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BNP Paribas Polska: buy (reiterated)

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One of the Cheapest in the Region

We reiterate our „Buy” rating for BNP Paribas Bank Polska (“BNP Paribas”) with the target price slightly reduced to PLN 152.86.

BNP Paribas reported 3Q'25 results somewhat below consensus expectations but in line with ours. A miss on the bottom line was predominantly driven by higher-than-expected net provisioning and lower net F&C income. On the positive side, lending volumes finally accelerated in 3Q'25, driven by mortgages (+4% Q/Q).

In our post-YTD forecast adjustments, we leave our expectations for net interest income and operating costs broadly unchanged and, but we reduce non-interest income and net provisioning (ex CHF provisions). As a result, we revise our net income forecasts down by 3% to PLN 2,75bn for 2025, by 7% to PLN 2.42bn for 2026 (higher CHF provisioning), and by just 1% to PLN 2.85bn for 2027. The updated 2025-26 forecasts are 10%-2% below consensus and the 2027 estimate is 6% above. It is worth noting that the 2026-27 consensus already partially factors in potential CIT hikes.

BNP Paribas remains cheaper than most of its peers, trading at a 39% at 0.8x 2027E P/BV. We acknowledge that part of the discount reflects below-average ROE and DY. Investors are also worried about a potential share overhang, as the bank's French owner is expected to sell a 6.23% stake to reach a 75% free float. Another concern, though somewhat eased after 3Q'25, is weak loan growth. Our TP implies 27E P/BV of 1.1x, a 29% discount still.

CIT Hike Scenario

The bill proposing CIT 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 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 BNP Paribas fall by 16% and 8%, and our TP declines to PLN 135.29, above current market price.

Current Price*	115.00 PLN	Upside
12M Target Price	152.86 PLN	+32.9%

* Price as of November 06, 2025, 5:00 PM

	rating	target price	issued
new	buy	152.86 PLN	2025-11-07
old	buy	154.34 PLN	2025-08-13
Key Metrics		BNPPPL PW	vs. WIG
Ticker	BNPPPL PW	1M Price Chng	+10.6% +5.9%
ISIN	PLBGZ0000010	YTD Price Chng	+48.7% +7.7%
Outst. Stock (m)	147.4	ADTV 1M	0.7 mln PLN
MC (PLN m)	16,953.2	ADTV 6M	1.0 mln PLN
		P/E 12M fwd	6.7 -7.9%
Free Float	18.8%	P/E 5Y avg	7.3 discount

Earnings Projections

(PLN m)	2023	2024	2025E	2026E	2027E
NII	5,225	5,741	5,867	5,439	5,770
Total income	7,585	8,078	8,508	7,801	8,208
Costs	-3,398	-3,677	-3,725	-3,794	-3,882
Provisioning	-34	-246	-141	-207	-270
Net income	1,013	2,358	2,752	2,416	2,848
P/E	16.7	7.2	6.2	7.0	6.0
P/B	1.3	1.1	1.0	0.9	0.8
ROE	8.4%	16.7%	17.0%	13.6%	14.6%
DPS	0.00	2.95	6.80	5.63	4.95
DYield	0.0%	2.6%	5.9%	4.9%	4.3%

Forecast Update (% change)	2025E	2026E	2027E
Net interest income	+0.8%	+0.0%	+0.1%
Fee income	-1.2%	-5.5%	-6.1%
Total costs	-0.4%	-0.6%	-0.7%
Provisioning	+1.4%	-15.4%	-26.1%
Net income	-3.1%	-6.6%	-0.8%

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 BNP Paribas Bank Polska in the 12 months prior to this publication:

BNP Paribas Polska (Michał Konarski, Mikołaj Lemańczyk)

Rating	buy	buy	buy
Rating date	2025-08-13	2025-06-16	2024-12-02
Target price (PLN)	154.34	140.55	114.17
Price on rating day	113.00	99.00	81.80

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