in Darmstadt, one of the most energy-efficient data centers worldwide.

**FinTech in the Rhine-Main Area – Key Performance Indicators**

<table>
<thead>
<tr>
<th>Number</th>
<th>About 100 FinTech companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding</td>
<td>Around 50 partnerships and investments</td>
</tr>
<tr>
<td>Funding</td>
<td>Around €1 billion in corporate venture capital investments (since 2014)</td>
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**Study findings:**

- “87% of banks work together with FinTech companies.”
- “The Rhine-Main region, with Frankfurt as its central hub, has been the key driver of expansion, recording 45% growth to date in terms of the number of identified FinTech companies.”
- “We […] see the Rhine-Main region as a leading future FinTech region in Germany driven by a B2B focus and stakeholder activities.”
- “Germany’s FinTech market received more VC investment than the UK in the second quarter of 2016, attracting US$105 million compared to the UK’s $78 million.”


**Frankfurt – German Digital Hub for FinTech Companies**

As part of the national IT summit in November 2016, the German federal government named Frankfurt one of five digital hubs across Germany. The Frankfurt digital hub focuses on the financial services and FinTech industries and is supported by Darmstadt, whose focus is on cybersecurity.

www.bmwi.de
Success Stories

360T

Since its inception in Frankfurt in July 2000, 360T has evolved from a small technology start-up into a global player, becoming one of the largest electronic FX trading venues in the world. After acquiring Lufthansa as its first customer in 2001 and generating a profit for the first time in 2004, 360T embarked upon a strategy of overseas expansion in 2007 and opened offices in New York and Singapore. Today, 360T is a truly cutting-edge 21st century company with 220 employees located across the world in 26 locations. 360T serves around 2,000 customers in over 75 countries and executes an FX transaction volume of €70 billion per day. All software development activities are performed in Frankfurt, and the team combines the expertise from a diverse group of people which includes 29 nationalities in Frankfurt and 46 globally.

But what has made 360T’s successful journey possible? Aside from the right vision, tremendous effort, a high level of motivation, and the proper timing, it was the ideal regulatory framework that allowed the Frankfurt-headquartered company to flourish. This included effective and close communication and cooperation with the local regulatory agencies (primarily BaFin and Bundesbank) and at a later stage with international regulatory agencies and supervisory authorities.

“Frankfurt has been developing tremendously since we founded 360T in 2000. Not only is it more cosmopolitan than ever, has better restaurants, nightlife, etc., but it also developed a culture and landscape for entrepreneurial activities. Frankfurt’s entire ecosystem started to surface and emerge within the last couple of years, and there’s more to come.”

Carlo Kölzer,
Group CEO at 360T Group/
Global Head of FX at Deutsche Börse Group

Vaamo

In 2014, Frankfurt-based vaamo launched its digital wealth management service (“robo advice”) in Germany and quickly became one of the leading players in this field. The Goethe University Frankfurt has been a key contributor to vaamo’s success and has provided support to the company in the launch phase, not only via the university’s business incubator but also by using the expertise of the House of Finance.

Following the company’s successful start in the end customer segment, vaamo also decided in late 2015 to support large and small financial institutions and providers with their digitization efforts by providing the full “robo advice” value chain to them as a white-label software-as-a-service solution – something vaamo refers to as “robo-advice-as-a-service”: vaamo’s first partners in the B2B segment included new as well as established financial institutions, such as N26, Santander, and 1822direkt. These partnerships enabled vaamo to secure a position as the leading robo advisor in Europe in the B2B segment.

vaamo’s joint efforts with the city of Frankfurt and the state of Hessen go beyond its cooperation with the Goethe University Frankfurt, which is evidenced by the state of Hessen’s investment in the young company in 2016 via the Hessen Capital I Fund. The city has a special place in the hearts of the two Frankfurt founders, who both regularly take part in initiatives to strengthen Frankfurt’s status as a key FinTech hub.

“Given the proximity to many leading financial institutions in Germany, Frankfurt is perfectly suited for B2B FinTech businesses like vaamo.”

Dr. Thomas Bloch,
Cofounder and Co-CEO at vaamo
The FinTech Ecosystem in the Greater Frankfurt Area

As part of the Digital Hessen Strategy, the state of Hessen cooperates with all of its partners in the areas of business, science, and public policy to create framework conditions that allow for the best possible regional development of the FinTech ecosystem and to promote the appeal of Hessen as a FinTech location.

TechQuartier

Frankfurt-based TechQuartier (TQ) serves as a central access point to the start-up and FinTech community in the largest financial center in continental Europe.

TQ is an international community which brings together the greatest minds and talents from industry and academia. Its unique network of corporate and technology partners, service providers, investors, academic institutions, and government officials offers an ideal environment for ambitious entrepreneurs to exchange ideas and grow their businesses. TQ has been selected as the German FinTech hub in connection with the Digital Hub Initiative, which is run by the German Federal Ministry for Economic Affairs and Energy.

TQ hosts numerous events, conducts diverse programs, and offers a wide range of services tailored to the needs of its members.

TQ offers a variety of flexible membership options. On several floors, TQ provides private offices, open space, meeting rooms, and a first-class multimedia-equipped event space. The space serves as an ideal environment to work and engage in collaborative discussions. TQ encourages international companies to set up their offices in Germany’s financial capital city.

TQ Platform’s Unique Selling Points

Personal contact with decision-makers in the banking sector. Exchange of ideas with talented people at universities and in the start-up community. Always extremely well informed and advised by experts, investors, and mentors on site. TechQuartier serves as a one-of-a-kind platform for FinTech companies and offers a wide range of services. Cooperation? FinTech growth? All this is possible in Frankfurt!

TQ Is Supported By:

Further partners are ALLEN & OVERY, Ernst & Young, KPMG, PwC, and Sparda-Bank. TQ is also supported by the state of Hessen, Goethe University Frankfurt, TU Darmstadt, and WiBank.
Accelerators and Incubators

1 TechQuartier
Located in the heart of Frankfurt, TechQuartier serves as the focal access point to the start-up and FinTech community (entrepreneurs, investors, service providers, and corporates from the financial industry and beyond) in the largest financial center in continental Europe. The target group is FinTech companies and adjoining technology divisions.

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2 Accelerator Frankfurt GmbH
Accelerator Frankfurt is an independent accelerator that gets start-ups investment-ready by identifying suitable partners, customers, and investors for them. The international four-month program provides start-ups with mentoring, coaching, office space, meeting rooms, and professional services. The target group includes FinTech, RegTech, InsureTech, cybersecurity, and WebTech companies.

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3 Digital Factory by Deutsche Bank
Digital Factory is Deutsche Bank’s very own center designed to develop digital financial solutions. Over 400 software engineers, IT specialists, and financial experts from 14 nations work together there in the largest financial center in continental Europe. The target group is FinTech companies.

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4 FinTech Hub by Deutsche Börse
The hub provides around 60 workstations on the 450 square-meter site of a former pharmaceutical plant. Start-ups can take advantage of fully equipped offices with high-speed Internet, as well as coworking spaces, conference rooms, and event spaces. Deutsche Börse Venture Network experts also offer on-site consulting and provide contacts. The target group are is FinTech companies.

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The greater Frankfurt area provides small businesses with the space and support they need to grow. Numerous incubators and accelerators offer space for companies in the finance, insurance, and cybersecurity industries. The ecosystem facilitates office space, coworking places, meeting rooms, event locations for individual companies, as well as expert knowledge, accelerator programs, and access to investment capital.
5 FinTech Lab by FinTech Group AG

Founders of start-up FinTech companies obtain access to the banking system, a banking license, a liability umbrella, and regulatory consultation by experts. Specialized professionals give technological support to the start-ups by providing digital interfaces, access to their own software, and advisory services. These entrepreneurs also receive both network and financial support. The target group is FinTech companies.

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6 Main Incubator by Commerzbank

Main incubator is a wholly owned subsidiary of Commerzbank. As a strategic partner, it offers FinTech start-ups support services ranging from business foundations to commercial success. Its services encompass the provision of capital, access to Commerzbank customers, banking know-how, office space, and infrastructure in Frankfurt. The target group is FinTech companies.

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7 VABN by Aurelis Real Estate

VABN is a workspace designed exclusively to meet the needs and requirements of start-ups and other industry players within the context of “new work.” As such, the 570 square-meter site provides individual office space and conference rooms as well as areas for cooperative discussions and events. Drawing from a wide network of partners, Aurelis offers additional workshops and services aimed at facilitating the development of these start-ups. The target group includes FinTech, InsureTech, and PropTech companies.

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Financial Institutions and Important Frankfurt Landmarks

- European Central Bank (ECB)
- EIOPA
- BaFin
- Deutsche Bundesbank
- Commerzbank Tower
- Deutsche Bank Twin Towers
- Maintower / HELABA
- DZ Bank Group
- DekaBank
- MesseTurm
- Main Station
- Frankfurt Stock Exchange
Numerous networks and events in and around Frankfurt offer both new and already established start-ups the opportunity to exchange ideas and make contacts with like-minded people and business partners, for example:

**Between the Towers. FinTechCity_Frankfurt**

Between the Towers. FinTechCity_Frankfurt is a series of monthly events aimed at strengthening the FinTech ecosystem in Frankfurt, Germany, and continental Europe. It was initiated by the main incubator, Commerzbank’s FinTech incubator, and started in October 2014.

Frankfurt’s expertise in business, banking, ICT, and science offers excellent conditions to ensure that the banking industry excels in the future. Hence, we bring together FinTech start-ups, investors, and representatives of business and science in Frankfurt on the first Tuesday evening of every month in order to inform the attendees using top-notch presentations and pitches and to let them network with leverage.

www.between-the-towers.com

**FinTech Meetup**

The Frankfurt FinTech Meetup is an established meeting point for FinTech founders and enthusiasts as well as a platform designed to promote an open exchange of ideas about current FinTech-related topics.

As opposed to most FinTech-related events in and around Frankfurt, these events are not driven by commercial interests. They focus on topics that are relevant to (potential) company founders. Events are held every six to eight weeks in alternating locations and usually include two to three short presentations, three FinTech pitches, and numerous opportunities to network and meet new people.

www.meetup.com/FinTech-in-and-around-Frankfurt

**Deutsche Börse Rooftop Talks**

Rooftop Talks are held regularly in the FinTech hub at the German Stock Exchange and are organized by the Deutsche Börse Venture Network. These events serve to bring together key players in the FinTech sector and to establish a venue designed to promote the exchange of ideas concerning FinTech-related issues. Topics that are current and relevant to the FinTech and start-up sector are addressed in a casual panel discussion featuring a host. Guests also share their expertise and describe their personal experiences.

Awards

**The FinTechGermany Awards**

were presented for the first time in November 2016 by Frankfurt Main Finance, Business Angels FrankfurtrheinMain, and the WM Group (Börsenzeitung).

**The Goethe Innovation Award**

has been presented to three outstanding start-ups from the Unibator in Darmstadt each year since 2012.

**The Frankfurt Startup Founder Prize**

is an initiative of the city of Frankfurt, Frankfurt Economic Development GmbH, and the Frankfurt University of Applied Sciences. Three outstanding new start-ups are selected each year to receive this prize.
Deutsche Börse Venture Network

Deutsche Börse Venture Network supports boosting funding for young and fast-growing companies. It unites emerging, high-growth companies and investors, giving them access to a powerful network of professional partners.

The objective of Deutsche Börse Venture Network is to build a strong, international network consisting of the best growth companies and top investors. It also provides a platform for personal interaction and the development of long-term relationships. Participating companies come from all sectors. They are at different stages of funding – from the seed stage right up to the pre-IPO stage. All the companies in our network are looking for investors. Investors from all over the world gain access to high-quality entrepreneurs via our network.

Deutsche Börse Venture Network offers direct access to national and international investors from the venture capital, private equity, business angel, and high-net-worth individual sectors as well as from several services, such as venture matching, executive training, investor talks, newsmail, and an online platform.

The member companies come from various industries, such as e-commerce, biotech, FinTech, cleantech, and many more.

www.venture-network.com

Business Angels FrankfurtRheinMain

Business Angels FrankfurtRheinMain e.V. (BA-FRM) brings start-up founders and entrepreneurs together with business angels. With more than 100 business angels in Frankfurt, it is Germany’s largest association.

In matching events held once per month, innovative start-up founders and young growth companies are given the opportunity to present their concept to private investors to secure risk-bearing capital, expertise, and contacts. An emphasis is placed on presenting a solid unique selling point and convincing investors of the large market potential. More than 10% of these start-up companies find an investor. All participants receive at least a written assessment of the feedback provided by the investors concerning their concept, the quality of their presentation, and their personal demeanor.

The AUFSCHWUNG trade fair for start-up company founders also provides start-ups with the opportunity to present their business ideas. As opposed to the monthly events, the pitch here is made publicly and the trade fair participants are welcome to attend.

In addition to public consultation days and other events throughout the entire year, business angels offer tips to start-ups as well as valuable contacts to institutions that could provide them with support, finalize their business plans, and successfully implement their ideas on their home page. There is also information available on the FinTech Awards. Furthermore, events for business angels take place to bring them together, provide them with information, and mobilize capital.

www.ba-frm.de
WIBank – Experts for Start-Up Support in Hessen

Founders, start-ups, and enterprises are the driving forces of social and societal prosperity. Wirtschafts- und Infrastrukturbank Hessen (WIBank) supports these and facilitates their innovative activities. WIBank sees itself as a provider of impetus and as a catalyst for Hessen’s small and medium-sized enterprises (SMEs). It makes available tailor-made loan, guarantee, and equity participation instruments, ranging from the formation of an enterprise through its growth phase to the funding of business succession.

The digital transformation requires fast and higher-risk enterprises – here again, WIBank submits concrete financing offers and provides support with competent advice and consulting.

WIBank is the central point of contact regarding all matters related to financial support for start-ups, company founders, the commercial sector, and freelance professionals. Funding consultation is provided on an independent basis and is free of charge.

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Hessen Trade & Invest GmbH – Economic Development Agency for the State of Hessen

Hessen Trade & Invest GmbH is the economic development agency of the state government of Hessen. The agency is tasked with ensuring the sustained development of Hessen as a business and technology location and enhancing the region’s competitiveness.

The HTAI team advises and accompanies both domestic and international companies in connection with their investment decisions in Hessen. We provide Hessian companies with the comprehensive support and assistance they need to gain access to new and high-growth markets across the world.

Our location advisory team supports companies from the initial inquiry to the final decision and establishment of a German subsidiary.

The assistance services we offer to your business include the following:

- Information on markets and industries in Hessen
- Support of technology transfer and innovation processes
- Comprehensive advice on establishing a company
- Information on tax, residency, and labor law
- Arranging personalized scouting visits
- Assisting with residence and work permit applications
- Access to cooperation networks and clusters

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“"The increase of FinTech companies in Hessen is the highest in Germany. The access to investors, partners, and regulators and the availability of affordable space are the basis of our successful FinTech ecosystem. The "Fin" is in Frankfurt; the "Tech" is everywhere in Hessen. This publication is our way of emphasizing the growing importance of FinTech companies to our outstanding business location in the heart of Europe."

Dr. Rainer Waldschmidt,
CEO at Hessen Trade & Invest GmbH
Welcome to Hessen.

www.invest-in-hessen.com
www.wibank.de
www.frankfurt-main-finance.com