

# FINTECH FACTS – AN OVERVIEW

## THE MAIN FACTS AT A GLANCE:

- ✗ Globally, there are around 32,000 fintech companies .
- ✗ Over the last ten years fintechs have attracted more than USD 500 billion in financial capital. Since 2019 they have accounted for about 20 per cent of venture capital spending.
- ✗ The financial services industry is one the largest and most profitable sectors of the global economy, with annual revenues of around USD 12.5 billion and estimated net profits of USD 2.3 trillion.
- ✗ The fintech boom reached its peak in 2021. At that point fintechs accounted for about nine per cent of all global banking valuations in the financial services sector. Public banking valuations amounted to USD 1.3 trillion.
- ✗ In 2022, Germany's fintech/insurtech sector received EUR 1.3 billion in venture capital (65 per cent less than the previous year).

## BERLIN AS A PLACE FOR BUSINESS:

- ✗ In 2022, 501 startups were established in Berlin – a fifth of the German total.
- ✗ In 2022, Berlin's startups obtained EUR 4.9 billion in venture capital, 55 per cent less than in 2022 and 50 per cent more than in 2020.
- ✗ Out of the ten largest financial packages Berlin received six.
- ✗ In 2022, the rise in interest rates and fall in banking valuations led to noticeable investor restraint. Berlin's startup eco-system has more than 73,000 employees.
- ✗ In December 2022, over 2,300 startups and scaleups accounted for 62 per cent of the eco-system's entire workforce.
- ✗ Over 250 fintech startups have created more than 9,000 jobs locally in Berlin. Fintechs represent the second-largest startup sector in the German capital.
- ✗ Venture capitalists are important for Berlin, as funded startups scale up twice as fast as those without funding.

## A LOOK AT THE FUTURE

- ✗ Fintech sector revenues are forecast to grow sixfold by 2030 and reach USD 1.5 trillion. Europe's fintech revenues are expected to grow five-and-a-half times by 2030.
- ✗ By 2030, global revenues are expected to reach USD 21.9 trillion, equivalent to six per cent annual growth.
- ✗ By 2030, the fintech share of banking revenue pools will have risen from four to 13 per cent (at an annual growth rate of 22 per cent) and is expected to account for a quarter of global banking valuations.

<sup>1</sup> Fintech refers to companies that use technology to offer innovative financial services.

<sup>2</sup> Insurtech – from "insurance" and "technology" – refers to companies that use technology to offer innovative insurance solutions and services.

<sup>3</sup> Scaleup refers to companies that are scaling up, i.e. after the startup stage have reached a growth phase. They have successfully established their business model, achieved a certain market standing and attracted customers.

#### Sources:

- BCG + QED INVESTORS (Mai 2023). GLOBAL FINTECH 2023: Reimagining the Future of Finance. <https://www.bcg.com/publications/2023/future-of-fintech-and-banking>
- EY (May 2023). Press release: Records are no longer tumbling, for now anyway; fewer mega deals mean less startup funding. [https://www.ey.com/de\\_de/news/2023/011/weniger-gross-deals-fuehren-zu-ruueckgang-bei-startup-finanzierungen](https://www.ey.com/de_de/news/2023/011/weniger-gross-deals-fuehren-zu-ruueckgang-bei-startup-finanzierungen)
- REUTERS (June 2023). Germany bids to rebuild Berlin's buzz for startups. <https://www.reuters.com/world/europe/germany-bids-rebuild-berlins-buzz-startups-2023-06-01/>
- Dealroom.com + Berlin Senate Department for Economics, Energy and Public Enterprises (March 2023). Report: Berlin Startup Employment 2023.