

## Opening a bank account

Most banks won't offer their services in English. It is a good idea to have a German-speaking person with you to help open an account and learn about the different services. A longer explanation, including payments for online shopping and transferring money abroad, can be found on pages 2 and 3.

**Choose an appropriate bank for your needs.**

**When opening an account take the following with you:**

- ☐ Registration at a German address (Ger. "Meldebescheinigung") from the "Einwohnermeldeamt" (residents registration office)
- ☐ German work permit
- ☐ Employment contract and/or proof of income
- ☐ Proof of identity:
  - at banks with branches: show up in person with your passport
  - for purely online banks (direct banks): verification by a lawyer or notary, or by another bank, or [post-ident procedure](#)
  - credit rating through [Schufa](#)

**Start with the basics. Open/ask for:**

- ☐ a "Girokonto" – current account
- ☐ a "Tagesgeldkonto" – savings account
- ☐ an "EC-Karte" - debit card

**Enquire about the conditions for:**

- ☐ "Gebühren" - fees
- ☐ "Kontoüberziehung" or "Dispositionscredit" - overdraft
- ☐ "Barabhebung" - cash withdrawals
- ☐ "Überweisung" - money transfers to other banks

**And about the procedure for:**

- ☐ Telephone and online banking
- ☐ Payments through bank transfers (Ger. "Überweisung"), direct debits (Ger. "Bankeinzug") and standing orders (Ger. "Dauerauftrag")

This information was written by Germans for our Indian guests. It is intended as an aid. We assume no liability for translation errors, currentness or accuracy of the information provided. Thanks for your understanding.

*The authors of [www.indogermans.com](http://www.indogermans.com)*

## Opening a bank account

Unless you choose an international bank or a German international bank, such as Deutsche Bank or Commerzbank, most banks won't offer their services in English. Contracts will be in German. It is a good idea to have a German-speaking person with you to help open an account and learn about the different services. Online banking and even the instructions in ATMs will most likely only be in German! (ATMs offer instructions in English when using an international card.)

### Types of banks

- "Sparkassen" – savings banks owned by public shareholders, such as cities
- "Genossenschaftsbanken" - owned by cooperatives (e.g. Volksbanken/Raiffeisenbanken, Sparda-Bank)
- Private banks (e.g. Deutsche Bank, Postbank, Commerzbank, etc)
- Purely online banks (e.g. ING-DiBa, Comdirect, DKB, etc)
- International banks (e.g. Citibank, HSBC, etc), including Indian banks (e.g. [ICICI](#))

### Retail Services

- Types of accounts:
  - "Girokonto" – current account
  - "Tagesgeldkonto" – savings account (Ger. "Sparkonto") which allows withdrawals at any time
  - "Sparbuch" – savings account with restrictions on withdrawals
  - "Festgeldkonto" – savings account – fixed deposit
- Telephone and online banking
- Debit cards (Ger. "EC-Karte") – sometimes free of charge, used for payments (at shops or at your bank's self-service transfer terminals), withdrawing cash from ATMs, printing your bank statement (most banks offer bank statements online)
- Credit cards (Ger. "Kreditkarte") – seldom free of charge, not so widely accepted as a means of payment as in other countries, useful particularly for online shopping
- Overdraft (Ger. "Kontoüberziehung" or "Dispositionskredit") – only with a regular income, interest rates vary from 4 – 15%
- Money transfers to other banks (Ger. "Überweisung") (require IBAN and BIC) – see below
- Payments, such as bank transfers (Ger. "Überweisung"), direct debits (Ger. "Bankeinzug") or standing orders (Ger. "Dauerauftrag")
- Cash withdrawals
  - ATM: usually free at a branch of your bank/pool of banks, for €4-6 at other banks
  - At supermarkets (e.g. REWE, Aldi Süd, Edeka, Penny, Toom), depending on your bank, with limitations

### Fees

Fees vary from bank to bank and depend on the services offered, making a comparison worthwhile. Private banks tend to charge for their services, while free bank accounts can be found in some savings banks or those owned by cooperatives. Many will charge for cash withdrawals at ATMs, except from their own branches or pools of banks, such as Cash Pool or Cash Group.

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### **Possible requirements / limitations for foreigners**

- Registration at a German address (Ger. “Meldebescheinigung”) from the “Einwohnermeldeamt” (residents registration office)
- German work permit
- Employment contract and/or proof of income
- Proof of identity:
  - at banks with branches: usually you will have to show up in person with your passport
  - for purely online banks (direct banks): verification by a lawyer or notary, or by another bank, or [post-ident procedure](#)
- credit rating through [Schufa](#) (a database of about 67 million people’s financial creditworthiness)

### **Common payment methods for online shopping**

- Credit card
- [Paypal](#)
- “Sofort Überweisung” - an alternative method of payment for online shopping which debits the amount directly from your bank account. This is done through financial companies such as [Giropay](#) or [Klarna](#).
- “Überweisung” – bank transfer made either before or after delivery (read instructions carefully!)

### **Transferring money abroad**

Before you transfer money abroad, do some research into your best option (best exchange rate, fees and additional services). Options include transferring money through:

- your bank – at the bank, online or via telephone banking; if done within the Single Euro Payments Area (SEPA), it may be free of charge, but to other countries it can be expensive in terms of exchange rate / fees
  - through the ICICI’s [money2india](#)
- wire transfers or money operators – transfer money online or at their shop for quite high fees (for transfer and exchange rate), useful for recipients who have no bank account
  - [Western Union](#)
  - [MoneyGram](#)
- other specialised companies - transfer money from your bank account or credit card to somebody who also has an account; mostly cheaper than wire transfers
  - [Transferwise](#)
  - [Paypal](#)
- Through a foreign exchange broker – online large money transfers at competitive exchange rates, including other services.