

Artea Bank

INITIAL COMMENT

Key share data	
Sector	Financials
Reuters	ROE1L:VL
Bloomberg	ROE1L:LH
Market Cap (EURm)	537
Free float (EURm)	332
Issued shares, m	663

Figures & Ratios (EUR)			
	2024	2025E	2026E
NII	160	139	147
Loan losses	11	7	12
Core earnings	76	50	53
EBT	96	71	69
Net profit	79	58	57
EPS	0.12	0.09	0.09
EPS (adj.)	0.13	0.10	0.10
DPS (EUR)	0.06	0.04	0.04
Div. yield	7.2%	5.4%	5.3%
C/I ratio	52.3%	66.1%	64.0%
Equity ratio	11.9%	11.3%	10.8%
Tier 1 ratio	20.8%	19.7%	19.6%
P/E (adj.)	6.5	7.7	7.9
P/B (excl. gw)	0.93	0.88	0.84
ROE (adj.)	15.0 %	11.9 %	11.0 %

not updated

This report is paid for by the company covered in it.

Analysts

Juste Subatavičiūtė

(+370) 60582 527

juste.subataviciute@norne.no

Initial view of earnings

vs. our estimates

forecasted revisions

Stronger



Upwards



NII rebound and loan loss reversals boost ROE

Artea Bank reported its 3Q25 results today after the market close. The bank's NII rebounded QoQ, coming in stronger than expected by us, while fee income and total costs were broadly in line with our estimates. Loan loss reversals further supported the positive earnings deviation vs our expectations. Stage 3 exposure remained rather stable QoQ, indicating resilient asset quality. Supported by a core earnings beat, ROE rose to 11.4%, stronger QoQ and well above our estimate, albeit lower YoY. Adj. ROE stood at 13.5%.

Artea Bank's 3Q25 results:

- NII was ~6% above our estimate at EUR 35.9m, up ~6% QoQ (-11% YoY)
- Quarterly volume growth was broadly flat vs +4.5% QoQ in 2Q, with corporate loans marginally down QoQ and retail loans up ~3% QoQ
- Fee income came in line with our expectations, up ~5% YoY
- Total costs were broadly as expected by us, up ~25% YoY vs ~15% in 2Q. Adj. for one-offs of EUR 3.8m in 3Q (EUR 10.1m YTD), total adj. costs were 5% above our estimate, rising ~8% YoY
- The bank booked loan loss reversals of EUR 0.6m vs EUR 2.8m in losses expected by us and EUR 3.0m a year ago
- Stage 3 exposure as % of total exposure stood at 2.08%, up ~6bps QoQ
- CET1 ratio came in at 17%, down 90bps QoQ
- ROE came in at 11.4%, stronger QoQ and well above our estimate, though lower YoY. Adj. ROE landed at 13.5%.

3Q/25 results	3Q/24	2Q/25	3Q/25	3Q/25e	Deviation
EURm			Reported	Norne	
Net interest income	40.4	34.0	35.9	33.8	6.3%
Net commission income	7.3	7.6	7.6	7.6	-0.4%
Net insurance income incl. other income	-0.8	-1.2	-3.1	0.1	nm
Total costs	22.2	27.8	27.7	27.0	2.7%
Adj. total costs	22.2	23.7	23.9	22.7	5.2%
Core earnings before loan losses	28.4	18.4	19.7	18.4	7.5%
Write-downs on loans	3.0	1.6	-0.6	2.8	nm
Core earnings	25.4	16.9	20.3	15.6	30.5%
EPS (EUR)	0.031	0.021	0.025	0.019	30.2%
EPS adjusted (EUR)	0.031	0.027	0.029	0.024	21.4%
CET1 ratio, %	17.7%	17.7%	17.0%	17.9%	-0.9%p
ROE (annualised)	14.9%	9.9%	11.4%	8.7%	2.7%p
Adj. ROE (annualised)	14.9%	12.3%	13.5%	11.1%	2.4%p

DISCLOSURES AND DISCLAIMER

STANDARDS AND SUPERVISORY AUTHORITY

This report has been prepared by Norne Securities AS, which is supervised by The Financial Supervisory Authority of Norway (Finanstilsynet). Industry standards issued by The Norwegian Securities Dealers Association (Verdipapirforetakenes Forbund) (www.vpff.no) have been used in preparing this report.

DISCLAIMER

This report is provided for information purposes only. It should not be used or considered as an offer to sell or a solicitation of an offer to buy any securities. This report is prepared for general circulation and general information only. It does not take into account the specific investment objectives, investment knowledge and experience and financial situation of any recipient. Investors seeking to buy or sell any securities discussed or recommended in this report, should seek independent financial advice relating thereto and make his/her own appraisal of the tax or other financial merits of the investment. Any opinions expressed are subject to change without prior notice. This report is based on information from various sources believed to be reliable. Although all reasonable care has been taken to ensure that the information herein is not misleading, Norne Securities AS makes no guarantee, representation or warranty, expressed or implied as to its accuracy, adequacy or completeness. Neither Norne Securities AS, its employees, nor any other person connected with it, accepts any liability whatsoever for any direct, indirect or incidental, special or consequential loss of any kind arising out of the use or reliance on the information in this report.

This report is intended for use only by those persons to whom it is made available by Norne Securities AS. This report may not be distributed, quoted from or reproduced, in full or in part, in any manner without written approval by Norne Securities AS.

DISCLOSURE OF INTERESTS

Norne Securities AS may at any time perform investment banking or other services or solicit investment banking or other mandates from the company or companies covered in this report. Norne Securities AS may hold positions in securities covered in this report due to its own-account trading that is part of its investment services operations, such as market making. Norne Securities AS has appointed and may at any time appoint tied agents to provide investment services on behalf of Norne Securities AS. Tied agents are listed in the public registry of the Norwegian Financial Supervisory Authority, and an updated overview of appointed tied agents of Norne Securities AS can be found on [Compliance | Norne Securities](#).

PREVENTING CONFLICTS OF INTEREST

Norne Securities AS has arrangements in place with the aim of preventing conflicts of interest. As part of these arrangements, Norne Securities AS has established information barriers between different parts of the company to restrict and control the exchange of sensitive information. No direct link exists between remuneration of the Norne Securities AS analysts and investment banking services provided by Norne Securities AS, but analysts may receive a bonus under the firm's general bonus scheme. Under our internal regulations, which have been prepared in accordance with applicable legislation and relevant industry standards, our analysts are not permitted to purchase new securities in the companies they cover.

CAUTIONARY NOTE REGARDING RISK

An investment in the company involves risk, and several factors could cause the actual results, performance or achievements of the company to be materially different from future results, performance or achievements that may be expressed or implied by statements and information in this presentation. Including, among others, risk or uncertainties associated with the company's business segments, development, growth management, financing, market acceptance and relations with customer, and more generally, general economic and business conditions, changes in domestic and foreign laws and regulations, taxes, changes in competition and pricing environment, fluctuations in currency exchange rates and interest rates and other factors. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. Past performance is not a guide to future performance. Investing in securities may result in a loss of all or part of the investment.

DISTRIBUTION RESTRICTIONS

This report is not intended for and must not be distributed to private customers in the UK or US. Norne Securities AS and its employees are not subject to the Rules of the Financial Industry Regulatory Authority (FINRA) governing research analyst conflicts. The research reports are intended for distribution in the United States solely to "major U.S. institutional investors" as defined in Rule 15a-6 under the United States Securities Exchange Act of 1934, as amended and may not be furnished to any other person in the United States. Each major U.S. institutional investor that receives a copy of a Norne Securities AS research report by its acceptance thereof represents and agrees that it shall not distribute or provide copies to any other person. Reports are prepared by Norne Securities AS and distributed to major U.S. institutional investors under Rule 15a-6(a)(2).

VALUATION

Due to the services being Paid Research, Norne Securities will, under current legislation, not provide a specific research recommendation with respect to the Company's shares, but will provide a fair value estimate range, from conservative to optimistic, in accordance with market practice for such research.

POTENTIAL CONFLICTS OF INTEREST

This report is paid for by the company covered in it.

This report has not been presented to the issuer before dissemination for a check of factual information.

Obligation to provide information about employees' own holdings, cf. Securities Regulations § 3-10 (2) and § 3-11 (1) lit. a and b. Information on holdings of listed financial instruments that the employees of Norne Securities AS own is provided on request.

COPYRIGHT

This report may not be duplicated, photocopied or otherwise reproduced, in full or in part, under applicable copyright laws.

THIS REPORT IS SUBJECT TO NORWEGIAN LAW, AND ANY DISPUTE ARISING IN RESPECT OF THIS REPORT IS SUBJECT TO THE EXCLUSIVE JURISDICTION OF NORWEGIAN COURTS.