



Overview of funding opportunities for start-up and growth financing

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Business start-ups are very important for Germany's economic development. They put new ideas into practice, create jobs and secure the basis for prosperity and growth in Germany and Europe. They require financial support to set up a company.

This financing information sheet is intended to provide a general overview of the financing and funding options. These must always be checked on a case-by-case basis with the corresponding eligibility requirements. The financing information sheet does not guarantee that financing through the funding options will actually take place in individual cases. Business start-ups are recommended to take advantage of offers for start-up advice provided by the federal government, the federal states or in the municipalities.

The federal government and the federal states provide start-ups with

- A. **Reduced-interest promotional loans,**
- B. **Guarantees,**
- C. **Venture capital and**
- D. **Non-refundable grants**

Young companies can make use of these funding programs. This means that effective support instruments are also available during the growth phase of the company.

The most common means of financing is through a **loan**. In the case of a loan, a borrower borrows a sum of money from a lender on the basis of certain terms. In addition, the financing can take place via **venture capital**, in other words, if an investor provides equity capital for participation in a company.

Information and assistance in the start-up and growth phase

Funding and financing advice

- The employees of the funding advisory service of the Federal Ministry for Economic Affairs and Energy advise on the financing of all entrepreneurial activities
- They provide information on:
 - Funding programmes available for start-up and growth projects
 - Questions to prepare for the bank interview
 - Funding opportunities
- Contact:
Email: foerderberatung@bmwi.bund.de
Phone number: +49 (0)30-186158000
Monday-Thursday 9:00 am to 4:00 pm
Friday 9:00 a.m. to 12:00 p.m.

A. Promotional loans

Microloans

Mikrokreditfonds Deutschland (Microcredit Fund Germany)

- Enables funding for small businesses that would otherwise not have access to loan finance
- Target groups of the fund: Small and young enterprises, founders, persons with a migration background, creative self-employed persons
- Funding through loans: Loan amount is **1,000 up to 25,000 euros**
- Term of up to 4 years, interest rate of 7.9% and closing fee of 100 euros per loan
- Further information online: [My Microcredit](#) (Mein Mikrokredit)

Microcredit from the federal states

12 of the 16 federal states also offer start-ups microloans up to a loan volume of **25,000 euros**:

- Baden-Württemberg
- Berlin
- Brandenburg
- Bremen
- Hamburg
- Hesse
- Lower Saxony
- North Rhine-Westphalia
- Saarland
- Saxony
- Schleswig-Holstein
- Thuringia

Further information online: [Existenzgründungsportal des BMWi](#) (Business start-up portal of the BMWi)

Federal promotional loans

KfW, the promotional bank of the federal government, and the promotional institutions of the federal states provide promotional loans for start-ups throughout Germany. The first point of contact for a promotional loan is the house bank, i.e. the bank with which a borrower conducts his or her regular business. It examines the application, as the loan is applied for directly from it, and sends it to KfW if the decision is positive. This is called the “house-bank principle”. KfW makes the final decision on the application.

ERP Start-up loan Startgeld

- Up to **125,000 euros** for start-up projects
- Financing of investments and running costs
- Business start-ups and consolidations up to 5 years after establishment
- Easy access to credit: KfW assumes 80% of the credit risk
- No equity capital required
- Term of up to 10 years, from 1.21% APR
- Further information online: [ERP Start-up loan Startgeld](#) (ERP-Gründerkredit Startgeld)

ERP Start-up loan – Universal

- Long-term loans up to a volume of **100 million euros**
- For young companies that have been in the market for less than 5 years
- Financing of acquisitions and running costs
- KfW assumes up to 90% of the banking risk
- Alternatively also without risk assumption
- Term with risk assumption up to 10 years, term without risk assumption up to 20 years, interest rate from 1.00%, [Overview of conditions part 1](#) and [part 2](#)
- Further information online: [ERP Start-up loan – Universal](#) (ERP-Gründerkredit – Universell)

ERP capital for start-ups

- Up to **500,000 euros** to strengthen the company's equity capital
- Business start-ups and consolidations up to 3 years after establishment
- Financing of up to 40% of investments without collateral
- Easy access to credit: KfW assumes credit risk
- Term of 15 years, from 2.82% APR
- No repayment instalments in the first 7 years, only interest payments
- Further information online: [ERP capital for start-ups](#) (ERP-Kapital für Gründung)

ERP Digitalisation and Innovation Loan

- Loan amount between **25,000 and 25 million euros** and subsidy to supplement the loan
- For investments and operating funds in the areas of innovation and digitalisation
- For companies and freelancers
- Easy access to credit: KfW can assume up to 70% of the risk from the house bank
- Term see [Overview of conditions](#), from 1.00% APR
- Further information online: [ERP-Digitalisierungs- und Innovationskredit](#) (ERP Digitalisation and Innovation Loan)

Promotional loans of the federal states

You can get a complete and up-to-date overview of the start-up loans of the federal states online in the [Förderdatenbank](#) (funding database).

B. Guarantees

Taking out a loan requires the borrower to provide collateral which is customary in banking. A guarantee from the guarantee bank of the relevant federal state can help here.

- Investment or working capital loans can be guaranteed with a guarantee ratio of max. 80% of the loan amount
- Maximum guarantee amount is 1.25 million euros
- Further information online: [Bürgschaftsbanken](#) (Guarantee banks)

C. Equity capital

Mikromezzaninfonds

- Support for all investments in the establishment of a new company or the continuation of an existing one; business succession financing or working capital financing are also possible
- Fund volume of 228 Mio. Euro (Fund I + Fund II)
- Silent participations up to max. 50,000 euros for small businesses and start-ups
- Silent participations up to max. 150,000 euros for companies that train, that are run by women or people with a migration background or that were founded from unemployment
- Term of 10 years
- Repayment from the 7th year in 3 equal annual instalments
- Further information online: [Mikromezzaninfonds](#)

High-Tech Gründerfonds (HTGF)

- Venture capital funds for very innovative and technology-oriented companies
- Start of operational business activity of the companies no longer than 3 years ago
- Requirements for funding: Promising research results, innovative technological basis, promising market situation
- Fund participates for the first time with up to 1 million euros; as a rule, up to 3 million euros are available per company
- Further information online: [HTGF](#)

Further federal [financing instruments](#) in the area of equity capital can be found online.

D. Non-refundable grants

Start-up grant

Recipients of unemployment benefit I (Arbeitslosengeld-I) can apply for the “start-up grant” from their employment agency under certain conditions.

- Monthly allowance in the amount of the last unemployment benefit and an additional 300 euros as a supplement for statutory social insurance (for 6 months)
- Monthly allowance of 300 euros if full-time self-employment is proven (thereafter for 9 months)
- Further information online: [Gründungszuschuss](#) (Start-up grant)

Start-up money

Recipients of unemployment benefit II (Arbeitslosengeld-II) can apply for “starter money” from their employment agency under certain conditions.

- Funding is provided in the form of a grant for a maximum of 24 months
- The amount of funding is based on the duration of unemployment and the size of the community of needs of the job seeker
- In addition to the start-up money, loans as well as grants for the procurement of material goods can also be granted to self-employed persons
- Grants are possible up to an amount of 5,000 euros, loans are also possible above this amount.
- Further information online: [Einstiegsgeld](#) (Start-up money)

Grants for start-ups after graduation

EXIST Business Start-up Grant and EXIST Transfer of Research

- Grant for graduates and researchers from universities and non-university research institutions in preparation for setting up a company
- The business object must have already been started as a research or development project at a university or higher education institution
- The application is made by the teaching institution
- EXIST Business Start-up Grant Monthly grant: Students: 1,000 euros/ month; Technical staff: 2,000 euros/ month; graduates: 2,500 euros/ month; PhDs: 3,000 euros/ month, Child supplement: 150 euros/ child/ month

- Funding of material expenses up to 10,000 euros for individual start-ups (maximum 30,000 euros for teams) and coaching up to 5,000 euros
- EXIST Transfer of Research: Promotion of product development at the scientific institution: Funding of personnel expenses for up to 4 staff positions and material expenses up to 250,000 euros
- Promoting the start-up phase of the business: Grant up to 180,000 euros
- Further information online: [EXIST-Gründerstipendium](#) (EXIST-Start-up grant), [EXIST-Forschungstransfer](#) (EXIST-Transfer of Research)

Corona bridging aid

The Federal Government offers financial assistance to small and medium-sized enterprises from all sectors of the economy to secure operational liquidity requirements despite a decline in turnover. You can find current information online: [Überbrückungshilfe](#) (bridging aids)

Company takeovers

In addition to founding a new company, it is also possible to take over an existing company. The federal and state governments also provide various offers for this, which can be used if you are interested in a **company takeover** and which can simplify this option.

The nexxt-change website is an online exchange for business transfers. Companies are advertised for sale on the online exchange, which means that those interested in taking over can find suitable sales offers quickly and easily. In addition, detailed information on planning and financing a company succession is available. Within the support programmes of the federal government and the federal states, business successors are offered development loans, guarantees and consulting grants. For more information online [nexxt-change Unternehmensbörse](#) (nexxt-change Company exchange).

Further information online:

- Start-up portal of the Federal Ministry for Economic Affairs and Energy (www.existenzgruender.de)
- Start-up platform (www.gruenderplattform.de)
- Info letter „Gründerzeiten“