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# Banking license in Germany

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## Banking license in Germany



Flag

| | |
|---|---|
| **Supervisor** | Federal Financial Supervisory Authority (BaFin) and the European Central Bank (ECB) [1] |
| **License** | Licence to conduct banking business (CRR credit institution), applied for through BaFin and granted by the ECB [1] [2] |
| **Legal basis** | Banking Act (Kreditwesengesetz, KWG), implementing the EU Capital Requirements Directive; CRR; SSM Regulation [2] [3] |
| **Minimum capital** | €5 million [2] |
| **Application fee** | Not confirmed |
| **Decision time** | EU law requires a decision within 6 months of a complete application and no later than 12 months after receipt; the ECB says decisions usually take 6 to 12 months [1] |
| **Minimum capital ratios** | 4.5% / 6% / 8% + buffers [3] [2] |
| **Foreign bank branches** | Yes (national licence) [2] [6] |
| **Deposit protection** | €100,000 [4] |

| | |
|---|---|
| **Cross-border passport** | Yes (EEA) [2] |
| **Public register** | BaFin company database |

**In short:** Banks in Germany are licensed by the Federal Financial Supervisory Authority (BaFin) and the European Central Bank (ECB). [1] Minimum capital: €5 million. [2] Deposit protection if a bank fails: €100,000. [4] EU passport or equivalent: yes (EEA). Figures as of November 2026.

In Germany, conducting banking business requires a licence under the **Banking Act (KWG)**. Applications are filed with **BaFin**, which assesses them together with the **Deutsche Bundesbank**; as in every euro-area country, the licence for a credit institution is granted by the **European Central Bank**. Germany has one of the EU's largest banking sectors, including many savings banks and cooperative banks.

## License types

**The license needed to take deposits in Germany: Licence to conduct banking business (CRR credit institution), applied for through BaFin and granted by the ECB. [1] [2] Legal basis: Banking Act (Kreditwesengesetz, KWG), implementing the EU Capital Requirements Directive; CRR; SSM Regulation. [2] [3]**

- **CRR credit institution** – deposits and lending; €5 million initial capital
- **Other KWG banking licences** – for specific banking activities that do not combine deposits and lending, decided by BaFin

## Capital and financial requirements

**Minimum capital in Germany (2026): Initial capital of at least €5 million for a credit institution, under the EU Capital Requirements Directive as implemented by the KWG. [2]**

**Application fee:** Not confirmed. We could not find a licensing fee published by an official source. BaFin and the ECB charge ongoing supervisory fees once a bank is licensed.

The legal minimum is only the floor. Supervisors expect a new bank to hold enough capital for its business plan, its risks and its first years of losses, which is usually many times the minimum. See Bank capital requirements.

## Application process

**Decision time:** EU law requires a decision within 6 months of a complete application and no later than 12 months after receipt; the ECB says decisions usually take 6 to 12 months. [1] The usual steps are:

1. Pre-application meetings with BaFin and the Bundesbank.
2. Prepare the business plan, three-year financial projections, governance and risk documents and fitness files.
3. File the application with BaFin, which assesses it and prepares a draft decision.
4. The ECB decides within the statutory period.
5. Join the deposit guarantee scheme before taking deposits.

## Substance and governance

Head office in Germany, at least two fit and proper managing directors, a sound business plan and governance, and shareholders who pass the qualifying-holding assessment. [5]

## Depositor protection

The prudential rules and deposit guarantee that apply to a bank licensed in Germany, as of November 2026. See Depositor protection for the same rules in every jurisdiction.

| Rule | Germany |
|---|---|
| Minimum capital ratios | Pillar 1 minimums under the CRR: Common Equity Tier 1 (CET1) of 4.5%, Tier 1 of 6% and total capital of 8% of risk-weighted assets, plus a 3% leverage ratio. On top come the 2.5% capital conservation buffer, other buffers set by the authorities and a bank-specific Pillar 2 requirement. [3] [2] |
| Liquidity | Liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) of at least 100% under the CRR. [3] |
| Deposit guarantee if the bank fails | €100,000 per depositor, per bank, under the EU Deposit Guarantee Schemes Directive. Private banks belong to the statutory scheme of the Entschädigungseinrichtung deutscher Banken (EdB); savings banks and cooperative banks are covered by their groups' institutional protection schemes, recognised as deposit guarantee schemes. [4] |

| Rule | Germany |
|---|---|
| Foreign bank branches | A bank from outside the EU can open a branch only with a national authorisation from the host country; it does not receive an EU passport. CRD VI (Directive (EU) 2024/1619) harmonises the rules for third-country branches across the EU. [2] [6] |
| Serving clients abroad | Yes. A bank authorised in one EU/EEA country can open branches and provide services in every other EEA country under the single passport, after notifying its supervisor. [2] |

## How to verify a bank's license

1. Find the exact legal name of the bank, as shown in its terms and conditions or the website footer. Brand names and app names often differ from the licensed entity.
2. Search for it on the supervisor's public register: BaFin company database .
3. Check that the register entry lists deposit-taking, and whether the firm is a bank, a branch of a foreign bank, or only an e-money or payment institution (see Bank vs e-money institution).
4. Check which deposit guarantee scheme covers your deposits: for a branch of a foreign bank it may be the home country's scheme.

## Frequently asked questions

**Who grants a German banking licence?**

For a credit institution that takes deposits and lends, the ECB, on a proposal from BaFin. BaFin itself decides on licences for other banking activities.

**How much of my money is protected at a German bank?**

€100,000 per depositor, per bank, through the statutory scheme or a recognised institutional protection scheme.

Figures as of November 2026. Requirements, fees and capital change; confirm with the BaFin / ECB or a qualified adviser before applying. Where we could not confirm a figure from an official source, this article says so.

## See also

- Banking licenses compared
- Banking license in the United Kingdom
- Banking license in Lithuania
- Banking license in Ireland
- Banking license in Luxembourg
- Deposit guarantee schemes compared
- All jurisdictions

## References

Entries marked **Official** are the supervisor, the law or another public body. Other entries are named secondary sources, used where we could not find the figure published officially.


1. Official Authorisation: licensing of credit institutions . ECB Banking Supervision. Accessed November 2026.
2. Official Directive 2013/36/EU (Capital Requirements Directive): authorisation of credit institutions (Articles 8–21), initial capital (Article 12), freedom of establishment and services (Articles 33–39) . EUR-Lex. Accessed November 2026.
3. Official Regulation (EU) No 575/2013 (Capital Requirements Regulation): own funds requirements (Article 92) and liquidity requirements (Articles 412–413) . EUR-Lex. Accessed November 2026.
4. Official Directive 2014/49/EU on deposit guarantee schemes, Article 6: coverage level of €100,000 . EUR-Lex. Accessed November 2026.
5. Official Guide to licence applications (September 2026) . ECB Banking Supervision. Accessed November 2026.
6. Official Directive (EU) 2024/1619 (CRD VI): third-country branches . EUR-Lex. Accessed November 2026.


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