

Artea Bank

INITIAL COMMENT

Key share data	
Sector	Financials
Reuters	ROE1L:VL
Bloomberg	ROE1L:LH
Market Cap (EURm)	613
Free float (EURm)	382
Issued shares, m	652

Figures & Ratios (EUR)			
	2024	2025E	2026E
NII	160	138	150
Loan losses	11	4	10
Core earnings	76	54	56
EBT	96	74	73
Net profit	79	61	60
EPS	0.12	0.09	0.09
EPS (adj.)	0.13	0.11	0.11
DPS (EUR)	0.06	0.05	0.05
Div. yield	7.2%	4.9%	4.9%
C/I ratio	52.3%	65.9%	63.6%
Equity ratio	11.9%	10.8%	10.5%
Tier 1 ratio	20.8%	19.9%	20.5%
P/E (adj.)	6.5	8.5	8.7
P/B (excl. gw)	0.93	1.02	0.96
ROE (adj.)	15.0 %	12.4 %	11.5 %

not updated

Initial view of earnings

vs. our estimates forecasted revisions
In-line → **Mixed** →

ROE spot on with offsetting P&L deviations

Artea Bank's 4Q25 earnings were in line with our estimate, with weaker core income elements largely offset by modest cost savings and minimal loan losses. The proposed dividend corresponds to a 50% payout ratio, in line with our expectations and implying a 4.9% dividend yield for FY25. Adj. ROE came in at 11.2%, in line with our projection, albeit down both QoQ and YoY, indicating some deterioration in earnings quality.

Artea Bank's 4Q25 results:

- NII was ~7% below our estimate and down ~5% QoQ (-13% YoY). Quarterly lending volumes grew ~10% QoQ (vs broadly flat in 3Q), with corporate loans driving the double-digit increase
- Fee income came in somewhat below our forecast, up only ~2% YoY
- Total costs were broadly in line with our estimate, up ~6% YoY (vs ~25% in 3Q). Adjusting for one-offs of EUR 4.7m in 4Q (~EUR 14.8m in FY25), adjusted costs were marginally below our estimate and up ~7% YoY
- The bank booked minimal loan losses of EUR 0.7m (vs EUR 2.5m expected by us; EUR 4.0m in 4Q24)
- CET1 ratio was 16.6%, down 40bps QoQ
- Dividend proposal was in line with our expectations, corresponding to a 50% payout ratio and implying a 4.9% dividend yield for 2025
- Reported ROE was 8.5%, in line with our estimate. Adjusted for one-offs, ROE was 11.2%, broadly matching our estimate.

4Q/25 results	4Q/24	3Q/25	4Q/25	4Q/25e	Deviation
EURm			Reported	Norne	
Net interest income	39.2	35.9	34.0	36.6	-7.1%
Net commission income	8.1	7.6	8.2	8.6	-4.6%
Net insurance income incl. other income	-1.3	-3.1	-0.9	-1.1	-22.6%
Total costs	29.4	27.7	31.1	32.0	-2.8%
Adj. total costs	24.7	23.9	26.4	27.7	-4.9%
Core earnings before loan losses	21.9	19.7	15.5	17.4	-10.9%
Write-downs on loans	4.0	-0.6	0.7	2.5	-72.4%
Core earnings	17.9	20.3	14.8	14.9	-0.7%
EPS (EUR)	0.023	0.025	0.019	0.019	0.1%
EPS adjusted (EUR)	0.029	0.030	0.025	0.024	2.6%
Dividend per share (EUR)	0.059	-	0.047	0.047	0.0%
CET1 ratio, %	18.9%	17.0%	16.6%	18.1%	-1.5%p
ROE (annualised)	10.8%	11.5%	8.5%	8.5%	0.0%p
Adj. ROE (annualised)	13.6%	13.7%	11.2%	10.9%	0.3%p

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