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## FinTech Group Bank AG accounts precautionarily for a loan loss provision on factoring receivables due to a potential fraud in the amount of six million euro

**Frankfurt/Main – FinTech Group Bank AG, a subsidiary (100%) of FinTech Group AG accounts for a loan loss provision in the amount of six million euro.**

For years, FinTech Group Bank has operated a collateralised factoring business covered by credit default insurances. FinTech Group Bank has purchased collateralised (against credit default risks) receivables against one of Germany's largest retail companies with highest credit rating. This factoring business showed steady and continuous cash flows in the past – approximately EUR 15 million in 2017.

Due to a potential case of fraud, that had been discovered during the insolvency of the supplier and seller of the receivables of one of Germany's largest retail company, the receivables purchased by the FinTech Group Bank might be affected by this fraud. Regardless of the insured credit default risk the Management decided to account for a loan loss provision in the amount of six million euro precautionarily due to the verity risk (risk associated with the legal validity of the receivables, e.g. due to fraud) and the business prudence.

FinTech Group Bank will review possible recourse claims from a potential default. Currently, there is no significant effect on the profit and loss account of FinTech Group AG to be expected.

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### **About FinTech Group AG**

FinTech Group AG (WKN: FTG111, ISIN: DE000FTG1111, Ticker: FTK.GR) operates with flatex one of the leading and fastest growing online brokerage businesses in Europe. Executing more than 12 million customer's securities transactions paperless per annum. Offering their more than 280,000 own B2C customers top services at a competitive pricing based on their modern, self-developed state-of-the-art technology.

Many B2B customers, the state infrastructure and established financial services companies as well as disruptive business ideas benefit from FinTech Group's white label banking technology and become quickly successful businesses due to the self-developed core banking system (FTG:CBS) that belongs to the most modern and most modular systems in the market – the standard platform for private and specialist banks. In times of bank consolidation, low interest rates and digitisation, FinTech Group is ideally positioned for further growth and well on its way to becoming Europe's leading provider of financial technology.

### **Disclaimer**

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