

A strong start into the year

Merkur posted Q1 numbers today that exceeded our expectations. Both NII and net commission came in significantly above our expectations. As operating expenses increased only modestly, the CIR decreased to 51%, which compares to 59% last year. The only downer was the increase of risk provisions from EUR 4.6m last year to EUR 7.6m against the backdrop of the volatile macro environment. Nonetheless, net income was up 15% yoy in the quarter. We consider Q1 a strong start to 2025. Buy, PT EUR 19.

Merkur Privatbank		Q1 2024	Actual Q1 2025	yoy (%)	Pareto Q1 2025	Delta (%)	PAS (pre Q1)	
							2025e	2026e
Revenues	EURm	30.0	36.7	22	31.9	15	124	130
of which NII	"	22.4	27.6	23	23.5	17	95	96
of which net commissions	"	7.1	8.4	19	7.4	15	29	30
of which other	"	0.6	0.7	26	1.0	-30	2	4
Expenses	"	17.6	18.7	6	18.0	4	69.9	71.9
CIR	%	59%	51%		56%		56%	55%
Risk provisions	EURm	4.6	7.6	65	5.5	38	15.0	9.0
Operating profit	EURm	7.9	10.5	33	8.4	25	39.4	49.1
Net income	EURm	2.7	3.1	15	2.4	25	12.0	16.2
Other KPI								
Lending volume	EURm	3,143	3,370	7			3,163	3,226
Risk costs (annualized)	bps	59	91	55			71	70
Net interest margin (annualized)	%	2.3%	2.7%	19			2.4%	2.4%

Source: Pareto, Company

More insights:

- AuM were up by EUR 200m to EUR 4.3bn since the end of 2024, in line with Merkur's ambitions to grow AuM by EUR 350-400m every year.
- The detailed FY 2024 will be published in May 2025.

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