

BPER

Sector: Banks

BUY

Price: Eu8.61 - Target: Eu10.00

Accelerating Core Growth, BPSO Merger Set to Ignite Next-Stage Upside

Fabrizio Bernardi +39-02-77115.387

fabrizio.bernardi@intermonte.it

Lorenzo Giacometti +39-02-77115.244

lorenzo.giacometti@intermonte.it

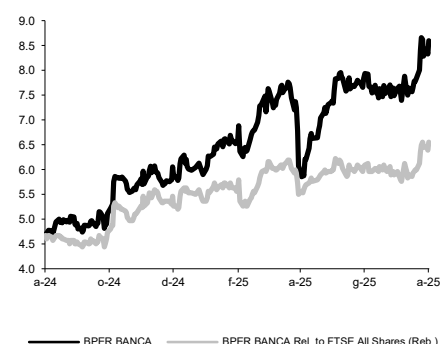
Stock Rating

Rating: from NEUTRAL to BUY

Target Price (Eu): from 8.10 to 10.00

	2025E	2026E	2027E
Chg in Adj EPS	-9.0%	8.5%	7.8%

BPER - 12M Performance



Stock Data

Reuters code:	EMII.MI
Bloomberg code:	BPE IM

Performance	1M	3M	12M
Absolute	14.9%	16.4%	84.2%
Relative	11.4%	9.9%	53.0%
12M (H/L)		8.67/4.71	
3M Average Volume (th):		15,726.36	

Shareholder Data

No. of Ord shares (mn):	1,950
Total no. of shares (mn):	1,950
Mkt Cap Ord (Eu mn):	16,788
Total Mkt Cap (Eu mn):	16,788
Mkt Float - Ord (Eu mn):	11,537
Mkt Float (in %):	68.7%
Main Shareholder:	
Unipol	19.7%

Balance Sheet Data

Tangible Equity (Eu mn):	13,564
TEPS (Eu):	6.96
CET1 Ratio Fully Loaded:	15.4%
Gross NPE Ratio:	2.6%

BPER 2Q25 results were above estimates thanks to strong operating trends. However, we think the focus is elsewhere.

BPER has just concluded its VTEO on BPSO, reaching ~80.7% of share capital. It is aiming to execute the merger ASAP.

In our view, the deal will be a game changer for BPER shareholders, as we highlight in this report, due to a solid capital position, conservative synergies expected, strong profitability, and significant distributions. We now include the contribution of BPSO, consolidated line by line, in our estimates, assuming the merger completes by 1Q26, thus eliminating payment of meaningful minorities from 2026 onwards. Given the strong fundamentals of the new perimeter and the expected trends, we estimate a FV of €10 per share, and upgrade our recommendation to BUY.

■ **BPER 2Q25 Results (page 3).** BPER delivered higher-than-expected results, underpinned by strong operating trends: NII is growing organically on volumes and the securities portfolio, fees are buoyed by excellent inflows to both AuM and Bancassurance, and associates add a solid contribution. OpEx came in better than expected thanks to lower administrative costs, while CoR sits at 32bps. Net profit reached €461mn (+19.1% A/E) and the CET1 ratio stands at 16.22%. Management struck an upbeat tone on FY25, lifting revenue guidance to €5.5bn and flagging up a structurally lower CoR of <40 bps. **BPSO 2Q25 results on page 4.**

Before merging the banks, we nudged up standalone BPER forecasts, adding slightly higher NII for 2025-26 and raising trading and Other income to include support from associates; we now project C/I of 50.0%/48.1%/46.9% for FY25-27 and have trimmed CoR assumptions.

■ **BPSO merger timeline.** After the reopened offer, BPER lifted its stake in BPSO to roughly 80.69%, taking control of the latter's EGM. Consolidation began on 1 July, so only BPSO's 2H25 results will feed into group numbers. BPER aims to have the merger plan cleared by end-October, at which point the legally defined exchange ratio will be disclosed; this ratio may mean no premium for BPSO shareholders who did not tender during the offer period.

■ **Change in perimeter (page 6).** The combined entity makes 2025 a clear transition year: integration efforts, a €300mn one-off cost in 4Q25, and BPSO's 2H25 limit the near-term picture. Thereafter, the deal becomes markedly accretive—high-single-digit on EPS and double-digit on DPS—driven chiefly by fee income on robust inflows to AuM, AuC and Bancassurance, plus further upside from sustainably higher NII and stronger product factory results. Crucially, the CET1r remains rock-solid, comfortably above 15% with steady organic capital generation. Our assumptions on the integration are explained on page 5.

■ **Valuation (BUY, TP €10).** We value BPER using a GGM implied P/TE model. Given the new perimeter, the positive trends for value extraction, and the reduction of the Intermonte ERP by 50bps, we reach a Fair Value of €10 per share. We have changed our view on the stock, raising our recommendation to BUY. The stock is trading at 1.18/1.15x its FY26/27 TE; at target, it would trade at 1.38/1.33x.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Total income (Eu mn)	5,494	5,609	6,353	7,344	7,431
Net Operating Profit (Eu mn)	2,711	2,575	3,301	4,092	4,260
Net Profit Adj (Eu mn)	1,770	1,403	1,790	2,331	2,441
EPS New Adj (Eu)	1.250	0.987	0.918	1.122	1.175
EPS Old Adj (Eu)	1.250	0.987	1.009	1.035	1.090
DPS (Eu)	0.300	0.600	0.602	0.871	0.939
P/E Adj	6.9	8.7	9.4	7.7	7.3
Div. Yield	3.5%	7.0%	7.0%	10.1%	10.9%
P/TE	1.40	1.15	1.24	1.18	1.15
ROTE	20.3%	13.2%	13.2%	15.4%	15.7%

IMPORTANT DISCLOSURES

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte.

This report is directed exclusively at market professional and other institutional investors (Institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution.

The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities.

This disclaimer is constantly updated on Intermonte's website www.intermonte.it under LEGAL NOTICES. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question. For a list of all recommendations made by Intermonte on any financial instrument or issuer in the last twelve months consult the web page CUSTOMER AREA.

Intermonte distributes research and engages in other approved activities with respect to Major U.S. Institutional Investors ("Majors") and other Qualified Institutional Buyers ("QIBs"), in the United States, via Plural Securities LLC under SEC 15a-6 guidelines. Intermonte is not registered as a broker dealer in the United States under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not a member of the Securities Investor Protection Corporation ("SIPC"). Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC.

ANALYST CERTIFICATION

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certify that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.

The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities. Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

The analyst responsible for the report is not a) a resident of US; b) an associated person of a U.S. broker-dealer; c) supervised by a supervisory principal of a U.S. broker-dealer. This Research Report is distributed in the U.S. through Plural Securities LLC, 950 3rd Avenue, Suite 1702, NY 10022, USA.

GUIDE TO FUNDAMENTAL RESEARCH

The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEIMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and - 10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 7 August 2025 Intermonte's Research Department covered 134 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	31.34%
OUTPERFORM:	37.31%
NEUTRAL:	31.35%
UNDERPERFORM:	00.00%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (79 in total) is as follows:

BUY:	51.90%
OUTPERFORM:	29.11%
NEUTRAL:	18.99%
UNDERPERFORM:	00.00%
SELL:	00.00%

CONFLICT OF INTEREST

In order to disclose its possible conflicts of interest Intermonte SIM states that:

Intermonte SIM S.p.A. operates or has operated in the last 12 months as the person in charge of carrying out the share buyback plan approved by the shareholders' meeting of ABITARE IN, ANIMA HOLDING, AZIMUT, CIVITANAVI SYSTEMS, ELEN., ELICA, INTRED, PHARMANUTRA, SERVIZI ITALIA, SESA, STAR7, TMP GROUP, UNIDATA, VALSOIA, WEBUILD

Intermonte SIM S.p.A. provides or has provided corporate brokerage services to ALLCORE, ALMAWAVE, ANTARES VISION, AQUAFIL, AVIO, CASTA DIVA GROUP, CUBE LABS, CY4GATE, CYBEROO, DIGITOUCH, DOMINION HOSTING HOLDING, ELICA, ESPRINET, EVISO, EXECUS, FINE FOODS & PHARMACEUTICALS NTM, FNM, FRANCHI UMBERTO MARMÌ, G.M. LEATHER, GPI, GREEN OLEO, GREENTHESIS, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTRED, ISCC FINTECH, ITALIAN EXHIBITION GROUP, LEMON SISTEMI, LUVÉ, MAPS, MARE ENGINEERING GROUP, NEODECORTECH, NOTORIOUS PICTURES, PREATONI GROUP, REDFISH LONGTERM CAPITAL, REVO INSURANCE, REWAY GROUP, SERI INDUSTRIAL, SPINDOX, STAR7, TALEA GROUP, ULISSE BIOMED, XENIA HOTELLERIE SOLUTION, Zest Group SpA in the last 12 months

Intermonte SIM S.p.A. operates or has operated in the last 12 months as Financial Content Provider on the company ALLCORE, ALMAWAVE, B&C SPEAKERS, BANCA SISTEMA, BIFIRE, CASTA DIVA GROUP, CLEANBNB, COFLE, CROWDFUNDME, CUBE LABS, DIGITOUCH, DOMINION HOSTING HOLDING, ECOSUNTEK, EDILIZIACROBATICA, ELES, ENERGY, EVISO, EXECUS, FAE TECHNOLOGY, FIERA MILANO, FOPE, G.M. LEATHER, GREEN OLEO, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTERCOS, INTRED, ISCC FINTECH, LEMON SISTEMI, MAPS, MARE ENGINEERING GROUP, MASI AGRICOLA, MISITANO & STRACUZZI SPA, NEODECORTECH, NOTORIOUS PICTURES, OLIDATA, OSAI AUTOMATION SYSTEM, PREATONI GROUP, RACING FORCE, REDFISH LONGTERM CAPITAL, RETI, SGIUKER FRAMES, SG COMPANY, SIMONE, SOLID WORLD GROUP, SPINDOX, TALEA GROUP, TAMBURI, TINEXTA, TMP GROUP, TPS, ULISSE BIOMED, XENIA HOTELLERIE SOLUTION, Zest Group SpA

Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of intermediary appointed in the public purchase and/or exchange offer transaction of MARE ENGINEERING GROUP, TINEXTA

Intermonte SIM S.p.A. operates or has operated in the last 12 months as liquidity provider of BANCA SISTEMA, Zest Group SpA

Intermonte SIM is acting as counterparty to WIIT Fin S.r.l. in connection with call and put options having **WIIT S.p.A. shares and dividends as reference underlying.****Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of financial advisor for** AQUAFIL, BANCA GENERALI, BANCA IFIS, BANCO BPM, MARE ENGINEERING GROUP, TINEXTA

Intermonte SIM S.p.A. operates or has operated in the last 12 months as market maker on financial instruments with underlying shares issued by A2A, AMPLIFON, AZIMUT, BANCA IFIS, BANCA MEDIOLANUM, BANCO BPM, BCA MPS, BCA POP SONDRIO, BFF BANK, Bper Banca, BREMBO, BUZZI, CAMPARI, DANIELI & C, DIASORIN, ENEL, ENI, ERG, FERRARI, FINECOBANK, INDUSTRIE DE NORA, INTERPUMP GROUP, INTESA SANPAOLO, INWIT, IREN, ITALGAS, IVECO GROUP, LEONARDO, LOTTOMATICA GROUP, MEDIOBANCA, MFE B, MONCLER, MONDADORI EDIT., NEXI, OVS, PIRELLI & C, POSTE ITALIANE, PRYSMIAN, SAIPEM, SESA, SNAM S.p.A., STELLANTIS, STMICROELECTRONICS, TECHNOGYM, TECHNOPROBE, TELECOM ITALIA, TELECOM ITALIA R, TENARIS, TERNA, UNICREDIT, UNIPOL, WEBUILD

Intermonte Sim S.p.A. has or had in the last 12 months a marketing contract on instruments issued by BARCLAYS, BNP PARIBAS, GOLDMAN SACHS GROUP INC, LEONTEQ, MAREX FINANCIAL, MEDIOBANCA, MORGAN STANLEY, NATIXIS, SOCIETE GENERALE, UNICREDIT, VONTOBEL N, WISDOMTREE IRELAND LIMITED

Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of specialist on financial instruments issued by ABITARE IN, ALKEMY, BANCA IFIS, BANCA SISTEMA, CIVITANAVI SYSTEMS, COFLE, CYBEROO, DIGITOUCH, ECOSUNTEK, ELEN., EMAK, ENERGY, GREEN OLEO, GREENTHESIS, MISITANO & STRACUZZI SPA, MONDADORI EDIT., OLIDATA, OMER, PHARMANUTRA, QF ALPHA IMM, REPLY, SERVIZI ITALIA, SESA, SG COMPANY, SOMEK, SYS-DAT, TAMBURI, TESMEC, THE ITALIAN SEA GROUP, TINEXTA, TMP GROUP, TXT E-SOLUTIONS, UNIDATA, WIIT with the obligation to disseminate studies

Intermonte SIM S.p.A. plays or has played in the last 12 months the role of sponsor for UNIDATA S.p.A.

© Copyright 2025 by Intermonte SIM - All rights reserved

It is a violation of national and international copyright laws to reproduce all or part of this publication by email, xerography, facsimile or any other means. The Copyright laws impose heavy liability for such infringement. The Reports of Intermonte SIM are provided to its clients only. If you are not a client of Intermonte SIM and receive emailed, faxed or copied versions of the reports from a source other than Intermonte SIM you are violating the Copyright Laws. This document is not for attribution in any publication, and you should not disseminate, distribute or copy this e-mail without the explicit written consent of Intermonte SIM.

INTERMONTE will take legal action against anybody transmitting/publishing its Research products without its express authorization.

INTERMONTE Sim strongly believes its research product on Italian equities is a value added product and deserves to be adequately paid.

Intermonte Sim sales representatives can be contacted to discuss terms and conditions to be supplied the INTERMONTE research product.

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website <https://www.intermonte.it/it/avvertenze-legali/mifid-ii.html>
Further information is available.