

## Strong 2025 numbers, cautious risk provisioning

Merkur Privatbank (Merkur) published preliminary FY 2025 numbers. Net interest income and net commission grew by 18% and 20% respectively, which was ahead of our expectations. One reason for that was a net interest margin that increased from 2.5% to 2.8%. Second, Merkur benefited from assets under management that increased from EUR 4.1bn to EUR 5.0bn during the year. Despite increasing costs, the strong income development led to a decrease in the cost-income ratio (CiR) to an excellent 51%, according to our calculations. However, net income increased only slightly from EUR 13.8m to EUR 14.9m due to higher risk provisions.

Merkur Privatbank		2024	Actual 2025	yoy (%)	Pareto 2025	Delta (%)
<b>Revenues</b>	EURm	<b>127.4</b>	<b>149.6</b>	<b>17</b>	<b>144.5</b>	<b>4</b>
<i>of which NII</i>	"	95.9	113.1	18	111.3	2
<i>of which net commissions</i>	"	29.0	34.7	20	30.2	15
<i>of which other</i>	"	2.5	1.8	-28	3.0	-40
Expenses	"	71.9	76.9	7	74.3	3
<i>CiR</i>	%	56%	51%		51%	
Risk provisions	EURm	9.9	32.1	224	14.0	129
<b>Operating profit</b>	EURm	<b>45.6</b>	<b>40.6</b>	<b>-11</b>	<b>56.1</b>	<b>-28</b>
<b>Net income</b>	EURm	<b>13.8</b>	<b>14.9</b>	<b>8</b>	<b>15.8</b>	<b>-5</b>
<b>Other KPI</b>						
Lending volume	EURm	3,306	3,326	1		
Risk costs (annualized)	bps	31	97	214		
Net interest margin (annualized)	%	2.5%	2.8%	13		

Source: Pareto, Company

### Additional first insights:

- Merkur remains optimistic for the wealth management business in 2026. In contrast, the bank will act more cautiously in its financing business in view of the discernible geopolitical and economic uncertainties.

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