



ANNUAL REPORT 2022

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A. GREETING OF THE BOARD OF DIRECTORS

The Executive Board looks back on a third fiscal year with which we have mixed feelings.

The young association continued to develop in the right direction. After the operational business had to be started at the beginning of 2020 in the middle of the Corona pandemic, and the association's life therefore suffered from severe restrictions, we were finally able to find a new normality in the past fiscal year. The highlight for all of us was certainly the annual members' meeting, which was held on site for the first time on February 10, 2022 and met with a great response.

Only two weeks later, Russia invaded Ukraine. Since now already the 24.02.2022 the various effects of this war of aggression hold us worldwide in breath. Our thoughts are with the affected people in Ukraine, who were torn out of their lives. Many have lost everything, now they are on the run. We therefore support the sanctions against Russia, because they can help to end the suffering. Of course, the lending platforms also stand by their customers as financing partners in this challenging situation. You can rely on us!

We would like to thank all our members. Because of their commitment and support in 2022, we can look back together on a successful 2022. We would also like to thank all the volunteers who have contributed to the association's cause in many areas - very often outside their regular working hours.

For reasons of readability alone, we refrain from using different forms of language at the same time in our annual report and write uniformly in the generic masculine. This has been our policy in all our publications since 2022. All references to persons apply equally to all genders.

We wish the association and all its members a healthy, successful and especially peaceful 2023.

Marco Hinz, Philipp Kriependorf, Dr. Tim Thabe, Claus Tumbrägel



B. THE MARKET FOR DIGITAL FINANCING AND INVESTING 2022

In Germany, 2022 initially started with subdued demand in the credit sector following the widespread corona-related lockdown in the winter. With falling infection figures in the spring - despite a changed geopolitical situation due to the Russian army's invasion of Ukraine in violation of international law - a rapid and strong recovery set in, which lasted throughout the summer and into the fall.

The uncertainty on the investor side caused by the hardly foreseeable consequences of the war in Ukraine for the economic situation in Europe and the world was noticeable, especially for association members. The far-reaching sanctions and the turbulence on the energy markets dominated the discussions between digital lending providers and existing as well as potential new investors. In the course of the year, however, the assessment then prevailed that not only the German economy was reacting robustly to the new influences, but also that the risk management of the lending platforms had adjusted quickly, efficiently and professionally to the changed situation.



The second half of the year was dominated by a rollercoaster ride on the energy markets, mainly induced by the war in Ukraine, which further boosted already high inflation. Central banks around the world were forced to raise interest rates, in some cases sharply, in order to keep inflation under control. In doing so, they also accepted a deterioration in the economic situation and even the expectation of a recession.

The trend toward further digitization in the lending business also had a positive impact in 2022. Companies and consumers alike are increasingly using digital channels to search for financing options and also conclude them online. This trend benefits the credit platforms, which naturally focus on the online customer experience and are leaders in terms of speed, efficiency, service, and convenience. On the other hand, this offers investors more and more opportunities to diversify their investment portfolio more broadly, to collect new risk premiums by investing in consumer and corporate loans, and thus at the same time to efficiently tap alternative sources of return in order to achieve their individual investment goals.

Consumer loans in digital lending prove robust and popular even in times of crisis

The development specifically in the consumer finance market followed the development of the overall market overall in 2022. For our members operating in this segment, a strong first half of the year was followed by a phase of adjustment to rapidly changing market conditions in the second half. In particular, the rapid development of interest rates in Europe dominated the work of the risk management departments and investor teams in the second half of the year. Inflation and rising energy costs play a central role in credit assessment and pricing considerations. In this context, the effectiveness of government relief programs is being watched with interest.

In summary, for 2022, digital lending platforms have succeeded in **providing** adequate offerings for borrowers even in these challenging macroeconomic times, giving more people access to suitable financing - creating financial participation in certain customer segments.

Looking ahead, interest rate developments in particular play a major role on the investor side of the platforms: as the period of low or negative interest rates is over for the time being, investors once again have a range of alternatives at their disposal when making investment decisions. However, the asset class of German consumer loans continues to offer some advantages. Thanks to strong state protection systems and the high degree of diversification, it is proving to be extremely robust and is therefore still in demand. Added to this are other factors, such as the certification as a social bond already acquired in the previous year for the issue of one of our member companies on the capital market, which make the asset class particularly attractive for investors with an ambitious ESG strategy.

Corporate financing currently reflects challenging times

The past fiscal year also held numerous challenges in store in the area of corporate finance. While encouraging signs of recovery from the effects of the Corona pandemic were evident at the beginning of 2022, the economic outlook quickly clouded over again as a result of the consequences of the Russian war of aggression on Ukraine from the end of February, as numerous new issues arose. For example, according to the creditshelf Financing Monitor for 2022, an annual survey of SME financial decision-makers, 58 percent of companies responded to the tense situation on the energy market by investing to increase energy efficiency; 48 percent are also implementing cost-cutting measures. For the next one to two years, in addition to improving energy efficiency (50 percent of respondents), strategic goals for 44 percent include greater digitization, for 40 percent the development of new business areas and for 34 percent ambitious growth.

Sufficient financial resources are necessary to achieve strategic corporate goals. Indeed, the KfW SME Panel 2022 shows that new lending business by German banks in the first half of 2022 was still 20 percent above the previous year's level. Nevertheless, the credit outlook quickly clouded over again due to the ongoing tensions and the tightening of monetary policy; banks are once again acting more restrictively in granting loans. As a result, the credit hurdle for SMEs rose again in the second quarter; the outlook did not improve in the further course of the year either: in the creditshelf Finanzierungsmonitor, 72 percent of SME decision-makers stated that access to credit had deteriorated in the last twelve months. This assessment was already shared by 75 percent in 2021, even though SMEs were more successful in loan negotiations with banks in 2022 than ever before, at 67 percent. Possible reasons could be better offers for loans or a greater willingness to accept offers with unattractive terms due to a lack of financing alternatives.

In the Financing Monitor, respondents in 2022 indicated that expectations regarding traditional financing remain subdued. Nine out of ten companies have therefore already expanded their financing mix with alternatives to bank loans. For example, 35 percent use digital financing platforms as an alternative option. Twenty-four percent of survey participants had already used alternative financing in previous years; 40 percent were reviewing offers in this regard in 2022 and 18 percent had not yet been able to implement their plans in this regard. The developments in 2022 thus reveal an increase in the relevance of alternative financing options such as digital lending.

Digitization and platformization of factoring offers progresses

Factoring has been a recognized financing and risk management instrument for companies for many years. The days when factoring was seen as a financing instrument with negative connotations, suitable only for companies with poor credit ratings, are long gone. Many companies are not resting easy in the wake of the COVID 19 pandemic and are facing a variety of challenges. These include the war in Ukraine, ongoing disruptions in global supply chains, and rising interest rates. Optimizing working capital is becoming the focus of many companies, resulting in a steadily growing need for such financing solutions. Factoring is an ideal financing instrument in times of high inflation, as rising prices result in increased receivables. Unlike other financing instruments such as working capital lines, it is directly linked to business development.

Established single-bank or factoring offers are reaching their limits at various levels. The increasing demand for financing is resulting in high-risk allocations at financing institutions, so that a single financing partner can no longer cover the entire liquidity requirement. In addition, the rising interest rate environment is contributing to banks planning their lending capacity more carefully and thus being able to make it available to a lesser extent. This results in process inefficiencies, as additional financing partners have to be involved against this backdrop. This results in further efforts in the context of legal documentation and technical integration.

In this context, digital platform solutions eliminate inefficiencies and optimize risk allocation. A win-win situation is created for companies and financiers. Companies can connect to a variety of financing partners via a technical interface to a platform. Currently, primarily banks and factoring companies participate in factoring programs via platforms. Increasingly, however, alternative investors such as asset managers are also recognizing the advantages of this asset class, albeit in differentiated structures: challenges exist in particular in the regulatory and risk assessment of receivables portfolios. Direct purchase is generally not possible for alternative investors, and intermediary instruments such as special purpose vehicles (SPVs) have to be used. Nevertheless, the development of a new asset class for alternative investors is progressing in leaps and bounds.

Another driver for platform solutions in factoring is the increasing desire of companies for fully automated and scalable solutions. Traditional approaches often have some catching up to do here and cause companies to undertake complex integration projects. Platforms, on the other hand, offer standardized technical interfaces (e.g., APIs or ERP add-ons) that enable integration without development effort and also automate essential accounting processes. The trend is therefore clearly moving in the direction of platforms and digital solutions. Traditional players such as banks and factoring companies are still an important building block for most companies when it comes to setting up a solution via a platform. The number of platforms that also enable alternative investors to invest in receivables is growing rapidly, but is currently still more focused on the SME sector.

Outlook for 2023

It is hardly possible to formulate a valid forecast for the development in 2023. The rise in interest rates has put the business model of digital financing and investing as such under stress for the first time. In contrast, the consequences of the Corona pandemic had essentially tested the credit risk management of digital lenders. This is compounded by the growing difficulties of equity financing for many providers that were founded in the aftermath of the financial crisis and also, for the most part, only in the second half of the decade. These are young business models that have not yet gone through an economic cycle and lived on a lot of goodwill. In 2023, many of them will have to show current and potential shareholders that they have a business model that can be operated sustainably and also generate earnings. However, there are additional issues to be addressed here, particularly with regard to regulation, and these are likely to have a greater impact on the cost side. This is likely to apply in particular to platforms that work with private investors. In this respect, the European Commission's initiative planned for the first half of 2023 to strengthen the retail sector, which is to become even more consumer- and investor-friendly, will have an additional impact on the medium- and long-term prospects of these platforms. The first trends of how survival is alternatively ensured could already be seen: Change to simple brokerage, complete solution of private investors or development to a pure IT service provider. Against this overall background, further consolidation in the market can therefore also be expected in 2023. After the consolidating phase, the remaining digital lending providers can present their more mature and sustainable business models as confirmed and continue to develop with momentum.

C. WHO WE ARE

I. Board of Directors

Members of the Board of Management as of December 31, 2022 are:

1. Marco Hinz, COO, CrossLend GmbH, Berlin;
2. Philipp Kriependorf, Co-Founder and Managing Director, auxmoney GmbH, Düsseldorf;
3. Dr. Tim Thabe, Co-Founder and Chief Executive Officer, creditshelf AG, Frankfurt (since February 10, 2022);
4. Claus Tumbrägel, Co-Founder and Member of the Management Board, nordIX AG, Hamburg (since February 10, 2022);
5. Björn Kombächer, Managing Director, Estateguru Germany GmbH, Berlin (since June 28, 2022).

As of February 10, 2021, Jan Stechele, CPO, creditshelf AG, resigned from the Board. As of June 30, 2022, Jens Siebert, Member of the Management Board of INVESDOR INV, resigned from the Board of Directors. As of December 31, 2022, Björn Kombächer resigned from the Board.

The Board held 11 meetings in the past fiscal year (29th to 39th meetings).



II. Committees

The association maintained two committees in 2022.

1. Committee for Legal Affairs & Europe

Members of the committee are:

1. Andreas Knopf, Head of Legal & Compliance, INVESDOR INV, Berlin (Committee Chairman);
2. Dr. Esther Hackl, Head of Legal, auxmoney GmbH, Düsseldorf;
3. Alexander Plenk, Head of Finance & Capital Markets, creditshelf AG, Frankfurt (since March 31, 2022);
4. Björn Kombächer, Managing Director, Estateguru Germany GmbH, Berlin (since May 31, 2022, resignation as of December 31, 2022);
5. Tobias Weik, Head of Legal, DEBTVISION GmbH, Stuttgart.

From the Committee's remit, one of whose core tasks is to monitor and evaluate legal developments at German and EU level, it can be reported that its members prepared a total of [7 opinions](#) in 2022. The content of the committee also covers the entire range of current legal topics relevant to its members. To this end, the Chair also invited external legal experts to the meetings on special topics on two occasions in order to ensure the quality of the discussions.

The chairman of the legal committee and co-founder of the VdK, Andreas Knopf, the co-founder of the VdK, Dr. Jens Engelmann-Pilger, as well as the association's managing director, Constantin Fabricius, collaborated on a commentary on the European Crowdfunding Regulation in the series "Berliner Kommentare". The publication of the work, planned for spring 2023, is for the first time also a proof of the scientific claim of the association.

Work was completed on a draft industry standard on receivables management. The General Meeting adopted the standard on 16.11.2022 as the 6th standard.

The members gathered for a total of 4 working meetings in 2022 (9th to 12th meeting).

2. Committee for Risk & Compliance Management

Members of the committee are:

1. Zorana Bejtovic, Head of Risk, creditshelf AG, Frankfurt (Committee Chair);
2. Philipp Kriependorf, Co-Founder and Managing Director, auxmoney GmbH, Düsseldorf;
3. Jens Siebert, Co-Founder and Member of the Management Board, Invesdor Group, Berlin (retirement as of June 30, 2022);
4. Ralf von Cleef, Managing Director, Loanbox GmbH, Frankfurt/Cologne (retirement as of December 31, 2022);
5. Stefan Grabe, Head of Risk, Estateguru Germany GmbH, Berlin (retirement as of December 31, 2022);
6. Christoph Steinbrich, Managing Director, DEBTVISION GmbH, Stuttgart.

From the remit of the Risk & Compliance Management Committee, one of whose core tasks is to develop best practice for the work of the credit platforms, it can be reported that, in addition to the issues that are topical for all of them on a daily basis, the members dealt with the implementation of the industry standards already adopted by the General Meeting. To this end, they have begun corresponding gap analyses, the aim of which is to identify weaknesses in their own organization, but also in the formulation of the standards.

Members gathered for a total of 3 working sessions in 2022 (6th to 8th session).

The Board thanks the committee members for the work they have done and the chairs for steering the committees.

III. Members & General Meetings

As of December 31, 2022, the Association had 24 members, including 6 Full Members and 18 Associate Members (previous year: 5 and 17, respectively).

The Board of Directors welcomes **Estateguru GmbH** as a new ordinary member and **Isarlend GmbH** (branded under the name 'fulfin') and **Raisin Bank AG** as two new associate members. The associate member **Netbid Finance GmbH** and the associate founding member **Funding Circle Deutschland GmbH** left the association in 2022.



[The Annual General Meeting was held for the first time on site in Düsseldorf and online on February 10, 2022.](#) In addition to the board, the committee chairs reported on the year 2021. The auditor, the elected auditing firm Sonntag & Partner, Augsburg, presented its audit report (result for the fiscal year 2021: no irregularities). In addition, among other things, the budget for 2022 was adopted, which was associated with an increase in the contribution rate for Associate Members by 300%. Finally, the Board of Directors was completely re-elected.

IV. Antitrust Law and Lobbying Transparency

The VdK is committed to an economic order based on free and fair entrepreneurial competition and to corruption-free representation of interests. The core element of the association's work is compliance with all legal requirements - these include in particular the standards on German and European antitrust law and on lobbying transparency.

1. Antitrust Law

In 2020, the General Meeting adopted binding rules for association work in the form of a [guideline](#) to prevent violations of antitrust law. The aim is to provide all employees of the member companies represented in the association's bodies and all employees of the association with assistance in complying with antitrust law. The guidelines are intended to ensure that the association itself does not act in violation of antitrust law, nor does it participate in behavior by third parties that violates antitrust law, nor does it directly or indirectly promote such behavior by creating opportunities to violate the law.

Antitrust authorities require associations to actively ensure compliance with antitrust law and not to provide a forum for conduct by member companies that violates antitrust law. To this end, the guidance is brought to the attention of the management of every new member company, every new member of the association's board of directors, every new committee and working group member, and every new employee of the administrative office. In addition, all agendas include antitrust guidance and, in addition, verbal briefings are given at least annually to all committees by the Executive Director. Verbal confirmation must be given that the content of the briefing has been understood and that there are no questions. All committee meetings are minuted and archived in the association cloud. Subsequent changes can be tracked by the system at any time.

Of particular importance to the association are **market information procedures** in the form of statistics. To obtain this information, member companies cooperate by reporting defined market data to the VdK. The VdK evaluates the data internally, summarizes it and - in compliance with the various antitrust requirements - passes it on to the member companies in aggregated and anonymized form or publishes it. It is ensured that it is impossible to draw conclusions about individual participants or individual competition parameters. As a general rule, sensitive individual information and raw data sent to the association by a member company must be treated as strictly confidential by the association's employees. They may not be passed on, in particular not to other member companies. Appropriate technical precautions are taken to ensure that members of the Executive Board do not have access to the part of the VdK Cloud where the figures are stored and processed.

In the past fiscal year, the Association conducted a single market information procedure. [Figures](#) were collected from members to [represent corporate finance](#) for the year 2021. Figures for municipal and consumer finance were not included - unlike for 2020 - for antitrust reasons, as the two groups were each smaller than 5 companies. By limiting the figures to corporate financing, the Board wanted to accommodate the requests for more granular figures expressed by academics and journalists in the course of 2021. However, their recent feedback now revealed that there is only very limited to no interest in the **association's industry figures**. The reason is that, in their view, the presentation is still too coarse and does not allow any conclusions to be drawn about the individual segments represented by the association (loans, promissory note loans, bonds, factoring). In this respect, the association is in a quandary: since, in compliance with antitrust law, a group of at least 5 companies is always required for the presentation of a segment, but the number of members for the individual segments is still insufficient in each case, the association is faced with the choice of not publishing any figures until further notice or at least doing so for a group that combines several segments in order to publish any industry figures at all.

Since the end of the year 2022, the association has been preparing a second market information procedure to regularly present salary structures in the fintech industry in a transparent manner. This "**Salary Benchmark Report**" addresses members and non-members. The law firm Arnecke Siebeth Dabelstein, Frankfurt, was commissioned to examine the admissibility under antitrust law. It came to the conclusion that this can be affirmed - taking into account known antitrust requirements.

2. Lobbying Transparency

The association places transparency, professionalism and integrity at the heart of its work as an advocacy organization. Corruption has no place in the Association of German Credit Platforms.

By resolution of the Board of Management dated March 31, 2022, VdK joined **Transparency International's (TI) Transparent Civil Society initiative**. As of December 31, 2022, it was the only association in the financial services sector to date to have committed itself to this level of transparency. The signed declaration of commitment was duly filed with TI. The transparency disclosures on our [website](#) have been verified by TI.



In addition, VdK is registered in the lobby transparency register of the [German Bundestag](#) and the [European Parliament](#).

There were no violations of update obligations in 2022.

V. Office

The **office is located at** Joachimsthaler Straße 30 in 10719 Berlin.

As of December 31, 2022, the association employed one full-time **staff member** as managing director and in-house lawyer. He performed tasks that partly fall within the scope of the LobbyRG.

The Board of Directors would like to thank them for their work.

In 2020, the Executive Board commissioned Sonntag & Partner Rechtsanwälte Steuerberater Wirtschaftsprüfer, Augsburg, with ongoing **personnel accounting** and **tax consulting** (tax return; VAT). On March 31, 2022, the Executive Board decided to terminate the mandate as of the next possible date and to mandate the law firm Joachim Ollig, Cologne. This change will be implemented at the beginning of the new financial year.

VI. Finances

The financial situation of the association is in order.

The surplus for the year 2022 is EUR 1,485.30 (previous year: 65,776.44). There is no cash fund. As of December 31, 2022, the VdK had a credit balance on its association account at Volksbank Berlin in the amount of EUR 33,630.87 (previous year: EUR 132,021.07).

In the area of **non-monetary business operations**, membership fees due in 2022 in the amount of EUR 145,916.67 were collected (previous year: EUR 92,416.66). There were no other sources of income.

In 2022, the association spent EUR 165,689.81 (previous year: EUR 153,096.33). The largest item was personnel expenses. The main driver for the higher expenses was the increased remuneration of the salaried managing director and in-house lawyer by resolution of the Board of Directors on December 17, 2021. The association pays remuneration of EUR 95,000 (employee gross), which is appropriate for the specific requirement profile. As a result, personnel expenses now amount to EUR 112,146.21 (employer's gross; previous year: EUR 102,356.59).

The members of the Board of Directors, the members of the committees and other supporters from the membership work on a voluntary basis and do not receive any remuneration or expense allowance from the Association.

The second largest expense item was the cost of support for the association's press work by an agency in the amount of EUR 29,988.00 (previous year: EUR 29,925.00). In 2022, it did not carry out any lobbying within the meaning of Section 1 of the German Lobbying Act (LobbyRG). The mandate with newskontor GmbH, Düsseldorf, was terminated in due time as of December 31, 2022.


Other major items of expenditure included EUR 6,248.27 for events (without consideration), travel expenses of EUR 6,492.82, and the cost of legal and tax advice. The latter, at EUR 3,146.28, were mainly driven by the cash audit for 2021, the tax returns for 2020 and 2021, and planning in connection with the "Salary Benchmark Report". In this respect, the services of external lawyers and

auditors were used (Sonntag & Partner Rechtsanwälte Steuerberater Wirtschaftsprüfer; Arnecke Siebeth Dabelstein Rechtsanwälte). In 2021, they did not engage in lobbying within the meaning of Section 1 LobbyRG. Tax advice in connection with corporate income tax, which must be reported to the Charlottenburg tax office on a quarterly basis, falls within the scope of commercial business operations.

There were no liabilities and outstanding receivables as of December 31, 2022.

There were no business transactions in the areas of **asset management** and **special-purpose operations**.

In the area of **economic business operations**, the association suffered a loss of EUR 12,372.43 as of December 31, 2022. The main drivers were the implementation of the 3rd FINTICS in Berlin and the training courses of the VdK Academy, which were offered for a fee for the first time and could not be carried out to cover costs. In this respect, the reimbursement of advance sales tax payments in 2023 is still to be expected, so that the loss will be smaller in the result. The first Consumer Finance Summit in Cologne did not incur any costs, as the two cooperation partners, Monega KAG, Cologne, and nordIX AG, Hamburg, assumed the costs in full.

 Verband deutscher Kreditplattformen	Haushalts- plan	ideeller Bereich	Vermögens- verwaltung	Zweckbetrieb	wirtschaftl. Geschäfts- betrieb	Bankkonto	Saldo
Einnahmen							
Mitgliedsbeiträge	140.000 €	145.917 €					
Veranstaltungen (mit Gegenleistung):							
Umsatzsteuerrückzahlungen					41.395 €		
Summe		145.917 €			3.383 €		
Summe					44.778 €		
Ausgaben							
Personalkosten (AG-Brutto)	114.000 €	112.146 €					
Geschäftsbetrieb	10.000 €	5.532 €					
Presseagentur	30.000 €	29.988 €					
Veranstaltungen (ohne Gegenleistung)	20.000 €	6.248 €					
Raummiete, Verwaltungs- und Betriebskosten	0 €	0 €					
Reise-, Verpflegungs- & Übernachtungskosten	10.000 €	6.493 €					
Kosten der Rechts- & Steuerberatung	10.000 €	3.146 €					
Kosten der Lohnbuchhaltung	2.000 €	603 €					
Gebühren & Abgaben	500 €	167 €					
Versicherungen	1.500 €	1.366 €					
Abschreibungen	0 €	0 €					
Veranstaltung (mit Gegenleistung)					43.519 €		
verauslagte Vorsteuer					8.211 €		
Umsatzsteuervorauszahlungen					5.421 €		
Summe		165.690 €	0 €	0 €	57.151 €		
Überschuss		-19.773 €			-12.372 €	33.631 €	1.485 €

The **inventory** shows 13 items of property, plant and equipment each with a value of more than EUR 50 (previous year: 9). In total, the acquisitions in 2022 amount to EUR 613.98 (previous year: EUR 943.00). In addition, the association has 5 non-material assets (previous year: 3). These include the word and the word/figurative mark FINTICS, which the association had protected in 2021, and a permanent right to use newspaper articles and photos.

The **costs for the representation of interests vis-à-vis the German Bundestag and the Federal Government within the meaning of the LobbyRG** amount to EUR 53,682.96 for 2022 (previous year: EUR 12,661.65). The main driver was the implementation of FINTICS, which - as evidenced by the word mark "WHERE FINTECH MEETS POLITICS" - is aimed specifically at political Berlin. The event cost EUR 34,471.48. The second largest invoice item is the chargeable personnel costs in the amount of EUR 12,784.67.

VII. Audit

On February 10, 2022, the General Meeting had elected Mr. Joachim Ollig, attorney-at-law and tax law specialist, Cologne, as cash auditor for the fiscal year 2022. The audit was carried out in January 2022 by him and Andrea Haustein, Cologne, lawyer and tax law specialist. According to the audit report dated January 25, 2022, this did not result in any findings.

VIII. Memberships of the association

There were no memberships of the association in 2022.



D. WHAT WE DO

I. Public Relations

The association's public relations work is aimed at spreading the positive message of digital financing and investing. The aspects associated with digital lending are still perceived by journalists and academics, politicians and administrators as requiring a great deal of explanation. For example, the fact that comparison platforms operate a different business from digital lenders is still unknown to many, as is the European Commission's "non-bank lending" strategy. The focus of public relations work in 2022 was therefore on press relations supported by a PR agency acting as a press office. In addition, the association sent out its quarterly briefing, recorded podcasts and was active on social media on an almost weekly basis.

1. Press Relations

In 2022, the awareness of VdK was further increased and trust in the brands Verband deutscher Kreditplattformen (Association of German Lending Platforms) and FINTICS - WHERE FINTECH MEETS POLITICS was strengthened.

A total of [7 press releases](#) were sent out (previous year: 8), most of which were followed by coverage in all major print and online formats of the business press. In addition, presentations were given - for example at the [10th Corporate Finance Day of Ostsächsische Sparkasse Dresden](#) - and specialist articles were published in internationally renowned journals. Particularly noteworthy are the [Zeitschrift für das gesamte Kreditwesen \(Journal for the entire credit system\)](#) with an article on digitization, the [Bank und Markt](#) with a topic on digital debt capital in SME financing, and the [special issue of BKR \(banking and capital market law\) on swarm financing](#), to which the legal committee chairman and co-founder of VdK, Andreas Knopf, the co-founder of VdK, Dr. Jens Engelmann-Pilger, and the association's managing director, Constantin Fabricius, each contributed an academic article.



We conduct ongoing 121s on the current topics of digital lending with representatives of the press, academia, politics and government. There is a continuing high level of interest in background information and the explanation of interrelationships. This is particularly true for the update of the EU Capital Markets Union. This includes public conversations such as the [Payment & Banking podcast on the EU Consumer Credit Directive, BNPL and crowdlending](#).

2. Quarterly Briefing



The Quarterly Briefing is a central information medium of the association, to which the interested public can [subscribe free of charge](#). Readers come from the fields of consulting, law firms, research/think tanks, platforms, authorities, associations and the business press, among others. Even in 2022, only about 1/5 of subscribers were members. The goal of the Quarterly Briefing is to provide information about the work of the association. This includes a presentation of the work in the committees,

current consultations and statements, press coverage, and upcoming dates.

After 10 issues, the Quarterly Briefing convinces with its key performance indicators. The **open rate of 49.62%** and the **click-through rate of 30.17%** are above average compared to the industry average (see figure on the right; source: Email Marketing Benchmark Study 2022 by INXMAIL, p. 8).

Branche (1/2)	Versand-rate	Öffnungs-rate	Klick-rate	Effektive Klickrate	Bounce Rate
Baby & Kind	12	10.4%	1.5%	8.2%	0.1%
Banken & Finanzdienstleist.	4	32.8%	1.4%	4.5%	0.4%

In 2021, interviews with politicians and administrators were added to the editorial program. The aim is to offer critical voices a transparent opportunity to be heard. The interviewees in 2022 were the members of the Bundestag Dr. Markus Reichel (CDU, rapporteur for digital identities), Manfred Todtenhausen (FDP, craft policy spokesman), Esra Limbacher (SPD, economic policy spokesman) and Alois Rainer (CDU, chairman of the finance committee).

3. Social Media

The association uses the market-leading, international reach of [LinkedIn](#) for its social media activities. Reports on the life of the association are published almost weekly. The number of followers has grown to 1,765 as of December 31, 2022 (previous year: 1,462). In addition to reports on new members and consultations, for example, anniversaries and press releases are posted.

Social media activities were expanded with the creation of [a dedicated YouTube channel specifically for FINTICS](#) in December 2021. Here, the videos of the high-profile panel rounds will be published for re-watching.

4. Podcasts

Other important elements of the public relations work are the association's two podcasts: 'FINTICS' and 'WHAT'S UP DIGITAL LENDING?'. [They are available together via the association's website](#), as well as from each of the well-known providers (Amazon, Google, Spotify, Podigee, Apple). Compared to videos, they offer the advantage that they can always be listened to anywhere and during almost any activity.

The idea behind the (so far exclusively) German-language FINTICS podcast is to allow decision-makers in German and European politics to enter into a public dialog with the entrepreneurs and visionaries of fintechs. Thematically, the guests deal with the current regulatory challenges and opportunities in the field of digital financing and investing, but also with the disruption of the financial markets. They will also take a look at the bigger picture, such as the Capital Markets Union.



In 2022, four high-profile dialog partners were recruited in the form of the Hessian State Secretary for Economic Affairs, Dr. Philipp Nimmermann, the Baden-Württemberg Minister for Economic Affairs, Dr. Nicole Hoffmeister-Kraut, the Parliamentary State Secretary in the Federal Ministry for Digital Affairs and Transport, Daniela Kluckert, and the Member of the Bundestag, Johannes Steiniger, his parliamentary group's rapporteur for the eWpG.

With the second podcast format 'WHAT'S UP DIGITAL LENDING?' launched in November, the association is pursuing the goal of making digital lending better known. What does it mean, which business models exist on the market, what is the regulatory situation, what can we learn about the situation in other countries?

With both podcasts, we pursue some of the core concerns of the association. In addition to representing our interests vis-à-vis policymakers and regulators, we want to improve networking with the relevant decision-makers. In addition, the podcasts are part of the association's public relations work, the aim of which is to present the business model of digital lending in all its forms in a comprehensible way and to publish information relevant to the industry.

The association is supported by Podmark SL, Barcelona/Spain, in the technical post-processing and publication of the podcasts. The association carries out the recordings entirely itself.

II. Networking

The association wants to make networking easy for its members. To this end, it offered them various event formats in 2022, which unfortunately were not all used to the same extent.

1. FINTICS - WHERE FINTECH MEETS POLITICS

FINTICS took place for the third time on 09.09.2022. With the aim of networking and the transparent discussion of current topics, the association brings together personalities from politics, supervision, science and media with representatives of the digital ecosystem. The event, which was offered hybrid for the first time, was attended by 134 visitors online and 73 in the Deloitte Greenhouse - this included 22 representatives from federal ministries, the Bundestag and top federal authorities on site alone.

FINTICS is presented to the interested public by means of its own website (www.fintics.de). All relevant information on upcoming and past events can be found there. The aim is to establish itself in the annual calendar as one of the most important events for fintechs. In



this respect, VdK is well on its way: for the first time, FINTICS was reported on the same day in [national media](#), and there was no other format with the clearly defined focus on digital lending and politics throughout Europe in 2022. This makes FINTICS a unique experience. The 4th FINTICS is planned for Thursday, 07.09.2022 - for the first time with a focus topic and as an English-language event: [The Role of Technology, Data and AI in the Digital Lending Space](#).

2. Consumer Finance Summit

On 27.10.2022 the 1st Consumer Finance Summit took place in Cologne. The event, which was organized together with Monega KAG and nordIX AG, proved to be a success. It offered excellent opportunities for members and non-members to engage in technical discussions and intensive networking. With around 60 visitors from Germany and abroad, the summit, which was offered for the first time throughout Europe, was also well attended at the Hilton Cologne hotel.

To date, the consumer finance asset class has only been accessible to highly specialized investors. The aim of the Consumer Finance Summit was to raise awareness of the market segment among institutional investors and to bring together the relevant stakeholders. Digital lending as an attractive asset class is here to stay and should find greater consideration in investors' portfolios in the future. With a view to 2023, a continuation of the format as a "Digital Lending Summit" involving corporate lending in Frankfurt is being examined.



3. VdK Academy



The VdK Academy entered its 2nd year. Two training courses were offered in the area of public relations and one each in compliance management and money laundering. In this respect, the annual planning had fully taken into account the wishes of the members. Experienced experts were recruited as trainers. However, probably due to the fact that the program had to be paid for the first time, it met with very little interest. Three training courses had to be cancelled at short notice due to a lack of sufficient registrations; only the money laundering training course was held. From

the association's point of view, however, it was still a loss-making event, as the income did not cover the costs for the top-class trainers. The offer of paid training courses will therefore not be continued.

III. Public Affairs

The activities in the area of public affairs were determined by numerous topics at national and European level. The association used statements, policy papers and events to represent the positions of its members. Particularly noteworthy are the Future Financing Act, the Consumer Credit Directive and Open Finance.

Future Financing Act

The German government intends to improve the financing of future investments through various tax, capital market and corporate law measures and is drafting the so-called Future Financing Act for this purpose. This includes facilitating capital market access for a core target group of digital lending: startups, growth companies and SMEs. It also aims to drive forward the digitization of the capital market and supervision, for example. With a view to the draft bill from the German government expected in early 2023, three petitions were the focus of the association's efforts:

- o [Compatibility between crypto securities registry and the activities of a DLT securities delivery and settlement system under the DLT Pilot Regime;](#)
- o Equalization of digital and traditional business models by broadening the scope of [deductions in Section 16j \(2\) FinDAG;](#)
- o [Limitation of liability in §§ 32 c, d WpHG to legal](#) entities in line with the provisions of § 22 VermAnlG and § 15 WpPG in conjunction with § 8 WpPG, § 8 WpPG as well as Art. 11 PRIIPs-VO.



The Future Financing Act was the subject of the [Lead Talk at FINTICS 2022](#) in September and a Member Breakfast at in November.

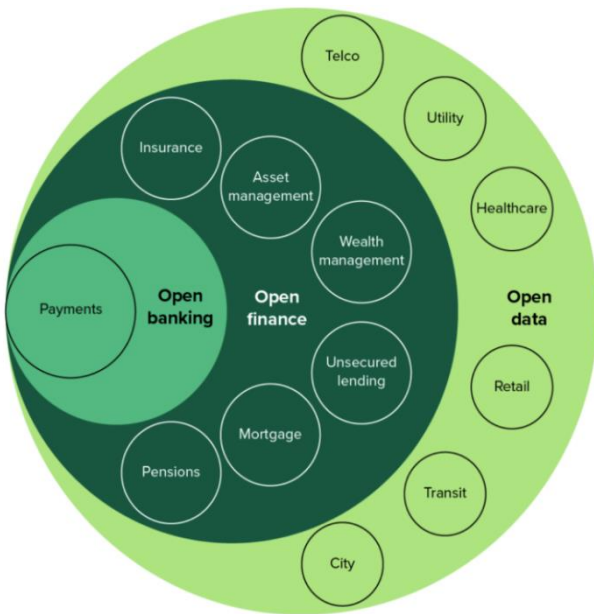
Revision of the Consumer Credit Directive

After the European Commission presented its proposal for the second revision of the Consumer Credit Directive (CCD3 for short) in summer 2021, the association repeatedly contributed to the deliberations at Council and Parliament level, both on its [own](#) and together with international partners. While, in the [association's view](#), the Council's General Approach agreed in summer 2022 contained a number of good approaches that demonstrated an understanding of digital business models, the agreement in the European Parliament's Consumer Affairs Committee (IMCO) caused widespread concern on the part of the financial industry. However, hopes for a balanced compromise in the trilogue, which began after the summer break in September, were to be dashed with the agreement reached in December between the Council, Parliament and Commission, which - to the surprise of all observers - was reached after just a few meetings. The result is a set of revisions that not only brings crowdlending within the scope of the directive, thus creating confusing obligations for fronting banks and digital lenders in Germany in particular, but also limits the possibilities of digital credit scoring, for example. As a result, the latter will limit product diversity and cut off parts of the population from the supply of credit. From the association's point of view, the revised directive does a disservice to consumer protection.



Open Finance & Open Data Framework

With "Open Finance" and "Open Data," the European Commission is developing a framework for more digitization and competition by strengthening the exchange of data between banks and third parties. From the perspective of the association and its members, consumers and companies will be among the winners thanks to increased efficiency and flexibility. Product diversity will also increase.



With our [statement](#) on the consultation of a possible EU Referral Scheme 2021, we submitted concrete proposals for a uniform European data interface as well as a uniform European data sheet. This resulted in concrete requests from the Commission. We are pleased that at least our proposal for a **European Data Sheet** has now been printed on pages 20 and 21 of their [final report](#) - representing all European Alternative Lending Providers. Unfortunately, our idea for an API is not included.

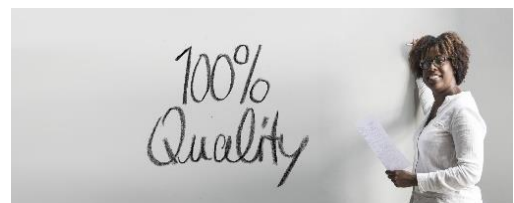
In connection with the "Open Finance & Open Data Framework", the association will continue to advocate for the ideas of its members. However, it will be some time before a solution becomes attractive to consumers and SMEs, who are increasingly looking for a digital and fast financing alternative in

the non-bank lending sector. It is already apparent that one of the challenges to be tackled by all stakeholders will be to ensure that the legal acts initiated by the Commission do not contradict each other or leave important questions unanswered. In addition, the traditional providers as primary data sources, i.e. the banks above all others, will have to be involved in finding solutions in order to arrive at a solution that serves everyone. Due to the great strategic importance of the topics, the title of the 4th FINTICS on 07.09.2023 is therefore: [The Role of Technology, Data & AI in the Digital Lending Space](#).

E. INDUSTRY STANDARDS

When it was founded in 2019, the association dedicated itself to two overarching goals: To give digital lending a professional voice and to strengthen trust in the industry. The latter is closely linked to the creation of common standards to transparently define the demands of the young industry for responsible business management as well as the legitimate expectations of its customers and business partners for all market participants. To this end, four central areas have been identified in which the association members want to underpin their self-imposed standards with specific industry standards:

- o Quality,
- o Transparency,
- o Professionalism and
- o Integrity.



In 2020, the Board of Directors assigned the development of industry standards according to generally applicable and measurable criteria to the technical committees. In the meantime, the General Assembly has [adopted six standards](#):

- o Compliance Organization,
- o Appropriate and non-discriminatory conduct,
- o Complaint Management,
- o Outsourcing Management,
- o Receivables management and
- o Uniform industry data and figures.

Last year, work on the last six industry standards was started at the same time:

- o Enterprise Risk Management,
- o AML/TF,
- o Conflicts of Interest,
- o IT Infrastructure & Cybersecurity,
- o Cessation of business operations
- o Uniform data formats.

The Board of Management plans to complete work on the first drafts by the end of 2023. As scheduled, the first round of revisions to the standards adopted in 2021 will begin in 2023: compliance organization, appropriate and non-discriminatory conduct, complaints management, and uniform industry disclosures and figures. The next step will be to consider what degree of binding force the finalized standards should have.

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