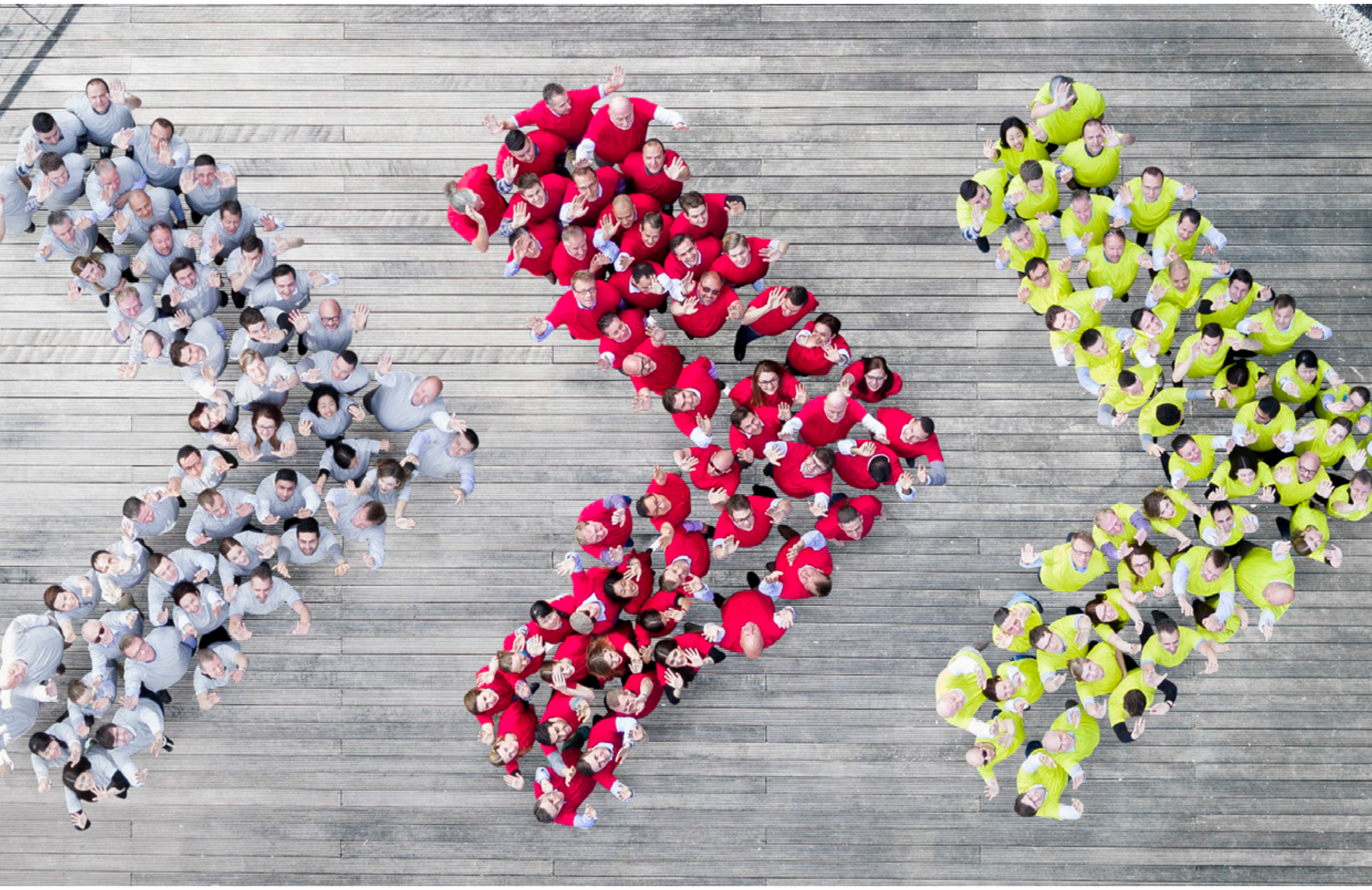
2018

HALF-YEAR REPORT



fintechgroup

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HIGHLIGHTS

Highlights

08/07/2018

FinTech Group AG shareholders agree all of management's proposals at the AGM (annual general meeting) and approve all agenda items with overwhelming majorities

06/26/2018

FinTech Group confirms results for the year 2017: Revenues increase by 13%, net profit by 36% – financial goals have been met for the third time in a row

03/15/2018

Early renewal of Frank Niehage's contract as CEO of FinTech Group AG, now extended until August 2022

03/12/2018

Goldman Sachs and FinTech Group establish ETP partnership for Goldman Sachs certificates and warrants to be offered through online broker flatex

03/01/2018

Rising market volatility drives FinTech Group activities to record numbers: Increase of 40% in the number of securities transactions in the first two months of 2018

02/15/2018

Hans Peter Peters appointed as Vice Chairman of the Supervisory Board of FinTech Group Bank AG

02/01/2018

FinTech Group has a successful start into the year 2018 with its B2C-activities, and signed the next major international B2B contract for the development of a fully digitalized standard banking platform

Group Key Performance Indicators

Group Key Perfomance Indicators

		First Half-Year 2018	Change in %	First Half-Year 2017
Operating business				
Executed transactions	number	6,628,374	20.4	5,505,237
Number of retail customers	number	274,830	17.0	234,874
Transactions per customer / year	number	48.24	2.9	46.88
Customer assets under management	mEUR	12,120	7.9	11,238
of which: securities in custody	mEUR	11,166	8.3	10,310
of which: cash deposits	mEUR	954	2.7	929
Financials				
Revenues	kEUR	58,498	18.0	49,562
EBITDA	kEUR	18,401	41.5	13,003
EBIT	kEUR	14,874	42.9	10,412
Net profit	kEUR	9,381	35.0	6,951
Earnings per share (undiluted)	EUR	0.54	28.6	0.42
Equity (06/30/2018 vs. 12/31/2017)	kEUR	121,821	8.1	112,724
Total assets (06/30/2018 vs. 12/31/2017)	kEUR	1,165,808	5.3	1,107,433
Equity ratio (06/30/2018 vs. 12/31/2017)	in %	10.5	2.9	10.2
Cash flow from operations - before banking operations	kEUR	14,411	-4.5	15,090
Cash flow from banking operations	kEUR	233,291	709.6	28,815
Cash flow from discontinued operations	kEUR	-56	-12.0	-50
Cost-income-ratio	in %	57.7	-9.0	63.4
Employees (average)	number	474	3.9	456
Segments				
Financial Services (FIN)	Revenues kEUR	52,256	26.2	41,414
	EBITDA kEUR	15,123	60.6	9,417
Technologies (TECH)	Revenues kEUR	16,378	-8.2	17,844
	EBITDA kEUR	3,278	-8.6	3,586
Others & Consolidation	Revenues kEUR	-10,136	-4.5	-9,696
	EBITDA kEUR	-	-	-
Total	**Revenues kEUR**	**58,498**	**18.0**	**49,562**
	EBITDA kEUR	**18,401**	**41.5**	**13,003**

Group Management Report

Basis of presentation

The Half-Year group management report of FinTech Group AG (hereinafter either "FinTech Group" or the "Group") was prepared in accordance with sections 315 and 315a HGB, the German Commercial Code, and in accordance with the German Accounting Standard (DRS) 20. All statements and figures given refer to the reporting date June 30, 2018 or the reporting period from January 01, 2018 to June 30, 2018.

When the personal pronouns "we", "us", or "our" are used, they refer to FinTech Group AG with its subsidiaries.

Forward-looking statements

This management report may contain forward-looking statements and indications which may be identified by wording such as "expect", "aim", "anticipate", "intend", "plan", "believe", "seek", "estimate", "will" or similar terms. Such forward-looking statements are based on the current expectations and certain assumptions which may contain a number of risks and uncertainties. The results actually achieved by FinTech Group may substantially differ from these forward-looking statements. FinTech Group assumes no obligation to update these forward-looking statements or to correct them in case of developments which differ from those anticipated.

1 Economic Report

1.1 Earnings

Revenues increased by kEUR 8,936 comparing to the first half-year 2017, from kEUR 49,562 to kEUR 58,498. Significant revenue types for the Group are commission income, proceeds from the provision of IT services, interest income, and other operating income, which developed in the first half-year 2018 as following:

The Group's gross commission income in the period from January 01, 2018 to June 30, 2018 amounted to kEUR 45,303 (first half-year 2017: kEUR 36,711, +23%); net commission income – after deducting commission expenses – was kEUR 32,962 (first half-year 2017: kEUR 27,378, +20%). The increase in commission income is due to a continuous growth of number of customers and an increased number of transactions. This development was supported by, among other measures, the introduction of new brokerage products, mainly ETPs.

Revenues from the provision of IT services amounted to kEUR 6,337 (first half-year 2017: kEUR 7,164), provided by business activities of the tech division. After deducting expenses for related raw materials and consumables, net revenue from the provision of IT services was kEUR 5,167 (first half-year 2017: kEUR 5,339). The decrease in gross revenue is due to a stronger focus on profitable and long-term IT projects by a more efficient governance of the Group´s resources.

Gross interest income was kEUR 5,453 (first half-year 2017: kEUR 4,258, +28%). Net interest income was kEUR 4,959 (first half-year 2017: kEUR 3,845). In comparison to the first six months of the previous year, net income rose in particular through the further expansion of the collateralized loan portfolio by 29%.

Other operating income amounted to kEUR 1,416 (first half-year 2017: kEUR 1,429), other operating expenses were kEUR 980 (first half-year 2017: kEUR 2,480).

Personnel expenses in the reporting period were kEUR 12,229 (first half-year 2017: kEUR 11,416). Other administrative expenses were kEUR 12,884 (first half-year 2017: kEUR 11,094). The increase is caused by expenses for a major new project of the Group.

All income and expense for the Group was realized with customers from and products generated in Europe, mainly in Germany, and in EURO currency. Inflation and the movement of foreign exchange rates have not significantly impacted earnings.

EBITDA in the reporting period was kEUR 18,401 (first half-year 2017: kEUR 13,003, +42%); the consolidated net profit was kEUR 9,381 (first half-year 2017: kEUR 6,951, +35%).

The forecasts made in the previous management report remain unchanged.

1.2 Financial Position

Equity

The Group's equity structure:

In %	06/30/2018	12/31/2017	Change in percentage points
Equity ratio	10.5	10.2	0.3
Debt ratio	89.5	89.8	-0.3

Non-current liabilities are kEUR 30,249 (12/31/2017: kEUR 29,392). They comprise mainly loan liabilities from the financing of the XCOM AG acquisition and pension obligations. In addition, there are kEUR 5,827 of deferred tax liabilities (12/31/2017: kEUR 2,804).

The Current liabilities are structured as follows:

In kEUR	06/30/2018	12/31/2017	Change in %
Liabilities to customers	931,176	885,112	5.2
Liabilities to banks	59,079	61,010	-3.2
Other financial liabilities	13,368	7,463	79.1
Other provisions	5,195	7,554	-31.2
Tax provisions	3,586	3,215	11.5
Trade payables	1,333	963	38.4

Liquidity

The Consolidated Cash Flow Statement shows the cash flow generated during the first half-year 2018, presented in condensed form (for detailed information please refer to the Cash Flow Statement as of June 30, 2018):

In kEUR	1st half-year 2018	1st half-year 2017
Cash flow from operations - before banking operations	14,411	15,090
Cash flow from banking operations	233,291	28,815
Cash flow from operations - continuing activities	**247,702**	**43,905**
Cash flow from discontinued operations	-56	-50
Cash flow from operations	**247,646**	**43,855**
Cash flow from investments	**-6,562**	**-4,163**
Cash flow from long-term financing	**-2,018**	**-757**
Change in cash and cash equivalents	239,066	38,935
Cash and cash equivalents at the beginning of the period	397,002	389,202
Cash and cash equivalents at the end of the period	636,068	428,137

Group Management Report

Cash flow from operations is mainly influenced by the changes in customer deposits at FinTech Group Bank AG.

FinTech Group was at all times able to meet its financial obligations. No liquidity shortages occurred during the first half-year 2018, nor are any liquidity shortages expected in the foreseeable future.

1.3 Assets

In kEUR	06/30/2018	12/31/2017
Assets	**1,165,808**	**1,107,433**
Non-current assets	102,502	97,373
Current assets	1,062,963	1,009,677
Assets from discontinued operations	344	383
Liabilities and Shareholders' Equity	**1,165,808**	**1,107,433**
Equity	121,821	112,724
Non-current liabilities	30,249	29,392
Current liabilities	1,013,738	965,317

The balance sheet total increased by EUR 58.4 million to EUR 1,165.8 million. The change is mainly due to the increased number of customers, and to discretionary decisions by customers to increase their cash deposits. Inflation and the movement of foreign exchange rates have no significant impact on the balance sheet or the net asset position of the Group.

1.4 General statement on the course of business and the situation of the Group

FinTech Group successfully continued its course of profitable growth during the first half of 2018. The Group was able to realize an operating profit before interest, taxes, depreciation and amortization (EBITDA) of kEUR 18,401 (+42%), confirming management's expectations as documented in the previous Management Report.

In the FIN (Financial Services) segment, the number of customers rose by 17.0% and the number of transactions by 20.4% in the first half year 2018, compared with the first half year 2017. The TECH (Technologies) segment was also able to report positive business developments while having refocused on profitable and long-term projects.

2 Forecast, Opportunities and Risks

2.1 Forecast

The forecasting period covers the six months of the second half-year 2018. The forecast from the previous management report, relating to the full year 2018, can be confirmed. In the following, only continuing activities and business activities of exceptional significance for the forecast are being presented.

Expectations for the FIN (Financial Services) segment

After a very strong first half year, in terms of an increased number of customers and settled transactions, we expect a continued positive development in the second half year. Especially in the ETP market, we have set the framework in the first half year for a strong growth of this business in the future. With Goldman Sachs we were able to win a new renowned partner for the ETP Trading sector. In addition, a new pricing model for the trades with existing premium partners will be introduced in the second half-year 2018. By offering attractive terms and through targeted marketing campaigns, we will, in a joint effort with our partners, further increase the awareness for the flatex brand, and increase the number of trades as well as revenues.

Expectations for the TECH (Technologies) segment

The second half year 2018 will be dominated by the continued development of all platforms of the core banking system FTG:CBS. The sales platform, with its entire focus on end-to-end processes, will enable us to onboard new clients onto FTG:CBS. The production platform is being expanded for the European market by adding country-specific features, thereby offering standardized, multi-lingual and country specific processes for private and specialty banks. The control platform processes are being further automated in the areas of accounting, controlling, tax, and regulatory reporting. With the introduction of the new ERP software SAP Business ByDesign, business processes are being standardized, creating significantly increased efficiencies.

Through the steadily increasing number of customers in the FIN segment, the number of settled transactions will lead to optimized capacity utilization. This is being complemented by the latest and state-of-the-art server technology in FinTech Group's data processing centers. A new data center will be completed by the end of the reporting year. A new major multi-year project, starting in the second half-year 2018, will contribute to further efficient utilization of capacity and will have significant impact on revenues growth in the next year.

Forecast for the significant performance indicators

The positive result per June 30, 2018 corresponds to our expectations regarding the Group. The expanded business activities of the first half year will increase the result in the course of the second half year. They are summarized as follows:

quantity /	Group		FIN		TECH	
in kEUR	2018e	2017	2018e	2017	2018e	2017
Number of customers	-	-	significant increase	253,825		
Number of accounts	-	-	significant increase	314,207		
Number of trans-actions	-	-	significant increase	11,272,496		
Revenues	significant increase	107,014	significant increase	89,113	significant increase	30,642
EBITDA	major increase	32,073	major increase	19,866	significant increase	20,953
Consoldiated net profit	major increase	16,796	-	-	-	-

Legend

Amount of change (up or down)	
slight	> 0 up to 5 %
moderate	> 5 up to 10 %
significant	> 10 up to 20 %
major	> 20 %

For the Group, the performance indicators forecast in the previous management report can be confirmed for the year 2018.

2.2 Opportunities and risks

The statements made in the previous management report regarding opportunities and risks remain fully valid.

3 Other

3.1 Responsibility statement by the Management Board

We hereby affirm that, in accordance with the applicable accounting principles, the interim consolidated financial statements give a true and fair view of the asset, financial and earnings position of the Group, and that the interim group management report includes a fair view of the development and performance of the business and the position of the Group corresponding to the actual situation of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Frankfurt am Main, September 11, 2018

FinTech Group AG

Frank Niehage
CEO, Chairman of the Management Board

Muhamad Said Chahrour
CFO, Member of the Management Board

Consolidated Accounts and Notes

Consolidated Balance Sheet - IFRS -

as of June 30, 2018

In kEUR	Note	06/30/2018	12/31/2017
Assets		**1,165,808**	**1,107,433**
Non-current assets		**102,502**	**97,373**
Intangible assets		65,132	62,953
Goodwill		28,780	28,780
Internally-generated intangible assets		28,292	26,022
Customer relationships		5,091	5,262
Other intangible assets		2,969	2,890
Property, plant and equipment		7,830	6,973
Financial assets and other assets		1,068	951
Non-Current loans to customers		28,472	26,497
Current assets		**1,062,963**	**1,009,677**
Inventories and work in progress		523	113
Trade receivables		13,020	7,593
Other receivables		1,331	1,255
Other current financial assets		412,021	603,714
Financial assets measured at fair value through other com-prehensive income (FVOCI)*	10	84,004	87,297
Investments in equity instruments measured at fair value through other com-prehensive income (FVOCI)*	10	84,172	90,102
Financial assets measured at fair value through profit or loss (FVPL)*	10	1,169	1,125
Cash loans to local authorities		56,531	237,165
Current loans to customers		166,556	175,415
Other receivables due from banks		19,589	12,610
Cash and cash equivalents		636,068	397,002
Cash reserve - cash on hand		12,886	26,937
Cash reserve - balances with central banks		465,228	224,355
Receivables owed by banks maturing daily		157,954	145,709
Assets from discontinued operations		**344**	**383**

* 2017 values were reclassified (for details please see Note 10)

In kEUR	Note	06/30/2018	12/31/2017
Liabilities and Shareholders' Equity		**1,165,808**	**1,107,433**
Equity		**121,821**	**112,724**
Subscribed capital		17,511	17,506
Capital reserves		67,500	67,540
Retained earnings		36,810	27,677
Liabilities		**1,043,987**	**994,709**
Non-current liabilities		**30,249**	**29,392**
Non-current liabilities to banks		12,957	16,040
Non-current liabilities to non-banks		4,503	3,345
Pension obligations		6,961	7,203
Deferred tax liabilities		5,827	2,804
Current liabilities		**1,013,738**	**965,317**
Trade payables		1,333	963
Liabilities to customers		931,176	885,112
Liabilities to banks		59,079	61,010
Other financial liabilities	8	13,368	7,463
Tax provisions		3,586	3,215
Other provisions	9	5,195	7,554

Consolidated Income Statement - IFRS -

for the period from January 01 to June 30, 2018

In kEUR	Note	First Half-Year 2018	First Half-Year 2017
Revenues		58,498	49,562
Raw materials and consumables used		14,985	14,050
Personnel expenses		12,229	11,416
Other administrative expenses		12,884	11,094
Consolidated earnings before interest, taxes, depreciation and amor-tization (EBITDA)		**18,401**	**13,003**
Depreciation and amortization		3,527	2,590
Consolidated earnings before interest and income tax (EBIT)		**14,874**	**10,412**
Financial result		-957	-674
Consolidated earnings before income tax (EBT)		**13,917**	**9,738**
Income tax expense		4,442	2,699
Consolidated earnings from continuing activities		**9,475**	**7,039**
Earnings from discontinued operations	7	-94	-88
Consolidated net profit		**9,381**	**6,951**
Minority shareholders' share of income		-	31
Majority shareholders' share of income		-	6,920

Consolidated Statement of Profit or Loss and Other Comprehensive Income - IFRS -

for the period from January 01 to June 30, 2018

In kEUR	Note	First Half-Year 2018	First Half-Year 2017
Consolidated net profit		**9,381**	**6,951**
Income and expense items recognized directly in equity			
Pensions			
Actuarial gains		-	-
Revaluation of plan assets		-	-
Reimbursement rights		-	-
Securities			
Change in value reported in equity		-561	509
Deferred taxes		180	-187
Pensions		-	-
Securities		180	-187
Total other earnings		**-381**	**322**
Comprehensive income		**9,000**	**7,273**

Consolidated Accounts and Notes

Consolidated Cash Flow Statement - IFRS -

as of June 30, 2018

In kEUR	First Half-Year 2018	First Half-Year 2017
Earnings from continuing activities	**9,475**	7,039
Depreciation and amortization/appreciation on property, plant and equipment and intangible assets	3,527	2,590
Increase/decrease in trade receivables	-5,427	1,462
Increase/decrease in other receivables, deferred tax assets, fund assets	-193	6,163
Increase/decrease in inventories	-410	19
Increase/decrease in trade payables	370	-636
Increase/decrease in other financial liabilities	5,906	-761
Increase/decrease in provisions, changes in deferred taxes, pension obligations	792	-960
Other non-cash transactions	371	173
Cash flow from operations - before banking operations	**14,411**	**15,090**
Increase/decrease in receivables from customers	6,884	-55,690
Increase/decrease in receivables from cash loans to local authorities	180,635	72,806
Increase/decrease in receivables from banks	-6,979	-4,183
Increase/decrease in liabilities to customers*	46,065	-363,657
Increase/decrease in liabilities to banks	-1,931	44,333
Increase/decrease in financial assets measured at fair value through other comprehensive income (FVOCI)	9,341	334,466
Increase/decrease in financial assets measured at fair value through profit or loss (FVPL)	-162	231
Other non-cash transactions	-562	509
Cash flow from banking operations	**233,291**	**28,815**
Cash flow from operations - continuing activities	**247,702**	**43,905**
Cash flow from discontinued operations	-56	-50
Cash flow from operations	**247,646**	**43,855**
Investments in intangible assets	-4,630	-2,914
Investments in property, plant and equipment	-1,932	-1,249
Cash flow from investments in continuing activities	**-6,562**	**-4,163**
Cash flow from investments in discontinued operations	-	-
Net cash flow from investments	**-6,562**	**-4,163**
Increase/decrease in non-current liabilities to banks (loans)	-3,083	10,958
Increase/decrease in non-current liabilities to non-banks	1,158	942
Proceeds from equity injections by shareholders of the parent company	-	-
Proceeds from equity injections by other shareholders	-	-
Incoming payments/disbursements for loss absorption from discontinued operations	-	-
Disbursements for increase of shares without change of control	-93	-12,657
Cash flow from long-term financing	**-2,018**	**-757**
Change in cash and cash equivalents	**239,066**	**38,935**
Cash and cash equivalents at the beginning of the period	397,002	389,202
Cash and cash equivalents at the end of the period	**636,068**	**428,137**

* Previous year values were adjusted due to reclassifications.

Additional information according to IAS 7

In kEUR	as of 01/01/2018	cash changes	non-cash changes					as of 06/30/2018
			acquisitions	currency effects	fair values	reclassifications	other	
Non-current liabilities								
Non-current liabilities to banks	16,040	-3,083	-	-	-	-	-	12,957
Non-current liabilities to non-banks	3,345	1,158	-	-	-	-	-	4,503
Total	**19,385**	**-1,925**	**-**	**-**	**-**	**-**	**-**	**17,460**

Statement of Changes in Group Equity - IFRS -

as of June 30, 2018

In kEUR	Subscribed Capital	Capital Reserves	Consolidated retained earnings	Actuarial gains/ losses	Gains/losses from financial instruments measured at fair value through other comprehensive income	Total	Minority shares	Total equity
As of 12/31/2016	**16,811**	**49,690**	**7,343**	**1,969**	**-247**	**75,565**	**15,063**	**90,629**
Issue of new shares	-	-	-	-	-	-	-	-
Contributions to / withdrawals from reserves	-	173	-	-	-	173	-	173
Changes not involving a change of control	-	-	2,128	-	-	2,128	-14,785	-12,657
Other earnings	-	-	-	-	322	322	-	322
Consolidated net profit	-	-	6,921	-	-	6,921	31	6,951
As of 06/30/2017	**16,811**	**49,863**	**16,391**	**1,969**	**75**	**85,109**	**308**	**85,418**
As of 12/31/2017	**17,506**	**67,540**	**25,866**	**1,787**	**24**	**112,724**	**-**	**112,724**
Issue of new shares	5	-	139	-	-	144	-	144
Contributions to / withdrawals from reserves	-	190	-	-	-	190	-	190
Changes not involving a change of control	-	-230	-6	-	-	-236	-	-236
Other earnings	-	-	-	-	-381	-381	-	-381
Consolidated net profit	-	-	9,381	-	-	9,381	-	9,381
As of 06/30/2018	**17,511**	**67,500**	**35,380**	**1,787**	**-357**	**121,821**	**0**	**121,821**

Notes to the Half-Year Consolidated Accounts

as of June 30, 2018

NOTE 1 About the Company / the Group

The Half-Year Consolidated Accounts presented here are those of FinTech Group AG and its subsidiaries (the "Group").

FinTech Group AG is headquartered in Frankfurt on the Main, Germany; its Frankfurt trade register number is HRB 103516. The business address is Rotfeder-Ring 7, 60327 Frankfurt/Main.

The registered shares of the company are traded on the regulated open market (ISIN DE000FTG1111 / German securities code FTG111).

The Group's business activities are the supply of innovative technologies for the financial sector in general and for online brokerage in particular, as well as the provision of financial services and IT services.

FinTech Group AG's immediate parent company is GfBk Gesellschaft für Börsenkommunikation mbH, Kulmbach; the ultimate parent company of the Group is BFF Holding GmbH, Kulmbach.

NOTE 2 Basis of preparation

The Half-Year Consolidated Accounts are in full compliance with IFRS as applicable within the European Union, and with the supplementary provisions of section 315a HGB, the German Commercial Code. The Half-Year Consolidated Accounts of FinTech Group AG are based on the assumption of a going concern.

This Half-Year Consolidated Accounts were not audited or reviewed by an external auditor.

FinTech Group presents information in thousands or in millions of currency units. Generally, the information is expressed in millions of units. Detailed information is presented in thousands of units. When information is given in units of thousands and millions, the numbers are rounded. When calculating with rounded numbers, slight rounding differences may occur.

NOTE 3 Scope of consolidation

In the first half-year of 2018, there was no change in the scope of consolidation. Concerning the individual Group subsidiaries, there was the following change in the first half-year:

On 03/29/2018, the date of registration at the commercial trade register, flatex GmbH was merged onto FinTech Group Bank AG, with retroactive effect from 01/01/2018.

NOTE 4 Estimates and assumptions

The preparation of the Half-Year Consolidated Accounts in compliance with IFRS implies the adoption of assumptions and the use of estimates which have an impact on the amounts and the disclosure of assets and liabilities and/or revenues and expenses. All available information has been taken into account in this regard.

The assumptions and estimates relate mostly to the stipulation of useful lives in a consistent manner throughout the Group, the determination of recoverable amounts for impairment testing of individual CGUs, and the recognition and measurement of provisions.

The currently strained interest rate scenario in the financial markets provides a particular example for uncertainty in estimates, specifically as it relates to the valuation of reported pension provisions. As a consequence, values actually realized in the future may deviate from the estimates made now.

New information is taken into account as soon as it becomes available. The assumptions and estimates are deemed not to have changed significantly between the balance sheet date and the presentation of these accounts.

With the exception of the changes in accounting and valuation methods described in the following note, the preparation of the Half-Year Consolidated Accounts is based on the same types of estimates and assumptions as the preceding Full-Year Consolidated Financial Accounts.

NOTE 5 Significant changes in accounting and valuation methods

IFRS 9: Recognition and measurement of financial assets

With the application of IFRS 9, the replacement of IAS 39 has now been completed. The main rules and regulations and their impact on FinTech Group are described in the following paragraphs.

For the classification of financial assets, the entity´s business model (to hold, to hold and sell, trading) and the contractual characteristics of the cash flows of the financial asset are now the deciding criteria. These criteria determine whether the instrument is to be measured at amortized cost, at fair value through profit or loss or through other comprehensive income. The classification and valuation method for subsequent measurement has to be designated at the time of initial recognition of a financial asset.

As before, a regular way purchase or sale of financial assets is recognized or derecognized, in principal, using trade date accounting.

FinTech Group's financial assets are now classified, according to the respective business models (to hold, to hold and sell, trading) and the contractual characteristics of their cash flows, into the following measurement categories:

- Amortized cost
- Financial assets measured at fair value through other comprehensive income (FVOCI)
- Financial assets measured at fair value through profit or loss (FVPL)
- Investments in equity instruments measured at fair value through other comprehensive income (FVOCI)

Classified as to hold in terms of the business model, and measured at amortized cost, are – as before – trade receivables, current loans to customers, other receivables, cash loans to local authorities, as well as cash and cash equivalents. The cash flows associated with the financial asset in this category are solely payments of principal and interest on the principal amount outstanding.

Classified as financial assets measured at fair value through other comprehensive income (FVOCI) are bonds subject to the business model "to hold and sell". The effects of changes in the value of the bond portfolio are captured in other comprehensive income and are only recognized in profit or loss at the time of sale or maturity (FVOCI with recycling). The cash flows associated with the financial instruments in this category are solely payments of principal and interest.

The securities held for trading are measured at fair value through profit or loss (FVPL).

Classified as investments in equity instruments measured at fair value through other comprehensive income (FVOCI) are primarily shares in mutual funds. Within the framework of the initial application of IFRS 9, these instruments were designated as at fair value through other comprehensive income. Value changes in this category are recognized in other comprehensive income (FVOCI without recycling).

The financial liabilities continue to be measured at amortized cost or at fair value through profit or loss, unchanged from the previous Consolidated Financial Statements.

Impairment

For financial instruments measured at amortized cost, at fair value through other comprehensive income (FVOCI without recycling), and for loan commitments, FinTech Group recognizes a loss allowance based on the expected credit loss (ECL), in the line with the "3-stages-approach" of IFRS 9.

At initial recognition, a loss allowance is recognized in the amount of the credit loss expected within the following 12 months. If the credit standing has worsened significantly, or if the credit risk of the financial instrument has increased significantly, the financial instrument moves into stage 2, and a loss allowance for the full lifetime expected credit loss is recognized (lifetime ECL). If an objective indication of an expected loss can be observed, the financial instrument moves into stage 3, and a loss allowance is recognized which is assessed on an individual basis and covers the full lifetime of the financial instrument (lifetime ECL).

For the assessment of the loss allowance, financial instruments with similar credit risks may be evaluated as a portfolio, or the credit risk may be assessed individually.

Hedge Accounting

FinTech Group continues to not make use of the option to recognize hedge accounting relationships.

For further explanations and for information about the effects of the initial application of IFRS 9 per January 01, 2018, please refer to Note 10.

IFRS 15: Revenue from contracts with customers

At FinTech Group, revenues from IT services are generated through software development based on client orders as well as through the sale of software licenses and their ongoing maintenance and support during operation. Revenues are recognized when control over a product has been transferred or when a service has been rendered in accordance with the contractual agreements.

If a contract contains several service components, the transaction price is split between all service obligations. As a rule, the transaction prices for the individual service components result from the contractual provisions. If this is not the case, the transaction price is split between all performance obligations using the relative individual selling prices. If these are not directly observable, they are estimated using the expected-cost-plus-a-margin approach.

For further explanations and for information about the effects of the initial application of IFRS 15 per January 01, 2018, please refer to Note 11.

NOTE 6 Stock option plan

Description of stock option programs

FinTech Group AG has set up stock option programs to ensure that the total remuneration paid to its managers is competitive. The first stock options program was launched in 2014; subscription rights from this program were first issued in 2015.

Each subscription right issued pursuant to the stock option program gives the holder the right to acquire one bearer share of FinTech Group AG against payment of the stipulated strike price. The strike price is determined on the basis of the average closing price of the stock over a fixed period of time preceding the adoption of the relevant resolution by the annual general meeting, minus a discount.

The lifetime of these subscription rights is six years from the date of issuance; they may only be exercised upon the expiration of a waiting period (vesting period) of four years. The right to exercise is conditional upon the stock price having risen by at least 100%, on any stock exchange trading day, during a period of two years from the date of issuance of such right (trigger - 2014 stock option plan). Only in the event of a change of control as defined in the authorization and, if applicable, in subsequent amendments to the option terms, or in the event of a delisting, may FinTech Group AG pay, or may the holders of subscription rights demand, a cash settlement in lieu of shares (in some cases also before the end of the vesting period).

A second stock option plan was launched in 2015 by another resolution of the annual general meeting (2015 stock option plan). In light of the development of the stock price, the terms of this second plan were modified in regards to the condition for exercise, in that the stock price must now have risen by at least 50%, on any stock exchange trading day, during a period of two years from the date of issuance of such right (trigger – 2015 stock option plan). The other terms remain the same as those applicable to the first program.

Until now (from 2015 through the first half-year 2018) none of the granted options have been exercisable. For the first half year 2018, a proportionate expense of kEUR 191 was recognized in the income statement and transferred to capital reserves.

NOTE 7 Discontinued operations

The result of discontinued operations in the first half year of 2018 was kEUR -94. No significant changes are expected in the second half year.

NOTE 8 Other financial liabilities

Other financial liabilities comprise the following:

In kEUR	06/30/2018	12/31/2017
Tax liabilities	11,905	5,627
Accruals and deferrals	1,144	1,769
Other financial liabilities	319	67
Total	**13,368**	**7,463**

Other financial liabilities of kEUR 13,368 (12/31/2017: kEUR 7,463) mainly comprise tax liabilities in the amount of kEUR 11,905 (12/31/2017: kEUR 5,627), representing capital gain tax which is withheld from customer transactions to be transferred to the fiscal authorities.

NOTE 9 Other provisions

Other accruals and provisions per June 30, 2018 are at kEUR 5,195 (kEUR 7,554 per December 31, 2017). They comprise mainly accruals for contribution costs, audit and professional fees, outstanding invoices and staff cost.

NOTE 10 Financial Instruments

The application of IFRS 9, newly applied per January 01, 2018, resulted in the following significant changes of categorization and measurement of financial instruments within the balance sheet position "Other current financial assets":

In kEUR To: IFRS 9 From: IAS 39	Financial assets measured at fair value through profit or loss FVPL	Financial assets measured at fair value through other comprehensive income FVOCI	Investments in equity instruments measured at fair value through other comprehensive income FVOCI (Equities)	Total IAS 39
Financial assets available for sale	119	87,297	90,102	**177,517**
Financial assets measured at fair value through profit or loss	1,006	-	-	**1,006**
Total IFRS 9	**1,125**	**87,297**	**90,102**	**178,524**

The reclassifications based on initial application of IFRS 9 had no material effects.

In compliance with the transitional rules of IFRS 9 (7.2.15 and 7.2.26), comparative figures were not amended retroactively.

The financial assets measured at amortized cost in the consolidated accounts fulfil the cash flow criterion and are allocated to the business model "to hold". The measurement continues to be at amortized cost, so there was no effect from the initial application per January 01, 2018.

For the financial liabilities, there was no effect from the initial application of IFRS 9.

Impairment

As part of the first-time application per January 01, 2018, a stage 1 loss allowance in the amount of kEUR 560 was recognized. Per June 30, 2018, the stage 1 loss allowance was reduced by kEUR 82 to the new level of kEUR 478. In regards to stages 2 and 3, there were no significant effects from the initial application of IFRS 9.

Hedge Accounting

FinTech Group continues to not make use of hedge accounting opportunities, so there was no impact from hedge accounting on the half-year consolidated financial statements.

For information about changes in recognition and measurement methods resulting from the initial application of IFRS 9, please refer to Note 5.

Provided collateral

FinTech Group AG has provided collateral with the clearing and depositary agents of FinTech Group Bank AG for the processing of the bank's principal broking services. The collateral is largely provided in the form of deposited securities. As of 06/30/2018, the book value of provided collateral amounts to kEUR 43,426 (12/31/2017: kEUR 46,808).

Held collateral

Please refer to Note 30 in our annual report 2017.

NOTE 11 Revenues

IFRS 15 "Revenue from Contracts with Customers" introduces a 5-step model framework that applies to all contracts for the delivery of goods and services, with the exceptions, in particular, of lease contracts, insurance contracts, and financial instruments. It provides rules for determining the types of revenues, and the amounts and the timing of revenue recognition. The individual steps are the following:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the individual performance obligations in the contract
5. Recognize revenue when (or as) the entity satisfies a performance obligation

Application of the standard is mandatory for fiscal years beginning on or after January 01, 2018.

FinTech Group has applied IFRS 15 „Revenue from contracts with customers" from January 01, 2018 onwards, and, in compliance with the transitional rules, retrospectively with modifications, i. e. IFRS 15 is only being applied to contracts that were not yet completed by 01/01/2018. The application of IFRS 15 did not result in significant adjustment amounts for FinTech Group.

For information about changes in recognition and measurement methods resulting from the initial application of IFRS 15, please refer to Note 5.

NOTE 12 Segment reporting in accordance with IFRS 8

FinTech Group is required by IFRS 8 to report on its operating segments. The manner of segmentation is based on the so-called management approach. Segments are subdivisions of the business for which separate financial information is available that is regularly evaluated by the management board and other managers as they allocate resources and evaluate performance.

The division of FinTech Group's activities into the two following segments remains unchanged from the previously published consolidated accounts.

The segment "Financial Services" (FIN) includes the products in B2C online brokerage and B2B white-label banking, as well as electronic securities settlements, securities custody, and other banking services.

The "Technologies" (TECH) segment includes all IT-services, for example the development and operation of the Group's core banking system FTG:CBS. In addition, this segment includes activities in research and development.

Segment reporting for continuing activities in first half-year 2018

In kEUR	FIN	TECH	Others & Consolidation	Total
Revenues	52,256	16,378	-10,136	58,498
Raw materials and consumables	14,060	1,834	-909	14,985
Personnel expenses	8,578	6,205	-2,554	12,229
Other administrative expenses	14,495	5,061	-6,673	12,884
EBITDA	**15,123**	**3,278**	-	**18,401**
Depreciation and amortization				3,527
Consolidated earnings before interest and tax (EBIT)				14,874
Financial result				-957
Consolidated earnings before income tax (EBT)				13,917
Income tax expense				4,442
Consolidated earnings from continuing activities				9,475
Earnings from discontinued operations				-94
Consolidated net profit				9,381

Segment reporting for continuing activities in first half-year 2017

In kEUR	FIN	TECH	Others & Consolidation	Total
Revenues	41,414	17,844	-9,696	49,562
Raw materials and consumables	12,660	3,315	-1,925	14,050
Personnel expenses	7,464	6,465	-2,512	11,416
Other administrative expenses	11,874	4,479	-5,259	11,094
EBITDA	**9,417**	**3,586**	**-**	**13,003**
Depreciation and amortization				2,590
Consolidated earnings before interest and tax (EBIT)				10,412
Financial result				-674
Consolidated earnings before income tax (EBT)				**9,738**
Income tax expense				2,699
Consolidated earnings from continuing activities				**7,039**
Earnings from discontinued operations				-88
Consolidated net profit				**6,951**

Intercompany services provided between the segments are undertaken at arm's length. For all transactions between the reporting segments, the basis of recognition is in compliance with IFRS provisions. There is a corresponding segment reporting to the management board of FinTech Group AG.

Revenues from transactions with third parties are generated exclusively by Group companies residing in Germany.

NOTE 13 Related party relationships and transactions

There have been no significant changes in regards to transactions between the group companies and other related companies and persons, nor in the composition of the set of such companies and persons. Please refer to Note 35 in our 2017 annual report.

NOTE 14 Events occurring after balance sheet date June 30, 2018

Changes in legal status of Group companies

Effective on July 13, 2018, FinTech Group AG transferred all shares of its subsidiary Die AKTIONÄRSBANK Kulmbach GmbH, Kulmbach, to Obotritia Capital AG, Potsdam, in fulfillment of the previously agreed purchase contract.

NOTE 15 Earnings per share

The result per share for the first half-year 2018 is EUR 0.54.

This is the undiluted result. A separate value for a diluted result has not been calculated, as no options for shares of the company have been exercisable through the balance sheet date. There was no significant change in number of shares in circulation during the first half-year 2018.

NOTE 16 Dividends

No dividends were distributed during the reporting period.

Frankfurt am Main, September 11, 2018

FinTech Group AG

Frank Niehage
CEO, Chairman of the Management Board

Muhamad Said Chahrour
CFO, Member of the Management Board