



MEDIA STATEMENT

BaFin order: N26 to enhance and accelerate measures against money laundering

Berlin, 12 May 2021 - Today, German regulator Federal Financial Supervisory Authority (BaFin) has published an order outlining key areas of improvement in N26's response to the growing threat of online financial crime. In the past years, N26 has invested heavily into the prevention of money laundering. However, we recognize that more needs to be done in this field. N26 is committed to addressing all areas of improvement outlined by BaFin. This will not affect our customers - the areas outlined by the order are not related to the security of our customers' accounts or deposits.

Accelerated by COVID19, the last year has seen an increase in e-commerce fraud. Fraudsters are increasingly manipulating third parties into opening new accounts for them to then use for fraudulent purposes. With this, the requirements for banks in the fight against crime have increased significantly.

The outlined areas of improvement laid out by BaFin address the prevention of accounts being opened in this way, as well as the identification and blocking of suspicious financial transactions as soon as possible.

In response, N26 is committed to building on these important initiatives:

- Enhancing transaction monitoring to detect money laundering and e-commerce fraud
- Implementing additional security measures in the identity verification process
- Scaling up resourcing and tools to keep pace with the growing volume of digital money laundering cases across our industry

N26 also commits to working closely with the Special Representative appointed by BaFin in order to progress in the key areas of improvement.

In the past couple of years, N26 has invested heavily into strengthening our anti-money-laundering (AML) capabilities, transaction monitoring systems, and identification processes. These measures have included:

- Doubling our investment in financial crime and money laundering prevention since 2019
- Hiring senior industry experts in risk, compliance and AFC to strengthen and lead our global and local teams
- Improving tools and fraud detection systems to identify suspicious transactions faster and with greater accuracy

It is important for us to play our part in contributing to the global fight against financial crime and fraud, but we know that tackling this is a shared responsibility that can only be resolved in a joint effort with stakeholders from our industry, society, and authorities. All banks and financial institutions have a key role to play in this fight. As N26, we are aware of the responsibility we have, and remain committed to accelerating our efforts on this front.

About N26

N26 is building the first mobile bank the world loves to use. Valentin Stalf and Maximilian Tayenthal founded N26 in 2013 and launched the initial product in early 2015. Today N26 has more than 7 million customers in 25 markets. The company employs more than 1.500 employees across 8 office locations: Berlin, Barcelona, Madrid, Milan, Paris, Vienna, New York and São Paulo. With a full European banking license, state-of-the-art technology and no branch network, N26 has redesigned banking for the 21st century and is available on Android, iOS, and desktop. N26 has raised close to EUR 800 million from the world's most established investors, including Insight Venture Partners, GIC, Tencent, Allianz X, Peter Thiel's Valar Ventures, Li Ka-Shing's Horizons Ventures, Earlybird Venture Capital, Greyhound Capital, Battery Ventures, in addition to members of the Zalando management board, and Redalpine Ventures. N26 currently operates in: Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland and the US, where it operates via its wholly-owned subsidiary, N26 Inc., based in New York. Banking services in the US are offered by N26 Inc. in partnership with Axos® Bank, Member FDIC.

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