

Bankinter closes 2024 with record profit of 953 million euros, up 13% on 2023, thanks to increased commercial activity and diversification of the business

- The bank shows improvements across all account margins. Gross income, which includes all revenues, increases by 9.1%, with a growing contribution from the businesses in Portugal and Ireland.
- Outperforming the market in all businesses. Lending is up 4%, customer funds under management climb 13% and off-balance sheet funds (mutual and pension funds and asset management/SICAVs) grow 22%.
- Bankinter increases its return on equity (ROE) to 17.9% and maintains its leadership in cost-to-income, with its ratio improving to 36.3%.

23/01/2025. Bankinter Group closed out 2024 with double-digit growth in profits, comfortably improving on the previous year's record figure results thanks to a strong drive in commercial activity, which is becoming increasingly diversified. The bank was able to successfully juggle the negative course of interest rates during the year with an increase in business volumes –both in lendings and in customer funds– especially those managed off-balance sheet, which ended the year on an all-time high. This profitable growth in recurring activity, together with a risk profile that remains very positive and cost-to-income and profitability ratios among the highest in the sector, make up the main variables of what was a very successful year.

In 2024, the Bankinter Group posted a pre-tax profit of 1,360 million euros, up 10.7% on the previous year. Net profit stood at 953 million euros, representing an increase of 12.8% over the same period.

The various ratios in the account demonstrate the strength of the bank's balance sheet and its results. More precisely, the return on equity (ROE) improved to 17.9% from 17.1% a year ago, while the ROTC ended the year at 19%, 84 bp higher than a year earlier.

The fully-loaded CET1 capital ratio also improved during this period to 12.41%, 440 bp above the minimum required by the ECB for Bankinter for 2025, which is 8.01%, the lowest among all listed banks.

The non-performing loan ratio remains at 2.11%, with coverage for non-performing loans rising to 68.8% for prudential reasons. The NPL ratio in Spain was 2.4%, compared to an average of 3.4% for the wider sector, according to November data published by Banco de España.

As for liquidity, the loan-to-deposit ratio stands at an impressive 94.7%.

Key balance sheet figures

At the end of 2024, the Group's total assets amounted to 121,972 million euros, up 7.9% on the previous year.

The customer loan portfolio ended the year at 80,097 million euros, representing growth of 4.2% over the previous year.

Customer funds under management grew by 13.1%. Of these, retail customer funds amounted to 83,023 million euros, up 1.8%. Off-balance sheet managed funds (own and third-party mutual funds marketed by the Bank, pension funds, asset management, SICAVs and alternative investments) closed one of their best years ever at 57,686 million euros, up 22.2% (equivalent to 10,485 million euros) on 2023.

Income statement figures

All income statement lines showed better figures than in the previous year, showing that the bank did well in managing spreads in an environment of fluctuating interest rates, while also managing to boost commercial activity across all its geographies to generate higher revenues.

Net interest income ended 2024 at 2,278 million euros, 2.9% more than in 2023, and holding up well against the impact of lower interest rates.

Meanwhile, gross income, which reflects total revenues, amounted to 2,901 million euros at year-end, up 9.1% on the previous year, with fee and commission income delivering a strong performance (reflecting both an increase in customer transactions and what turned out to be a good year for investment products and brokerage services in various markets). In total, the bank's fee income amounted to 917 million euros, 12.3% more than in 2023.

Notably, this income included fees amounting to 335 million euros from the asset management business (+21%), as well as fees totalling 195 million euros from the transaction business of collections and payments (+7%), and those from the securities business and service (which includes brokerage, administration and custody), which grew 12% to reach 135 million euros.

If we subtract the fees paid by the bank to its commercial partners in the Agent Network and Partner Banking, we can obtain the figure of net fees earned by the bank, which in 2024 amounted to 717 million euros, up 14.9% on 2023.

Net operating income rose 10.8% to 1,848 million euros, which absorbed operating costs that were up 6% amid additional investments in new projects and digital systems to improve productivity.

However, higher revenue growth led to improvements in the Group's efficiency (cost-to-income), which fell again for another year to reach 36.3%, among the highest in the sector.

Growing above the market and in a diversified manner

Bankinter achieved record commercial results in 2024, where its strategy of diversifying revenues by type of business and also by geography is becoming increasingly consolidated. This strategy has led to steady yearly growth in customer business volumes, which in 2024 amounted to 223

billion euros, including loans and receivables, typical customer funds and assets under management (9% more than in 2023).

This drive to diversify has meant that revenues from countries other than Spain are becoming increasingly significant. Notably, revenues generated by Bankinter Portugal and Ireland now account for 15% of the Group's total gross operating income.

Looking at the performance of the business in the different territories in which the bank operates, the bulk of its activity continues to be in Spain, where the bank achieved a pre-tax profit of 1,219 million euros in the year, including EVO, 10% more than in 2023. On the balance sheet, the loan portfolio in Spain grew 2.4% year on year to 66 billion euros. Customer funds (retail and wholesale, ex repos) came to 76 billion euros, up 4% in the year, while those managed off-balance sheet plus intermediation amounted to 122 billion euros (+20%).

In Portugal, the investment portfolio ended the year at 10 billion euros, 8% more than in 2023. It was a similar story for customer funds, with growth of 14%. Meanwhile, off-balance sheet funds under management plus intermediation grew 10% to reach 9 billion euros. Bankinter Portugal's pre-tax profit in 2024 came to 195 million euros, 18% higher than in the previous year.

In Ireland, lending was up 27% in the year to 3.8 billion euros, including a mortgage portfolio worth 2.9 billion euros, 31% higher than in 2023, and 1 billion euros in Consumer loans, up 17%. New lending in Ireland in the year came to 1.2 billion euros, 17% higher than in 2023. Profit before tax for the year at this subsidiary amounted to 41 million euros, up 23% on the 2023 figure.

Turning to the Group's various lines of business, Wealth & Retail Banking, made the largest contribution to the Group's revenues in 2024, with customer wealth under management reaching 127 billion euros, 14 billion more than at the end of 2023, of which 7 billion came from net new money into the bank and the other 7 billion was down to the market effect. In total, increasing the wealth managed by 12% during the year.

By customer segment, 71 billion stems from Wealth Banking, which serves the largest clients, while 57 billion euros relates to Retail Banking.

Among the Wealth & Retail Banking products, asset management, which is essential in generating fee income, led the bank's growth, with off-balance sheet funds under management at the end of December amounting to 57,686 million euros, up 22.2%.

Within these funds, both the Bank's own mutual funds and third-party mutual funds distributed by the Bank closed out a historic year, making Bankinter Asset Management one of the three asset managers in the Spanish market with the highest net inflows, according to Inverco. At year-end, the Bank's own mutual funds portfolio amounted to 16,103 million euros, up 24.1% versus 2023, while the funds of other managers marketed by Bankinter grew by 23,2% to reach 24,175 million euros. Pension funds were up 11.2%, while growth of the asset management portfolio and SICAVs was just over 30%.

In Commercial Retail Banking, the salary account (in its various forms) and the mortgage loan were two products that proved to be hugely effective in attracting many new customers to the bank. For salary accounts, Bankinter reported an increase of 4% to reach 665,000.

Meanwhile, the mortgage business experienced notable growth in the second half of the year, mirroring the improvement in the housing market, which enabled new mortgage production to match that of the previous year (5.8 billion euros), of which almost 70% of mortgages were arranged at a fixed or mixed rate. These figures give Bankinter a market share of 6.6% in new operations in Spain, 6% in Portugal and 7.1% in Ireland, according to the latest data published by the corresponding central banks in these countries.

As a result, the Bankinter Group's residential mortgage portfolio at 31 December 2024 stood at 36.5 billion euros, up 5% on 2023.

Lastly, it is worth highlighting the leadership achieved by Bankinter Investment in the alternative investment business, where 28 structured vehicles have now been launched and have attracted some 14,700 investors, with committed capital totalling 5,074 million euros, up 11.2% versus 2023.

Large Corporate Banking had an equally positive year, with a loan portfolio of 34.7 billion euros, 6% higher than the same period of the previous year, and continuing the positive growth trend carried over from previous years. This means that Bankinter has managed to increase the balance of its loan portfolio without interruption in recent years and to finance companies in their development projects.

By country, investment growth in Spain was 7%, while the wider sector posted a flat performance; and was up 9% in Portugal, with the sector as a whole growing at 3%; in both cases compared to the latest data published by the Bank of Spain and the Bank of Portugal as of November, respectively.

Within this portfolio, the balance of lending in the International Banking business was 10.2 billion euros, showing annual growth of 14%, reflecting the Bank's dynamism in this activity of financing and supporting companies in their foreign projects. Highlights here included the balance of the supply chain finance business, in which Bankinter has a clearly differential commercial proposition and which now totals 246 million euros, with growth of 80% in 2024.

Commitment to digitalisation and sustainability

Regarding the bank's digital activity, highlights included the various innovations implemented around Artificial Intelligence, both in the relationship with customers, with improvements in the funds website or in the search and management of receipts on the website, as well as in internal productivity and in the improvement of efficiency in management processes.

Last but not least, Bankinter has been working hard to grow its sustainable business, with impressive figures such as 446 million euros in new renewable energy business reported by Bankinter Investment, or more than 9.85 billion in assets held in its own sustainable investment funds, which now account for 51% of the total portfolio of Bankinter Asset Management. The bank is also on track to meet the decarbonisation targets set for our entire corporate financing portfolio, with a 5.2% reduction in tonnes of CO2 per million euros in 2024.