Helaba

Focus on: Financial Centre of Frankfurt
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Sharpen Frankfurt's Location Profile for Banks & Institutions



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Frankfurt is of special importance in the financial world and exerts a strong attraction for international banks and finance-related institutions in particular: Over the decades, new ones have repeatedly settled here, so that Frankfurt has a considerable number of these key players. Their personnel capacities will have increased by the end of 2024, despite economic weakness and a shortage of skilled labour. In the face of intense competition, it is important to continuously sharpen Frankfurt's profile as a major banking and institutional centre instead of striving for a leading role in too many areas. It's fundamentally important to promote the competitiveness of the financial centre. To this end, the new Financial Centre Initiative was launched, which will present a strategy for the future in the summer following a policy paper.

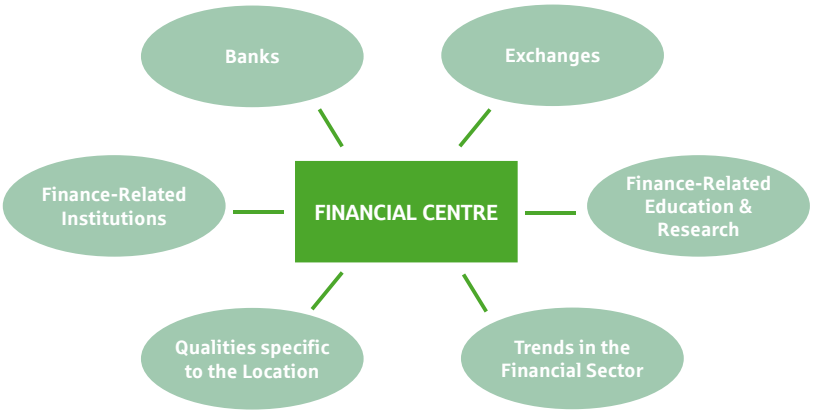
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1 Helaba's core criteria for financial centre research

The German financial centre has a prominent role to play in European financial centre competition. Our financial centre research is based on **characteristics of financial centres** defined almost 20 years ago.[1]

We consider six of these to be indispensable for a successful positioning in the financial world, the **core criteria** of Helaba's financial centre analysis. All our financial centre studies with their changing focus topics can be subsumed under these core criteria.

Helaba's core criteria for analysing financial centres



Source: Helaba Research & Advisory

[1] See Definition of the financial centre criteria in „Frankfurt: The Financial Centre – A City on the move" from June 2006 and is expansion in „Financial Centre of Frankfurt – More than Brexit " from October 2019.

In recent years, the financial centre of Frankfurt has increasingly become an **important location** for **international banks and finance-related institutions**. This profile should be continuously sharpened and Germany's competitiveness fundamentally improved. This will enable Frankfurt's position in the global financial architecture to be further expanded.

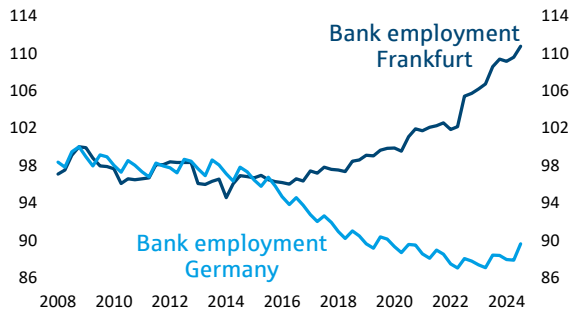
Ultimately, it makes more sense to focus on Frankfurt's central characteristic as an important banking and institutional centre rather than aiming for a leading position in too many areas. At the same time, stringent marketing of the German financial centre is important and all financial center players should join forces in this regard. With concerted commitment to the **financial centre of Frankfurt, synonymous with the German financial centre**, even more can be achieved in an international context. Against this background, our new financial centre publication focuses on the location profile regarding banks and institutions.

2 Frankfurt attractive for domestic and foreign banks

Over the decades, Frankfurt has increasingly established as an **important location for banks** from Germany and abroad. According to Deutsche Bundesbank, a total of **330 financial institutions** were registered for banking supervision here in April 2025, spread across various banking groups (e.g. around 100 credit banks, almost 150 securities institutions and branches of foreign securities firms).

Increasing concentration in the banking sector

Index, end of 2008 = 100



Sources: Federal Employment Agency, Helaba Research & Advisory

Within Germany, there is a **concentration trend** in the banking sector **towards Frankfurt**, which is likely to continue for the time being. This concentration, which has been increasing for years, is also favoured by the fact that Frankfurt with its corporate headquarters, is only affected by branch closures to a limited extent. While bank employment in Germany has been declining for many years, it has been on a dynamic upward trend in Frankfurt and only shows a moderate cyclicality. Accordingly, Frankfurt is by far the leading banking centre (over 11 % share of employment, followed by Munich with less than 6 %).

Foreign institutions have long been **an important part** of the German financial centre. According to a list compiled by Deutsche Bundesbank, there were more than 190 foreign banks in Germany at the end of 2024, almost 60 % of which were headquartered in the Frankfurt region.[2] Most of these are operating offices and some representative ones. Over the last few years, new foreign institutions have repeatedly come to Frankfurt. Many are represented in the Association of Foreign Banks in Germany, which was founded in Frankfurt in the early 1980s and whose member institutions are mainly based here. The success of foreign banks is often the result of decades of presence and commitment in the local market. Frankfurt is regarded as a place to be.

After all, its **wide-ranging qualities as a location** range from a high concentration of players to significant growth forces and favourable framework conditions. In particular, the good dialogue in the community with many well-known players promotes Frankfurt's appeal to foreign banks. Most of these are internationally active banks, and many operate from here also in neighbouring countries. These institutions are preferably located in the centre of the banking district, with a few also in the surrounding area.

In the course of the **Brexit-related** business relocations, many of these banks have **favoured** Frankfurt and some of them have even expanded their offices here to become European headquarters. Overall, there has been a sub-

[2] The definition in this Bundesbank list is not identical to that of the Bundesbank register on banking supervision.

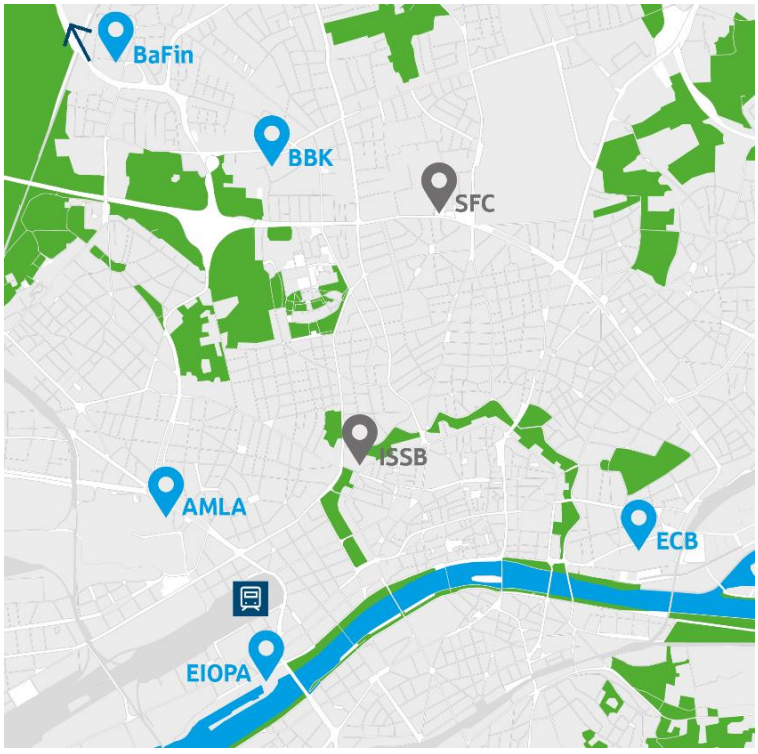
stantial transfer of assets from London to branches in other financial centres such as Frankfurt, which has significantly increased the business volume of some institutions based here. Accordingly, Frankfurt has continued to grow in its role as a major banking centre in Europe as a result of Brexit.

3 Institutions as key players in the German financial centre

The financial centre of Frankfurt has a **considerable history** in terms of financial institutions in the areas of monetary policy, supervision and sustainability: The Deutsche Bundesbank **(BBK)** has had its headquarters here since **1957**. As the independent central bank of the Federal Republic of Germany, it fulfils other tasks in addition to its monetary policy mandate and has been part of the Eurosystem since the end of the 1990s. **In 1998**, the European Central Bank **(ECB)** was established in Frankfurt as the monetary policy body of the Eurosystem, and in 2014 it was also given the function of European banking supervisor. The ECB also fulfils other supranational tasks and hosts the European System Risk Board.

The Federal Financial Supervisory Authority **(BaFin)** has been based in Bonn (banking and insurance supervision) and Frankfurt (securities supervision) since **2002**. As part of the co-operative banking supervision, there is an intensive exchange with the BBK; both are also active in international committees and organisations. In addition to the ECB, another institution of European financial supervision has been based in Frankfurt since **2011**: the European Insurance and Occupational Pensions Authority **(EIOPA)**. The EU Anti-Money Laundering Authority **(AMLA)** was added at the beginning of **2025**, after Frankfurt won the race for the location decision in Brussels (see details on p. 5).

Financial institutions within a manageable radius of Frankfurt



Institutions (head office) for supervision & regulation highlighted in cyan and for sustainability in grey;
Source: Helaba Research & Advisory

This makes the financial centre of Frankfurt even more important as the capital of European supervision. The growing number of institutions has densified the network, which benefits the international positioning of the German financial centre. Communication and cooperation within the community are facilitated by the geographical proximity of Frankfurt and could be further promoted, for example, through more international conferences.

Unlike many financial institutes, the finance-related institutions are often not located in Frankfurt's banking district, but in neighbouring and therefore **easily accessible locations**: BBK's head office is located in Ginnheim but is currently being renovated. In the meantime, various other office spaces are being used, for example in the Frankfurt Office Centre or BBK's regional office in Hesse. In addition to its striking main building on the former wholesale market site in Frankfurt's Ostend, the ECB is currently represented in two other buildings in the city (Eurotower and Japan Centre, relocation of supervisory staff to Gallileo planned). BaFin is located in Frankfurt's Merton district and EIOPA is currently still in the Westhafen Tower. In a few years, the latter will move to the Messeturm, where AMLA recently opened its office. This will create a supervisory hub there (alongside other tenants such as law firms/ auditors).

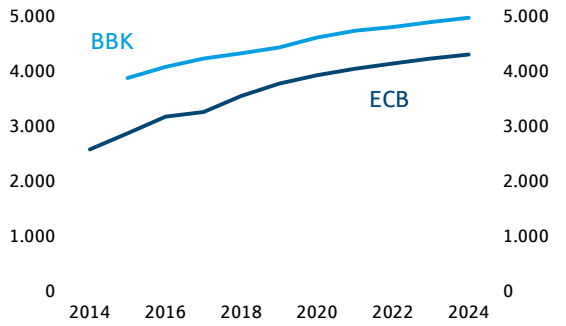
In the area of **sustainable finance**, Frankfurt 2022 has gained the International Sustainability Standards Board **(ISSB)**, which is concerned with global sustainability criteria for financial reports and is part of the International Financial Reporting Standards Foundation (IFRS). In the globally diversified location structure, Frankfurt plays a special role as the ISSB headquarters at Opernplatz. In addition, the Sustainable Finance Cluster (**SFC**, formerly the Green and Sustainable Finance Cluster Germany) has been based in Frankfurt since 2018 and acts as a platform to promote Germany's progress on its sustainable path. In addition to the operational management of the SFC by the Managing Director and his team, member institutions and sponsors provide active support. This offers the German financial centre **promising prospects as a sustainability location**, which in turn should have a positive impact on its positioning in the international financial centre context.[3]

Significant increase in employment in the institutions

The fact that Frankfurt is of particular importance with regard to financial institutions is also evident from the employment trend. The supervisory institutions here employ a large number of people – with a rising trend. To a certain extent, they act as a **job engine, both directly and indirectly**. After all, they exert a strong attraction on several other financial centre players, as surveys conducted by Helaba Research have repeatedly shown.[4]

National & European central banks are growing, ...

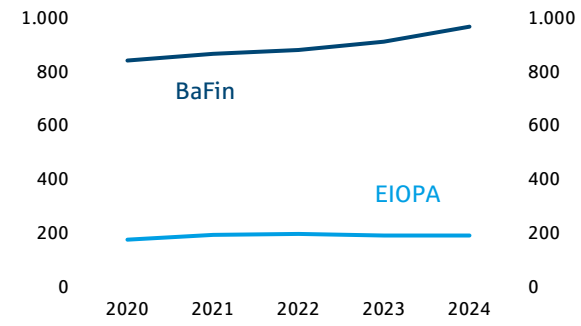
Employees* at finance-related institutions in Frankfurt



* Year-end figures, full-time equivalents
Sources: Institutions, Helaba Research & Advisory

... as well as other central institutions on the Main

Employees* at finance-related institutions in Frankfurt



* Year-end figures, full-time equivalents at EIOPA, headcounts at BaFin
Sources: Institutions, Helaba Research & Advisory

At the end of 2024, the Bundesbank (head office, regional office and branch) had a total of almost 5,000 **employees** in Frankfurt and the ECB 4,300 – an increase of around 30 % and 50 % respectively over the last ten years.

[3] See Helaba "**Im Fokus Finanzplatz: Deutsches Finanzzentrum nachhaltig vorwärts"** of 9 June 2022
[4] See Helaba e.g. "**Financial Centre of Frankfurt - More than Brexit**" from October 2019

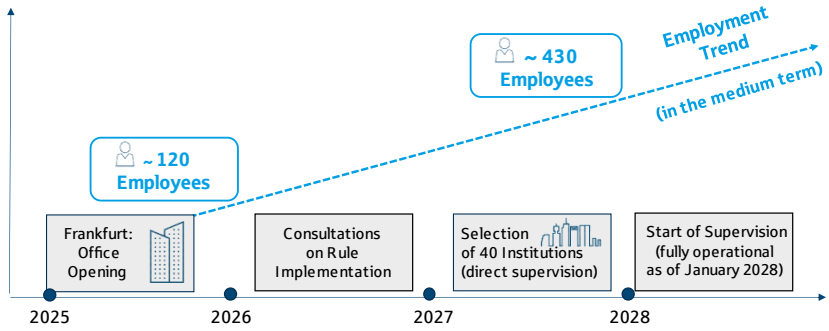
Around 40 % of ECB staff are employed in banking supervision. BaFin was most recently represented in Frankfurt with 970 employees and EIOPA with 190, which corresponds to an increase in jobs of around 15 % and 10 % respectively over the past five years. In contrast, the two "organisations" in the area of sustainable finance only have low personnel capacities for structural reasons: ISSB around 40 employees and SFC with a core team of six plus additional support from the 20 members and sponsors who provide part-time staff for cluster initiatives.

Accordingly, the **total number of employees** in the supervisory institutions **has increased significantly** in recent years – and this in addition to the upward trend in banking employment in Frankfurt.[5] Despite economic weakness and a shortage of skilled workers, these personnel capacities in the German financial centre are currently still increasing.

The establishment of the AMLA in Frankfurt was a **big success**. A great deal can be achieved in the international financial centre context with the concerted commitment of all relevant players, as this example shows with a working group set up specifically for this purpose by the Federal Government, the State of Hesse and the City of Frankfurt. The new EU authority moved into its premises in the Messeturm in February 2025 and continues to receive public support in its development (e.g. multi-year financing, support on the property market and for employees' families).

With the **gradual increase in personnel** of around 430 employees by the beginning of 2028, the exchange between AMLA and other financial centre players is intensifying. In view of the high demand for anti-money laundering specialists, especially in times of a shortage of skilled labour, close cooperation with universities would also be a good idea. As with the other institutions, significant indirect employment effects can be expected in Frankfurt. The presence of the AMLA is a **long-term commitment** to the financial centre of Frankfurt, whose welcoming culture and vibrancy is appreciated by the EU authority.

AMLA settlement process with positive employment effects



Sources: EU Commission, AMLA, Helaba Research & Advisory

4 Promotion of Frankfurt's competitive position in the financial world

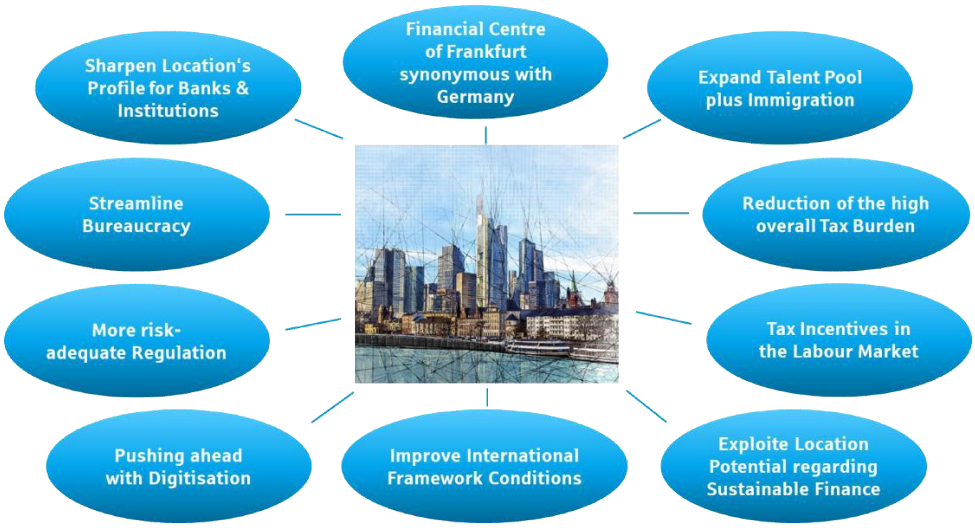
The financial centre of Frankfurt is well positioned with its considerable portfolio of international banks and finance-related institutions, making it particularly important in the world of finance. In the intense competition between locations, it is important for Frankfurt to focus on its long-term success factors and to **further sharpen** its **profile**. In this respect, the financial centre should constantly work on itself in order to increase its attractiveness, especially for **banks and institutions**.

To promote the **competitiveness** of the German financial centre in the global financial architecture, there are several fundamental **levers** (see overview on p. 6). In particular, a concerted political commitment (financial centre of Frankfurt as a synonym for Germany as a financial centre) and a consistent marketing strategy are essential here.

[5] See Helaba **Im Fokus Finanzplatz: "Bankbeschäftigung steigt – trotz Fachkräftemangel"** of 8 October 2024.
The majority of staff at financial institutions are not included in the Frankfurt banking employment aggregate.

The intellectual infrastructure, which can be strengthened by expanding the local talent pool and increasing the immigration of qualified labour in times of a shortage of skilled workers, acts as the **basis for growth** in the financial centre. In addition, the excessive bureaucracy in this country needs to be streamlined and national regulation and supervision should be more risk-adequate. In addition to a lower overall tax burden, tax incentives in the labour market would be useful, especially for foreign and young skilled workers. Furthermore, the digital and sustainable **transformation** should be used as an opportunity to further develop the business and financial centre. Potential must be realised here through the targeted promotion of young talent and innovation as well as regulation with a sense of proportion. In addition, there is a **wide range of measures** to improve the framework conditions of the location in international competition, for example by creating a more welcoming culture.

Starting points for promoting the competitiveness of the German financial centre



Source: Helaba Research & Advisory

The new **Financial Centre Initiative**, which was launched at the end of 2024 under the leadership of Hesse's Minister President Boris Rhein, is committed to strengthening the competitiveness and future of the financial centre. Numerous key financial centre players are working together in a task force to this end, including Helaba. Following the **policy paper**[6] published in February 2025, a **detailed strategy for the future** of the financial centre is currently being drawn up and will be presented to the financial centre cabinet in the summer.

[6] Finanzplatzkabinett berät über Zukunft des Standorts Frankfurt | hessen.de



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