

# N26

## **N26 Group Reports First Quarterly Profit As Growth in Customer Numbers Accelerates Strongly**

- Since welcoming the lift of its growth restrictions by BaFin in June 2024, N26 has strongly accelerated its growth momentum.
- Organic increases in customer demand continue to drive accelerated top-line growth, as monthly sign-ups exceed 200,000.
- In line with this increasing dynamic, N26 is set to grow its revenue by around 40% in 2024 to approximately 440 million euros.
- After first breaking even on a monthly basis in June 2024, the company has posted its first quarterly profit, with a net operating income of 2.8 million euros for the third quarter of 2024.

**Berlin, 19 November 2024** – N26 Group (“N26” or “the company”) today shared its first growth update and financial forecast since welcoming the lifting of its growth restriction in June 2024. The company additionally announced its first quarterly profit, marking an important milestone in its trajectory, and confirmed its financial forecast for 2023.

### **Organic demand drives strong top-line growth**

Reflecting strong increases in demand for its updated portfolio of digital banking products, N26 has registered a more than 110% uptake in average monthly customer sign ups between fiscal 2023 and October 2024, with more than 200,000 customers currently signing up to N26 per month. Correspondingly, N26 is positioned for significant top-line growth this year, with revenue set to increase by around 40% to approximately 440 million euros for fiscal 2024 (FY-23: 313.5 million euros).

This growth momentum has been primarily organic, with 73% of new customers in 2024 acquired via Word of Mouth (FY-23: 77%). As a result, customer acquisition costs remain low. N26 expects to reach 4.8 million revenue-relevant customers by the end of 2024, up from 4.2 million at the close of 2023, with continued growth in customer numbers expected throughout 2025.

### **N26’s first quarterly profit provides the foundation for a further growth acceleration**

Since posting its first monthly profit in June 2024 ahead of schedule, N26 has maintained a positive net operating income for each subsequent month, resulting in a third-quarter net operating income of 2.8 million euros. Adjusted for a one-off balance

sheet optimization in the fourth quarter of 2024, the company projects a moderately positive net operating income for the full year.

Including this one-off optimization, N26 anticipates a net operating income of around -20 million euros for fiscal 2024, with net loss projected to be slightly higher. The optimization measure aims to align N26's treasury portfolio with anticipated changes in the macro environment, which will unlock resources to boost future income.

For 2023, N26 posted -78.3 million euros in net operating income and -102.4 million euros in net income, in line with its guidance. This was a marked improvement from 2022, when the company had posted -169.3 million euros in net operating income and -213.4 million euros in net income, after investing significantly into compliance and the human and technical infrastructure to combat financial crime.

### **Strategic product updates drive profitability and top-line growth**

Since early 2024, N26 has introduced a suite of major updates across its core product pillars *spending*, *saving*, *investment*, and *credit*. Today, N26 customers throughout Europe can build their wealth by investing in equities with N26 Stocks and ETFs, trade cryptocurrencies through N26 Crypto, manage shared finances together with N26 Joint Accounts, and benefit from competitive interest rates via N26 Instant Savings – all within a single app designed for seamless daily financial management.

This strategic focus on enabling customers to manage all aspects of their financial lives within N26 has once again significantly boosted the company's customer activity metrics in 2024. Consequently, the annual transaction volume for N26 customers is projected to increase by 23% in 2024, to around 140 billion euros (FY-23: +16% to 113.9 billion euros), with each revenue-relevant customer on track to make more than 29,000 euros in transactions with N26 on average in 2024.

Customer activity directly contributes to higher revenues per customer, driving both profitability and top-line growth. N26 intends to further expand on this momentum, with plans to build on its investment offering.

N26 also intends to offer digital banking for businesses in the coming year. Customers can sign up to the waitlist [here](#).

### **Record levels of customer deposits boost interest revenues**

By continually providing customers with more reasons to bank with N26, the company has, for the first time, surpassed 10 billion euros in customer deposits in the third quarter of 2024. As a fully-licensed digital bank, N26 leverages this development to further expand its treasury and retail lending activities. Consequently, the company expects interest revenues to account for around 50% of its total revenue in 2024. In

2023, interest revenues contributed 40% to the company's revenue, in line with expectations.

**Valentin Stalf, Co-Founder and CEO of N26:** “We are excited to be able to satisfy the significant demand for our digital banking products again in full. Over the past quarter, we have consciously accelerated our growth engine, delivering profitability for the first time in the bank’s history, and record levels of customer activity. We’re going to expand on this strong momentum.”

**Arnd Schwierholz, Chief Financial Officer of N26:** “Our first quarterly profit underscores our dedication to delivering sustainable and profitable growth. Over the last few years, we have focussed on building profitable customer relationships, while ensuring strong operational and cost management. This allows us to double down on our growth momentum while maintaining this discipline and focus.”

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### Financial Highlights\*

	<b>2022</b> € Millions	<b>2023</b> € Millions	<b>2024 (E)</b> € Millions	<b>Change</b> 2022 - 2023	<b>Change</b> 2023 - 2024 (E)
<b>Revenues</b>	<b>237.8**</b>	<b>313.5</b>	<b>c. 440</b>	<b>32%</b>	<b>c. 40%</b>
<b>Gross Profit</b>	<b>153.8</b>	<b>234.9</b>	<b>/</b>	<b>53%</b>	<b>/</b>
Net Fee & Commission Income	105.8	123.5	/	17%	/
Net Interest Income	47.9	111.4	/	133%	/
Gross Profit Margin	65%	75%	/	10pp	/
<b>Net Operating Income</b>	<b>-169.3**</b>	<b>-78.3</b>	<b>c. -20</b>	<b>54%</b>	<b>c. 70%</b>
<b>Net Income</b>	<b>-213.4</b>	<b>-102.4</b>	<b>/</b>	<b>52%</b>	<b>/</b>

\*: In order to enable more effective corporate management and better comparability with companies that are similar to N26, the financial indicators in this table are based on an income statement that is oriented towards the IFRS accounting standard. There are differences to the income statement that N26 prepares in accordance with the German Credit Institutions Accounting Ordinance and publishes as part of the disclosure of its audited consolidated Group financial statements in the German Federal Gazette. Numerical deviations from previous publications are explained by these differences, unless otherwise stated.

\*\* : Marginal change since previous publication due to the restructuring of individual accounting items.

### About N26

N26 is Europe's leading digital bank with a full German banking license. It offers simple, secure and customer-friendly mobile banking to millions of customers in 24 markets across Europe. N26 processes over 100bn EUR in transactions a year and currently has a 1,500-strong team of more than 80 nationalities. The company is headquartered in Berlin, with offices in multiple cities across Europe, including Vienna, Paris, Milan, Madrid and Barcelona. Founded by [Valentin Stalf](#) and [Maximilian Tayenthal](#) in 2013, N26 has raised close to US\$ 1.8 billion from some of the world's most renowned investors.

Website: [n26.com](https://n26.com) | N26 Press Contact: [press@n26.com](mailto:press@n26.com)