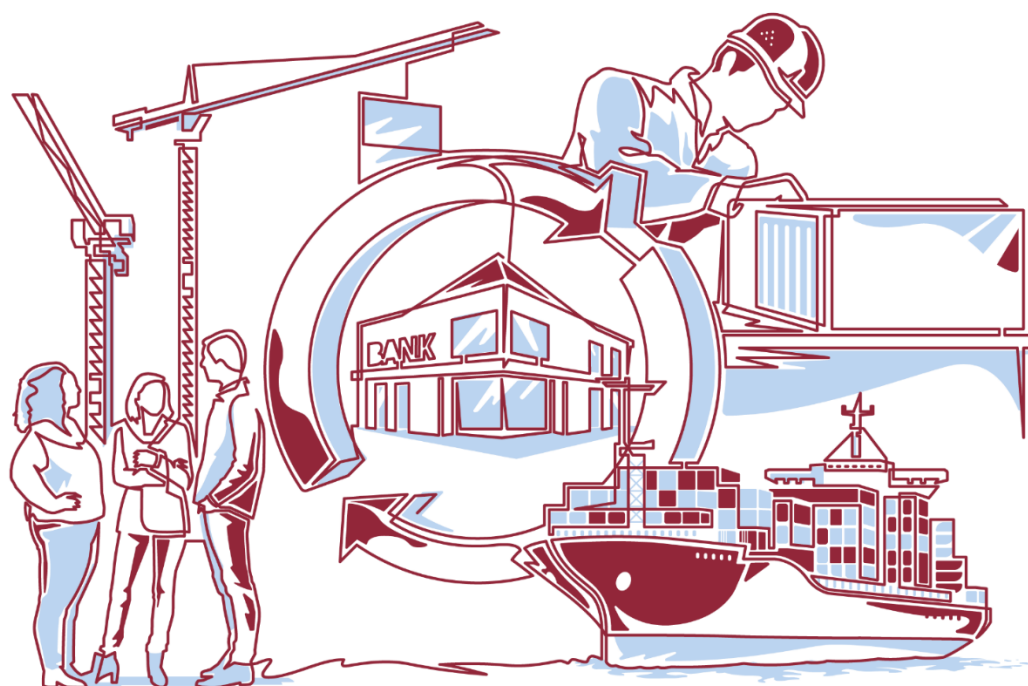


## The Role of Banks in Germany at a Glance

Banks perform key functions for individuals, the economy, and society as a whole.

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## **Banks are the beating heart of the German economy**

Banks help ensure that capital is available when and where it is needed. They drive investment, innovation and progress. Banks are there for their customers and provide support as they work towards and achieve their financial goals, regardless of whether those customers are companies, associations, from the public sector, or private clients such as employees, pensioners, entrepreneurs and students.

Banks contribute significantly to both economic growth and employment. In addition, they have an important role to play as society and the economy transition towards digitalisation and sustainability. Both projects will require the investment of huge sums of money: as an example, it is estimated that additional investments of approximately 300 billion euros each year will be required to meet European climate objectives, a sum that can only be achieved with help from a high-powered banking system. Not only that, but sustainability is also highly strategically relevant for banks. It is becoming more and more common for banks to align themselves with the Paris climate objectives, manage ESG risks and provide support for customers as they work towards transforming the economy.

### **Banks create both jobs and added value:**

- The financial sector in Germany is responsible for 75 billion euro in gross value added to the economy each year.
- And of course, the German banking industry employs over 537,000 people.

### **Banks finance the economy:**

- banks support German businesses with 1.1 trillion euros in credit.
- 80% of corporate borrowing takes place via loans from banks.
- Almost 90% of all German exports are financed by a private bank.

### **Banks promote innovation:**

- 59 billion euros in new green bonds were issued in 2024, more than were issued by any other country in the OECD.
- 95% of green bonds issued were supported by private banks.
- In Germany, slightly more than one trillion euros are currently invested in sustainable funds.
- The largest three private banks in the country provide support to more than 10,000 start-ups, to say nothing of support provided by other private banks.

### **Banks open the door to capital markets:**

- 275 billion euros in corporate bonds (issued from within Germany) are in circulation and were issued via services provided by banks.
- Around 50% of capital held by German businesses is listed on the stock exchange as shares, to a value of approximately 800 billion euros – quite possibly issued with support from private banks.

- Private households have over 29 million securities accounts with banks.
- These accounts are used to manage 2,13 trillion euros in securities for bank customers.

## **Banks are with us every day**

We may not always be aware of it, but banks have a very important role to play in daily life. We use bank services on a daily basis: when purchasing goods at the shops, when paying for food in restaurants, when shopping online or booking a holiday. And these days, smartphones mean that many of us carry around our bank in our pockets! On average, customers open their banking apps or log in to their online banking accounts 8 times a day. 56 percent of the people in Germany do their banking online, and many payment processes involve smartphone apps accessing bank accounts. These daily activities, things we do without really thinking about them, require powerful, easy to use and secure payment systems, all of which are based on bank accounts.

Not only that, but banks also provide advice and support as their clients accumulate assets. They provide financing for real estate purchases and help clients to access capital markets, which are essential parts of planning for retirement and growing wealth. Compared to the rest of Europe, the cost of banking in Germany is significantly less than costs in some other member states.

### **Banks provide account and payment services:**

- There are 111 million current accounts in Germany.
- 7.3 billion bank transfers take place every year.
- There are 178 million bank cards in circulation in Germany
- More than 32 million payments are made with cards within the country each day.
- Germany has a total of 50,000 ATMs.
- Every day, 3.8 million cash withdrawals are made from those ATMs. Deposit guarantee schemes in Germany offer a unique security net for those who bank with private banks. Customers have double the protection, due to statutory (100,000 euros per customer and bank) and voluntary (at least 750,000 and up to 5 million euros for private customers) guarantee schemes.

### **Banks support customers as they grow their wealth:**

- 1.3 trillion euros have been issued as construction loans to private households. There are 12.1 million shareholders in Germany.

## **Banks are part of society**

Banks do more than play an important role in the lives of their customers, they also have a positive effect on society as a whole. They do this by, among other things, supporting foundations and other charitable organisations as they perform valuable work within the community. In addition, banks actively support financial education in Germany or are active in the world of non-profits and charities.

- Foundations earn 49% of their revenue from capital investments, which are usually managed by banks.
- Banks in Germany actively support their communities in a variety of ways, including supporting financial education by providing educational materials and workshops for teachers.

*Sources: Statistisches Bundesamt, Deutsche Bundesbank-Statistik, Europäische Zentralbank (EZB), IMF Climate Board, Bundesverband Investment und Asset Management (BVI), Deutsches Aktieninstitut (DAI), AGV Banken, Gutachten des Leibniz-Zentrum für Europäische Wirtschaftsforschung (ZEW).*