

Bankinter had a profit of €685 million at the end of the third quarter, up by 59%, and placed profitability at its highest levels in recent years.

- All account margins have seen significant growth: net interest income up by 54% and gross operating income up by 32, exceeding €2 billion euros, on account of the change in interest rates and greater commercial activity.
- Lending and retail funds rose at rates close to 3%, and off-balance-sheet managed funds (investment and pension funds and wealth management/SICAVs) increased by 17%.
- Return on equity, RoE, improved to 17.1%, six percentage points more than a year ago, the highest level in the last decade, with a RoTE of 18.2%.

**19/10/2023.** Bankinter Group closes the third quarter of the year with results that confirm the positive developments seen throughout the first half of the year along its different business lines, proving the entity's potential to continue growing and achieving greater market shares and profits. The Group's increased activity, coupled with higher interest rates, has led to improvements in all margins and ratios: profitability, capital and efficiency.

Bankinter Group's profit before tax at 30 September 2023 exceeded the one billion euro mark for the first time, at €1.0036 billion, 66.8% more than a year ago. Net profit amounted to €684.7 million, 59.2% more than in the same period of 2022, despite bearing the burden of the new tax on the financial sector, due this year, which for Bankinter has amounted to €77.5 million.

As regards the Group's ratios, return on equity, RoE, increased to 17.1%, up six percentage points YoY, with a RoTE of 18.2%, among the best in the European financial sector.

The CET1 fully-loaded capital ratio stood at 12.5%, 4.8 percentage points above the regulatory minimum required from Bankinter by the ECB, which is the lowest among listed banks in Spain (7.73%).

The NPL ratio remains at an optimal 2.2%, 9 basis points higher than a year ago, but well below the sector average, which according to Banco de España stood at 3.5% as of July. However, Bankinter had improved its NPL coverage to 66.2%, by the end of September.

The Bank's cost-to-income ratio at 30 September had improved substantially at 34.9%, a substantial gain over the 43.2% recorded a year earlier. The cost-to-income ratio for the business in Spain stands at 31.6%.

In terms of liquidity, the Bank's deposit volume continues to exceed its lending volume with a deposit-to-loan ratio of 104.9%.

### **Balance sheet figures.**

The Group's total assets at 30 September 2023 stood at €108.3627 billion.

The customer credit portfolio amounted to €74.8792 billion at the end of the quarter, 2.8% more than a year ago. Lendings in Spain are growing at the somewhat lower rate of 0.7%, as a result of a slowdown for this activity in our market. The result nonetheless compares well with the sector data, which points to a drop of -3.2% for the sector, according to data provided by Banco de España for August.

Retail funds amounted to €78.258 billion, 2.6% more than 12 months ago, revealing a reduction in the current account portfolio combined with a strong growth in term deposits. These results are all the more significant against the continued shift towards products with higher added value for the customer, such as investment and pension funds, revealing total off-balance-sheet managed funds 17% higher than a year ago. This growth in resources, on and off the balance sheet, reflects the Bank's ability to attract and capture customers in a very competitive environment.

### **Account margins**

The trend of growth in account margins continued throughout the period, thanks to a stronger commercial drive, particularly focused on value products, and, in line with what has been happening since the beginning of the year, the upward development in interest rates.

At the end of September, the net interest income amounted to €1.6387 million, 53.8% more than a year ago, with customer spreads growing quarterly to reach 3.03% by 30 September, reflecting good spread management.

Gross operating income, which includes all the Group's revenues, amounted to €2.0051 billion, 32.1% more than a year ago. Net fees and commissions contributed 22% to the gross operating income, excluding the bank tax.

The fees received for the various operational, advisory and management services increased by 2.6% in the period. At the same time, fees paid to the Group's partners (financial agents and Partner Banking customers) grew 6.1%, reflecting the positive performance of these businesses. The net difference between the two amounted to €459.1 million at 30 September, 1.5% higher than a year ago.

Net operating income before provisions rose 51.3% to €1.3054 billion, after absorbing operating expenses that increased 6.8% in the period, due to higher administration costs and higher variable remuneration of the workforce, but in any case surpassed by the growth in revenues.

### **Growth in all businesses and geographies.**

All the business lines on which the Bank's diversification strategy is based are progressing at a good pace, recording a strong year in all the parameters analysed. This is the case both in the international business lines, particularly Portugal and Ireland, where growth is stronger, and in the more consolidated ones in the domestic market, such as Corporate Banking and Wealth Management, where the Bank continues to adapt its value proposition to the demands of the environment and the needs of customers.

In the Corporate business, which continues to make the largest contribution to the Group's income, Bankinter strengthened its loan book in a complicated environment, thanks to its solid commercial drive. The corporate loan book stood at €31.3 billion, 1.6% higher than a year ago. The growth recorded for Spain stood at 0.7%, which compares favourably in a sector that is shrinking by -4.4%, according to data provided by Banco de España for August.

Within the Corporate area, international business continued to be a stronghold in growth, with loans and receivables amounting to €8.5 billion in the third quarter, 6% higher than a year ago. Other newer businesses, such as Supply Chain Finance, are increasingly finding favour with customer companies, with a threefold increase in volume over year-end figures.

Regarding the Commercial Retail Banking, for individuals, growth remains constant in all customer segments, with assets under management totalling €99.4 billion, up by €9.5 billion on 30 September 2022, i.e., an 11% increase.

By segments, in Wealth Management, which includes the largest customers, the managed volume amounted to €55.3 billion, 12% more than a year ago, after capturing €2.4 billion of new net assets so far this year. Retail Banking's assets under management amounted to €44.1 billion, 9% more than at 30 September 2022, with €1.9 billion of net new assets under management by September.

This growth was significant in off-balance-sheet managed funds, which include own and third-party unit trusts, pension funds, asset management and SICAVs, all of which provide greater value for customers. The growth of these off-balance-sheet managed funds was 17% in the last twelve months, and 12% when compared to the figures at the end of 2022. Looking at the figures by product, own unit trusts grew by 16% between September 2023 and September 2022, third-party funds by 19%, pension funds by 11% and the wealth management business and SICAVs by 18%.

The balance of the salary account portfolio at 30 September was €13.4 billion, 19% lower than a year earlier, although part of this fall was due to the transfer of assets to unit trusts and asset management. The number of accounts increased by 4% in the period, indicating that this product, leader in its category, continues to attract new customers to the Bank.

On the asset side, the residential mortgage portfolio throughout the Bankinter Group totalled €34.5 billion at the end of September, compared to €33.4 billion a year ago, which represents a growth of 3.2% in the last twelve months.

The current lower activity in the real estate market and, consequently, in mortgage activity, mainly due to the rise in interest rates, has resulted in a new mortgage production of €4.3 billion so far this year, 17% lower than in the same period of 2022, which was a good year. The figure for 2023 is similar to that of the same period in 2021.

Bankinter's activity in the different geographical areas in which it operates, apart from Spain, continues to grow as in previous quarters. The positive performance of Portugal's business is apparent in all items of its income statement.

Lendings in Portugal amounted to €8.7 billion, with an annual growth rate of 13% and an NPL ratio of just 1.3%. Of this portfolio, €6.1 billion was invested in Commercial Retail Banking and

the rest in Corporate Banking. Customer funds grew by 16% to €7.3 billion and off-balance sheet funds by 3.9% to €3.9 billion.

All this business activity is reflected in Portugal's income statement, showing a strong growth in all margins: net interest income, up 109%; gross operating income, up 73%; and pre-provision profit, up 140%. Bankinter Portugal's profit before tax amounted to €136 million at the end of September 2023, 154% higher than the figure a year ago.

Business performance in another of the Bank's operating countries, Ireland, through the Avant Money brand, is equally positive. Loans and receivables in Ireland have grown to €2.7 billion, 29% more than in the same period of 2022. Of this portfolio, €1.9 billion corresponds to mortgages, which grew 33% in the year, and the rest to consumer finance, with a growth of 20%.

Bankinter Consumer Finance, the Bank's subsidiary specialising in consumer business and where it consolidates activity in Ireland, continues to show the strength of previous quarters. Bankinter Consumer Finance's loans and receivables amount to €6.4 billion, of which €1.9 billion correspond to the mortgages in Ireland described above, €3.1 billion to personal loans (with a 27% growth), and the rest to cards in their different modalities.

And finally, as regards the group's digital brand, EVO Banco, performance has also been positive. The new competitive asset and liability products launched in recent months have been well received. Loans grew to €3.265 billion at 30 September, a growth of 30% from the previous year, with the very low NPL ratio of 0.5%. New mortgage production in the first nine months amounted to €699 million, 4% lower than the figure corresponding to the first three quarters of 2022; market circumstances today are substantially more complicated than a year ago.