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Rising Market Volatility Drives FinTech Group's Numbers to Record Highs – Berenberg Initiates Coverage with 40 EUR Price Target

- **Trading activity soars: FinTech Group executes more than 2M securities transactions in the first two months of 2018 – up 40% compared to same period last year**
- **flatex continues to attract new clients with its market leading offering – already more than 8,000 new customers in 2018**
- **Berenberg initiates coverage of FinTech Group AG – price target 40 EUR**

Frankfurt, Germany – FinTech Group AG's (German WKN: FTG111, ISIN: DE000FTG1111, Ticker: FTK.GR) online brokerage business sets record marks in January and February 2018: more than 1M securities transactions were settled in each month. Both January and February set new all-time record months in trading activity. Key driver behind the strong start in the new year has been the increased market volatility – caused mainly by expectations for a sooner-than-anticipated increasing of interest rates, from which FinTech Group will also benefit in the medium-term.

"The financial year 2018 started tremendously, both our B2B segment and particularly our B2C brokerage business", said Frank Niehage, CEO of FinTech Group AG. "Market volatility is reawakening after reaching a 20-year low in 2017. The impact is impressive: two consecutive record months. At the same time, we are reaping the harvest we have sown in the last two years. Our B2C clients are trading actively – for the best price, with the best products, and on the best platform flatex has ever offered."

In both 2016 and 2017, market volatility stagnated at historic lows, and so did interest rates. Both are key drivers of FinTech Group's B2C business, which accounts for more than 70% of revenues. Despite the challenging market conditions in the previous periods, FinTech Group's management successfully focused on growing and developing its low-cost core business flatex and its highly efficient transaction systems, to be prepared exactly for these current volatile periods. On February 5, when the Dow Jones Index dropped about 1,500 points (almost 6%), FinTech Group executed more than 100,000 transactions – a record day.

"We kept emphasizing that market volatility is a 'hidden reserve' of our brokerage business – this has been proofed since the beginning of the year. In addition, the reason for the significant increase in volatility - the sudden rise in interest rates expectations – is another driver for our success. Currently, our treasury portfolio is invested in ultra-short-durated assets, and can be flipped in a matter of weeks. This is where the interest-rate reversal kicks in: We expect an increase in interest income of 8M EUR from our treasury portfolio, should EURIBOR increase by 1 percentage point", commented Muhamad Chahrour, Chief Financial Officer of FinTech Group.

This development has also convinced Joh. Berenberg, Gossler & Co. KG to initiate the coverage on FinTech Group AG, describing the ecosystem „finance meets technology" as

"the best of both worlds". Berenberg analyst Martin Comtesse sets the price target at 40 EUR, which corresponds to a 40% upside potential based on the current share price.



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About FinTech Group AG

FinTech Group AG (WKN: FTG111, ISIN: DE000FTG1111, Ticker: FTK.GR) is a modern smart bank: We offer innovative financial technology, our own core banking system, and a regulatory liability umbrella.

Our cash cow is retail broker flatex which, through our advanced technology, can offer top-quality service at an affordable price. This makes flatex the fastest growing trading platform in Europe. Our smart technology is easy to scale, so we also successfully offer it to B2B customers. We provide vital services for many well-known institutions and even state infrastructure. We help start-ups and disruptive business ideas that require a banking license to rapidly become a success through our white label banking.

In a time of bank consolidation, low interest rates, and digitization we are ideally positioned for further growth. Our goal is to become Europe's leading provider of financial technology.

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