

Good 2023 results in a challenging market environment

Merkur Privatbank has reported good preliminary 2023 results which were slightly better than expected on net profit level with an increase by 11% yoy to EUR 13.0m (PAsE: EUR 12.5m). Net interest income was up by 38% yoy to EUR 95.8m, slightly above our forecast of EUR 94.0m, in Q4 net interest income has, however, slowed down with an increase by only 2% yoy. Expenses were up by 6% yoy to EUR 61.7m (PAsE: EUR 60.9m) and risk provisions declined by 3% yoy to EUR 8.1m (PAsE: EUR 19m). The bank seems to have released risk provisions in Q4 and has instead increased the allocation to the fund for general banking risks which amounted to EUR 17m for the full year (PAsE: EUR 11m). Total risk provisions amounted to EUR 25m (PAsE: EUR 30m). Assets under management were up by 4% qoq to EUR 3.5bn and the loan portfolio was up by 5% qoq to EUR 3.1bn. All in all, the figures look good at first glance, particularly if taking into account the challenging market environment. The bank has not provided any profit guidance for 2024 (like always) but looks optimistically into the future. We confirm our Buy rating with a target price of EUR 16.0.

Merkur PrivatBank - Preliminary 2023

EUR m	2023	2023e	2022	yoy
Revenues	115.8	118.1	98.9	17%
<i>of which NII</i>	95.8	93.9	69.6	38%
Expenses	61.7	60.9	58.0	6%
<i>CIR</i>	53.3%	51.6%	58.6%	-527 BP
Risk provis.	8.1	19.0	8.3	-3%
EBT*	45.9	38.2	32.6	41%
Net income*	13.0	12.5	11.6	11%
EPS	na	1.27	1.27	na

* incl. profit share of complementary shareholders

Sources: Merkur Privatbank, Pareto Securities Research

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