



## "The British financial community is welcome in Bavaria"

**Munich's financial community is looking forward to welcoming British companies and expatriates!**

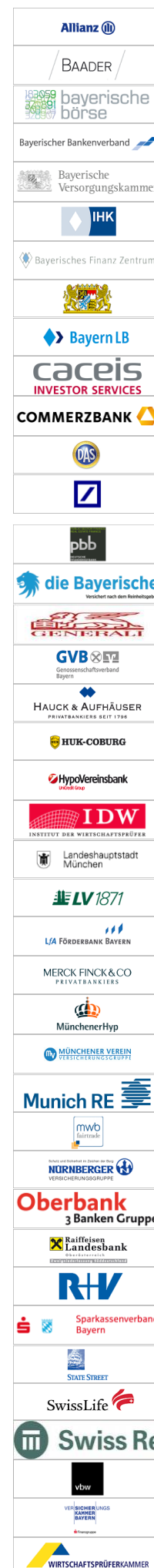
**Munich**, 06.07.2016 The British have voted to leave the EU. Many members of the British financial community may now vote to remain part of the EU – by moving from the UK to the Union. Up to 80,000 financial specialists may relocate from London to bases in the EU. "Munich is home to one of Europe's most important financial communities. As is the case with the rest of Bavaria, Munich offers Europe's financial sector and its highly-qualified staff members everything that they need and expect," states Andreas Schmidt, spokesperson for Munich Financial Center Initiative (known by its German acronym of "fpmi") and member of the board of Bayerische Börse AG, which operates the Munich Stock Exchange. Schmidt lists the advantages stemming from being based in Munich and in Bavaria. "Munich has a large-sized and innovative fintech and start-up scene. It is home to several companies forming part of Germany's DAX index of major stocks. Munich's corporations have a market capitalization greater than that of any other city in Germany. Making doing business easy and pleasant in Munich is its smoothly-functioning infrastructure. It includes Munich Airport, which is one of the world's leading hubs. Munich also features excellent universities and schools - and a world-class cultural scene. The city is embedded in a countryside that is famed around the world for its beauty and four seasons-appeal," Schmidt concludes.

### Background:

London is the center of European finance. All internationally-operating banks maintain offices in the city. Their reason for doing such: "passporting" enables the banks to cover the entire EU from London. The only item required is approval from the UK's highly accommodating Financial Conduct Authority (FCA). This approval enables providers of financial services based in London to issue their offerings in all of the EU's member countries, to facilitate companies' rights issues, and to supply other financial services. Passporting will presumably be a victim of the UK's departure from the EU. This would also apply, by the way, to the fintechs. They might, as a result, stop finding London to be so 'cool'.

The United Kingdom is the place of work for hundreds of thousands of persons from EU member countries. This is thanks to the freedom to pursue employment arising from the UK's hitherto being part of the EU. Those pushing for the UK to leave the EU surely did not intend their opposition to it to encompass highly-qualified bankers. Notwithstanding this, the rescinding of this freedom was in fact one of the items advanced so strongly and often by the British opponents of the EU. The government of the UK is now committed to implementing the Brexit. This government will hardly be able to maintain this freedom in its current scope.

This, in turn, means that banks and insurers are now going to start looking for alternatives to London. Prime candidates for such are such financial centers as Dublin,





Luxembourg, Paris and Frankfurt. Speaking against such centers are such factors as lacks of size, infrastructure and attractiveness – and of appealing cost-benefit ratios. What's left on their lists: Munich!

## **Munich: a strong financial center – and much more**

Munich and its state of Bavaria have a strong financial community. It has more than 70,000 employees. They work for insurers – a sector in which the community ranks number one in Germany – and for banks (number two in the country). Prime and attractive features of the financial community are its diversity and scope. Bavaria's insurance sector includes international giants – with this applying to both insurance and reinsurance. Bavaria is also home to commercial, cooperative and savings banks, and to their regional associations. A diverse community: Munich is the base for large numbers of leasing, venture capital and factoring companies. An international community: a great range of banks from the rest of Europe and from the United States have established offices in Munich.

A prime component of this diversity is the very many young and innovative fintech companies that have established themselves in Munich. The reason why they flock to Bavaria's capital city: to work with and profit the large pool of IT specialists found in Munich – and to secure commissions from Bavaria's large-sized financial services corporations for the development of IT solutions. Such working relationships were recently given an institutional form. Insurers – including the Munich-based Allianz, Munich Re and Versicherungskammer Bayern – launched the "insuretec" fintech campaign.

Munich has a high-capability business community. It features a great range of providers of ICT services and of major corporations. No city in Germany is home to more companies that form part of Germany's DAX stock index. In addition to ICT, this community is comprised of the automobile, aerospace, biotechnologies and other cutting-edge, creative sectors, with these including the media. A further factor speaking for Munich: its highly international population. Some 25% of the city's population comes from outside Germany – and from more than 180 countries. This diversity is also found in the city's business community, which features such international giants as Apple, Google and Microsoft.

## **What Munich has to offer:**

- Unparalleled infrastructure, comprised of Munich's airport; and superhighway, rail and local public transport grids. This high-access infrastructure is one reason why Munich is the hub for all of central, eastern and southern Europe.
- 15 universities – including two of the nine ones selected to form part of Germany's "elite" initiative - and other institutions of higher education. They have a total enrollment of more than 100,000.
- 16 international schools, a wealth of organizations offering supplementary schooling, and more than 70 bilingual day care centers.



- A pool of international-minded and highly-qualified personnel, thanks to the location in Munich of the European Patent Office, and of such leading research organizations as the Max Planck institutes and the Fraunhofer Society, which is headquartered in Munich.
- A great diversity of culture, thanks to the presence of world-class museums (45 all told), theaters, operas and concert halls.
- Last and certainly not least – great transportation infrastructure. This makes Bavaria's mountains and lakes – and the enjoyment they offer – just a short and easy trip away.

The Initiative is looking forward to international companies' establishing operations in Bavaria. Such start-ups will be facilitated by the contacts forged between fpmi and TheCityUK initiative. The "Expatriates" section of [www.fpmi.de](http://www.fpmi.de) contains the listings of and links to Bavaria's English community. This information helps expats find apartments, day care centers, schools and other essentials of life. It also helps non-Bavarians get to know the culture, the nature and the other items making living in the state of enjoyable and easy.

#### **Munich Financial Center Initiative:**

Centered in Munich, Bavaria has one of Europe's leading financial communities. Bavaria has Germany's largest insurance community. The state ranks number two in banking – and number one in private equity, venture capital, leasing and asset management. The 50 members (a number greater than that of any other such initiative in Germany) of Munich Financial Center Initiative comprise all of the state's leading financial services companies, associations and public sector research and other facilities and organizations. The Initiative was founded in 2000 at the initiative of Bavaria's ministry of economic affairs to formulate and advocate its members' positions on issues shaping their sector.

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