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ING BSK: buy (reiterated)

Michał Konarski, Equity Analyst, Expert +48 515 025 640 | Mikołaj Lemańczyk, Equity Analyst, Senior Specialist +48 501 663 511

Solid as Always

We raise our target price for ING BSK ("ING") to PLN 360.00 with a reiterated 'Buy' recommendation.

Given the pace of balance sheet growth, ING continues to navigate market trends better than average, a hallmark it has long been recognized for. ING is poised to reveal an updated strategy. We do not expect any ground-breaking shifts, but we are curious about the rationale behind the newly established Private Banking segment.

We have slightly trimmed our net interest income estimates to better reflect recent developments. Consequently, our net profit forecasts now fall below consensus estimates for 2025 (-4.5%) and 2027 (-4%), while the 2026 forecast remains 6% above consensus. We expect ING to remain a leader in margin protection, supported by effective macro cashflow strategies. Combined with an expanding balance sheet, this should support NII growth in coming years.

We have not yet incorporated the potential impact of the proposed changes to CIT and the banking tax, as the legislation is still pending presidential approval. For reference, under a scenario assuming a CIT increase, our target price for ING would decline to 324.00zl. Given that mortgages still account for nearly 40% of ING's loan portfolio, ING could be more exposed if the President makes his approval of the CIT increase contingent on consumer protection mechanisms.

Our P/BV fair value estimates for ING stand at 2.3x for 2025E, 2.1x for 2026E, and 2.0x for 2027E, corresponding to expected ROE of 23%, 20%, and 19%, respectively. ING continues to deliver above-average balance sheet growth and distinguishes itself through strong corporate governance – factors that justify a valuation premium.

CIT Hike Scenario

The bill proposing CIT rate reduction for banks from 30% in 2026 to 26% in 2027 and 23% from 2028 has passed the Sejm, but enactment is uncertain as a new government formed post the 2027 election may be less inclined to cut taxes. In our base-case scenario where CIT drops from 30% in 2026 to 26% from 2027 onward, and banking tax is cut by 10%, our net profit estimates for ING BSK fall by 17% and 8%, and our TP declines to 324.00zl – close to the current market price.

Current Price*	315.00 PLN	**Upside**
12M Target Price	360.00 PLN	+14.3%

* Price as of November 04, 2025, 5:00 PM

	rating	target price	issued
new	**buy**	**360.00 PLN**	**2025-11-05**
old	buy	335.00 PLN	2025-06-16

Key Metrics				vs. WIG
Ticker	ING PW	1M Price Chng	+2.4%	-0.7%
ISIN	PLBSK0000017	YTD Price Chng	+45.6%	+5.7%
Outst. Stock (m)	130.1	ADTV 1M		2.0 mln PLN
MC (PLN m)	40,981.5	ADTV 6M		3.7 mln PLN
		P/E 12M fwd	9.9	-0.5%
Free Float	25.0%	P/E 5Y avg	10.0	discount

Earnings Projections

(PLN m)	2023	2024	2025E	2026E	2027E
NII	8,171	8,725	8,801	9,113	9,299
Total income	10,648	11,246	11,662	11,860	12,154
Costs	-3,700	-3,958	-4,369	-4,514	-4,745
Provisioning	-508	-944	-866	-956	-915
Net income	4,441	4,369	4,317	4,277	4,308
P/E	9.2	9.4	9.5	9.6	9.5
P/B	2.4	2.4	2.0	1.9	1.7
ROE	34.1%	25.8%	23.1%	20.3%	18.8%
DPS	0.00	33.35	25.18	24.89	16.44
DYield	0.0%	10.6%	8.0%	7.9%	5.2%

Forecast Update (% change)	2025E	2026E	2027E
Net interest income	-3.8%	-1.7%	-1.6%
Fee income	+1.4%	+0.0%	-2.1%
Total costs	+0.4%	+0.2%	-0.1%
Provisioning	+0.2%	-0.5%	-1.6%
Net income	-1.6%	-2.7%	-3.2%

mBank Biuro maklerskie

List of abbreviations and ratios used by mBank:
EV (Enterprise Value) – Equity Value + Net Debt; **EBIT** – Earnings Before Interest and Taxes; **EBITDA** – EBIT + Depreciation & Amortisation; **Net Debt** – Borrowings + Debt Securities + Interest-Bearing Loans - Cash and Cash Equivalents; **P/E** (Price/Earnings) – Price Per Share Divided by Earnings Per Share; **P/CE** (Price to Cash Earnings) – Price Per Share Divided by Earnings + Depreciation & Amortisation; **P/B** (Price to Book Value) – Price Per Share Divided by Book Value Per Share; **P/CF** (Price to Cash Flow) – Price Divided by Cash Flow from Operations; **ROE** (Return on Equity) – Earnings Divided by Shareholders' Equity; **ROCE** (Return on Capital Employed) – EBIT x (Average Assets - Current Liabilities); **ROIC** (Return on Invested Capital) – EBIT x (1-Tax Rate) / (Average Equity + Minority Interest + Net Debt); **FCFF** (Free Cash Flow to Firm) – Cash Flow from Operations - CAPEX - Lease Payments; **FCFE** (Free Cash Flow to Equity) – Free Cash Flow to Firm - Net Interest Expense (incl. Debt + Leases); **EBITDA margin** – EBITDA/Sales

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NEUTRAL (N) – a rating which indicates that we expect the stock to perform in line with the broad market
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mBank issued the following recommendations for ING BSK in the 12 months prior to this publication:

ING BSK (Michał Konarski, Mikołaj Lemańczyk)

Rating	buy	buy
Rating date	2025-06-16	2024-12-02
Target price (PLN)	335.00	300.00
Price on rating day	291.00	236.50

mBank.pl

mBank S.A.
Prosta 18
00-850 Warszawa
http://www.mbank.pl/

Research Department

Beata Szparaga-Waśniewska, CFA
director
+48 510 929 021
beata.szparaga-wasniewska@mbank.pl
biotechnology, healthcare

Mateusz Krupa, CFA
deputy director
+48 571 608 973
mateusz.krupa@mbank.pl
strategy

Paweł Szpigiel
+48 509 603 258
pawel.szpigiel@mbank.pl
media, IT, telco, e-commerce

Michał Konarski
+48 515 025 640
michal.konarski@mbank.pl
banks, financials

Mikołaj Lemańczyk, CFA
+48 501 663 511
mikolaj.lemanczyk@mbank.pl
banks, financials, property developers

Piotr Poniatowski
+48 509 603 046
piotr.poniatowski@mbank.pl
gaming, leisure

Janusz Pięta
+48 506 065 659
janusz.pieta@mbank.pl
retail, e-commerce

Marlen Jakub Sargsyan
+48 519 419 895
marlen.sargsyan@mbank.pl
industrials, mining

Sales and Trading

Traders

Piotr Gawron
director
+48 698 832 853 | +48 22 697 48 95
piotr.gawron@mbank.pl

Paweł Cylkowski
deputy director
+48 503 684 130 | +48 22 697 47 31
pawel.cylkowski@mbank.pl

Piotr Brożyna
+48 512 756 702 | +48 22 697 48 47
piotr.brozyna@mbank.pl

Andrzej Kowalczyk
+48 789 868 634 | +48 22 697 47 44
andrzej.kowalczyk@mbank.pl

Karol Kułaj
+48 509 602 984 | +48 22 697 49 85
karol.kulaj@mbank.pl

Patryk Gniadek
tel. +48 505 116 638 | +48 22 697 48 82
patryk.gniadek@mbank.pl

Andrzej Sychowski
+48 605 848 003 | +48 22 697 48 46
andrzej.sychowski@mbank.pl

Łukasz Płaska
+48 784 449 962 | +48 22 697 47 90
lukasz.plaska@mbank.pl

Sales, Foreign Markets

Marzena Łempicka-Wilim
deputy director
+48 696 427 249
marzena.lempicka-wilim@mbank.pl

Private Client Sales

Maciej Sokołowski
director
maciej.sokolowski@mbank.pl

Jarosław Banasiak
deputy director
jaroslaw.banasiak@mbank.pl