

Review Note

Recommendation

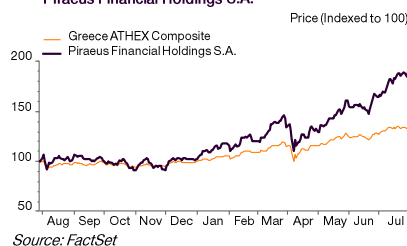
Rating	BUY
From	Unchanged
Target Price	€ 7.50
from	Unchanged
Share Price	€ 6.828
Price date	29/07/2025
Upside/Downside	+9.8%
Bloomberg ticker	TPEIR GA
Reuters ticker	BOPr.AT

Statistics

Mkt Cap (m)	€ 8,538
Shares out (m)	1,250.4
Free float	100.0%
Daily avg shares (k) 12mths	5,258
Price high 12mths	€ 6.828
Price low 12mths	€ 3.262
ABS. PERF. YtD	+77.4%
ABS. PERF. 12mths	+80.7%
ABS. PERF. 3mths	+36.0%
ABS. PERF. 1mth	+16.1%

Graph | Piraeus vs. ASE | 12mths

Piraeus Financial Holdings S.A.



Research department

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2Q results in line, on track to meet FY target

Optima View | Piraeus reported a solid set of results that came in line with Optima and consensus estimates, indicating is on track to meet FY net profit target of EUR ca1.1bn. We reiterate our Buy rating and TP25e of EUR 7.50. The stock is trading 1.11x P/TBV25e, at 16% discount to EU banks, despite its superior RoaTBV (14.7% vs. 13.6% of EU banks).

Guidance Upgrade | Mgt upgraded net credit expansion target to more than EUR 3.5bn from EUR 2.5bn previously (PEs EUR >36.5bn) and AuM target to >13.5bn from EUR >12.0bn previously. Piraeus intends to proceed with an interim distribution to shareholders out of 2025 profit, amounting to EUR 100m in share buyback, to be executed during 4Q25. NII25 target reiterated at EUR 1.9bn and NII26 target of EUR 1.9bn entails upside risk. Mgt will host a CC at 14:00 Athens/12:00 London Time.

1H25 KPIs | Net profit reached EUR 559.2m (-1% y-o-y), on flattish fee income at EUR 325.3m and non-core revenues of EUR 56.7m that offset NII drop (-9% y-o-y), higher OpEx (+7% y-o-y) and LLP and other provisions (+45% y-o-y). RoaTBV stood at 15%, higher than FY target of ca14%.

2Q25 KPIs | Net profit reached EUR 275.5m (-3% q-o-q, -17% y-o-y), in line expectations. The results were burdened by EUR 45m post model adjustment for CHF mortgages. Excluding the one-off adjustment, Piraeus would have exceeded FY net profit target. NII came in at EUR 473.6m (-2% q-o-q, -10% y-o-y), in line with expectations. The sequential deceleration in NII drop (2Q Δ of EUR 34m vs. 1Q Δ of EUR 57m) is attributed to the strong NCE in 1H, higher income from inv. securities (2Q Δ of EUR 4m), lower cost of depos (2Q Δ of EUR -12m) and ECB funding costs (2Q Δ of EUR -5m). NIM squeezed by 7bps q-o-q to 2.38%. Fee income was shaped at EUR 165.5m (+4% q-o-q, -8% y-o-y), in line with expectations. Non-recurring revenues reached EUR 47.9m, well above expectations. All in all, revenues came in at EUR 687.0m (+6% q-o-q, -5% y-o-y). On the cost side, OpEx stood at EUR 211.8m (-5% q-o-q, +4% y-o-y) and LLPs landed at EUR 94.0m (+167% q-o-q, +117% y-o-y), o/w EUR 45.0m post model adjustment for CHF mortgages and NPE clean-up cost of EUR 23.0m. CoR widened to 51bps vs 35bps in 1Q, at par with the FY target of ca50bps.

Volumes | Strong NCE at EUR 1.1bn q-o-q with performing loans at EUR 35.9bn and net loans at EUR 41.8bn. Deposits increased by EUR 1.4bn q-o-q to EUR 62.9bn and L/D ratio improved to 66.5% from 67.3% in 1Q25.

Asset quality | Organic NPE formation decelerated to EUR 14.2m from EUR 32.3m in 1Q and group NPEs dropped by EUR 4.9m q-o-q to ca1.1bn. The NPE ratio was flattish q-o-q at 2.6% and the NPE cash coverage widened to 67.5% from 64.2% in 1Q25.

Capital dynamics | Tangible equity stood at 7.36bn and TBVPS at EUR 5.90/share. Reported CET1 ratio was flattish q-o-q at 14.2% and CAD ratio widened to 20.2%.

Forecasts (EUR m)	2024	2025e	2026e	2027e	2028e
Net interest income	2.088	1.900	1.903	2.000	2.200
Fee income	648	650	670	690	710
Operating income	2.757	2.630	2.652	2.770	2.990
Pre-provision income	1.880	1.741	1.753	1.830	1.978
Loan loss provisions	281	172	174	174	175
Net profit/(loss)	1.066	1.093	1.104	1.163	1.279
Remuneration per share (EUR)	0,30	0,44	0,44	0,47	0,51
Valuation Ratios	2024	2025e	2026e	2027e	2028e
P/E	8,0x	7,8x	7,7x	7,3x	6,7x
P/TBV	1,19x	1,11x	1,05x	0,98x	0,92x
RoaTBV	15,7%	14,7%	13,9%	13,8%	14,3%
RoAA	1,4%	1,3%	1,3%	1,3%	1,4%
Remuneration yield	4,4%	6,4%	6,5%	6,8%	7,5%

source: the Company, Optima bank research

Table 1 | 2Q25 P&L Actual vs. Forecasts – Group

(EUR m)	2Q25	1Q25	QoQ	2Q24	YoY	vs Optima	vs Consensus
Net Interest Income	473,6	481,0	-2%	527,6	-10%	1%	0%
Fee income	165,5	159,7	4%	179,2	-8%	1%	0%
Core income	639,1	640,7	0%	706,8	-10%	1%	0%
Non-core Revenues	47,9	8,8	-	19,2	149%	-	219%
Total revenues	687,0	649,5	6%	726,0	-5%	5%	5%
Operating Expenses	(211,8)	(224,0)	-5%	(203,3)	4%	0%	-1%
Pre Provision Profit	475,1	425,5	12%	522,8	-9%	8%	8%
LLPs (inc, associates income)	(104,3)	(35,3)	196%	(43,3)	141%	34%	86%
Reported Net Profit	275,5	283,7	-3%	330,0	-17%	2%	1%

source: Company, Optima Research estimates, Median Consensus estimates-Company

Table 2 | 1H25 P&L – Group

(EUR m)	1H25	1H24	YoY
Net Interest Income	954,5	1.045,2	-9%
Fee income	325,3	324,6	0%
Core income	1.279,8	1.369,7	-7%
Non-core Revenues	56,7	(51,9)	-209%
Total revenues	1.336,4	1.317,9	1%
Operating Expenses	(435,8)	(405,7)	7%
Pre Provision Profit	900,6	912,2	-1%
LLPs (inc, associates income)	(147,3)	(101,7)	45%
Reported Net Profit	559,2	563,1	-1%

source: Company, Optima Research estimates, Median Consensus estimates-Company

DISCLOSURE APPENDIX

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The analysts mentioned above who prepared this report have the below mentioned financial interests in the companies covered in this report...none...

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Optima bank Research Department Rating Distribution | Data current as of 30/07/2025

Recommendation System is **Absolute**: Each stock is rated on the basis of a total return, measured by the upside over a **12 month time horizon**

	Buy > 10%	Neutral -5% to +10%	Sell < -5%	Under Review Suspended	Restricted
Total Coverage	70%	15%	0%	15%	0%
% of companies that are IB clients	0%	0%	0%	0%	0%
Banks	75%	25%	0%	0%	0%
% of companies that are IB clients	0%	0%	0%	0%	0%

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6. Within the last 12 months, Optima bank has provided advisory services to the following companies mention in this report: None
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8. On July 31, 2019, Motor Oil's Cyprus based wholly owned subsidiary under the legal name IREON INVESTMENTS LTD completed the acquisition of 97.08% stake in the share capital of Optima bank S.A. (former Investment Bank of Greece S.A.), 94.52% stake in the share capital of CPB Asset Management A.E.D.A.K. and 100% stake in the share capital of Laiki Factors and Forfaiters S.A.
9. Following the sale and transferring of shares from IREON INVESTMENTS LTD to numerous third parties in multiple dates since the initial acquisition, and Optima bank's subsequent EUR 80m share capital increase, in which IREON INVESTMENTS did not participate, the participation of IREON INVESTMENTS LTD in OPTIMA BANK S.A. as of January 19, 2021 was reduced to a percentage lower than 15%.

Recommendation History | Piraeus Financial Holdings

Date	Recommendation	TP	CP (at report date)
07-Jul-25	Buy	EUR 7.50	EUR 6.068
01-Apr-25	Buy	EUR 6.50	EUR 5.048
28-Jan-25	Buy	EUR 6.20	EUR 4.468
30-Sep-24	Buy	EUR 6.00	EUR 3.93
06-Jun-24	Buy	EUR 5.50	EUR 3.724
24-Jan-24	Buy	EUR 5.00	EUR 3.45

Risks to our forecasts and valuation

On the downside we note

- Macro Risks: Lower economic growth and credit expansion, high(er) unemployment
- Asset quality issues: Higher NPE leading to higher provisions.
- Capital / Regulatory Risks: Stricter regulations on capital definitions, minimum requirements, DTAs/DTCs and / or RWAs
- Domestic Legislative risks: Slower implementation of new debt repayment policies (debt restructurings, e-auctions, foreclosures, etc) that affect payment moral and risk asset quality dynamics
- Execution risk in meeting NPE reduction targets
- Exposure to Emerging Markets: Macro, political, regulatory and currency risks (where applicable)

On the upside we note

- Faster and higher than expected GDP recovery and credit expansion
- Higher (better) marks on NPE sales /securitisations, recovery values of existing stock
- Higher interest rates that positively affect and NII and this profitability

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