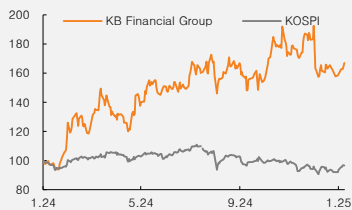


(Maintain)	Buy
Target price	W120,000
Current price (1/10/25)	W87,800
Upside	36.7%

NP (24F, Wbn)	5,131
Consensus NP (24F, Wbn)	5,095
EPS growth (24F, %)	3.2
Market EPS growth (24F, %)	70.6
P/E (24F, x)	6.4
Market P/E (24F, x)	10.6
KOSPI	2,515.78

Market cap (Wbn)	34,552
Shares outstanding (mn)	394
Free float (%)	79.6
Foreign ownership (%)	77.0
Beta (12M)	1.51
52-week low (W)	49,300
52-week high (W)	101,200

(%)	1M	6M	12M
Absolute	5.4	5.0	71.2
Relative	1.3	19.7	72.9



Mirae Asset Securities Co., Ltd.

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KB Financial Group

Likely to maintain industry-leading shareholder returns

Retain Buy and TP of W120,000

We retain our Buy rating and target price of W120,000 on KB Financial Group (KBFG). For 4Q24, we estimate net profit attributable to owners of the parent at W735.3bn, exceeding the consensus by 5.3%. We also believe the group managed to keep its CET1 ratio above the target level (13.5%) despite a slight decline due to sharp won depreciation; this should allow it to continue implementing its shareholder return policy as planned and maintain its industry-leading shareholder return ratio (payout ratio including dividends and buybacks).

We believe interest income held steady QoQ, backed by a stable NIM and slight growth in won-denominated loans (estimate: +0.6% QoQ). Meanwhile, non-interest income likely declined QoQ and YoY due to a bearish stock market and won depreciation. While voluntary retirement-related costs likely led to a higher cost ratio, overall SG&A expenses likely declined YoY. We also estimate credit cost ratio improved sharply YoY on a favorable base (following significant PF-related provisions in 2023) and provisioning write-backs.

We estimate the CET1 ratio fell slightly QoQ but remained above the target of 13.5%. KBFG's CET1 ratio is at the highest level among peers, with relatively low sensitivity to FX fluctuations. Accordingly, the group should be able to continue implementing its shareholder return plans.

For 2025, we forecast the shareholder return ratio at 45.2%, the highest in the banking industry. Based on the group's corporate value enhancement plan, we expect full-year stock buybacks/cancellations to exceed W1tr and estimate the shareholder return yield for 2025 at 7.8% (based on the Jan. 10 closing price).

(Dec.)	2022	2023	2024F	2025F	2026F
Net operating revenue (Wbn)	13,738	16,221	16,821	16,746	17,140
OP (Wbn)	5,247	6,427	7,987	7,421	7,782
NP (Wbn)	4,122	4,626	5,131	5,336	5,602
EPS (W)	10,334	11,580	12,917	13,886	15,066
BPS (W)	135,583	150,344	155,104	168,666	183,652
P/E (x)	4.7	4.7	6.4	6.3	5.8
P/B (x)	0.36	0.36	0.53	0.52	0.48
ROE (%)	8.2	8.4	8.9	8.9	8.9
Shareholder return yield (%)	7.7	8.5	6.3	7.8	8.2
CET1 ratio (%)	13.2	13.6	13.7	13.7	13.6

Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent

Source: Company data, Mirae Asset Securities Research estimates

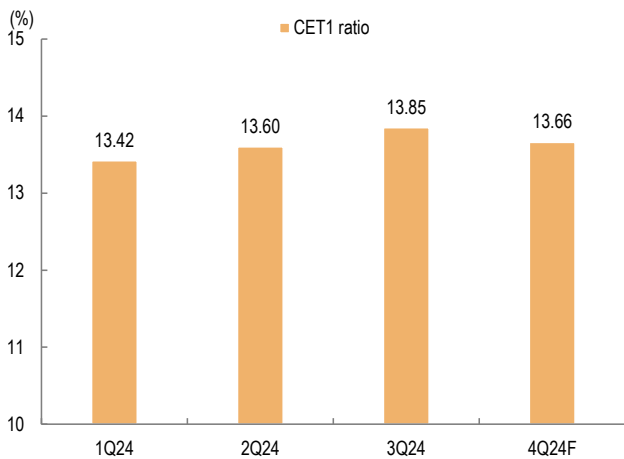
Table 1. KBFG: Earnings and forecasts

(Wbn)

	1Q24	2Q24	3Q24	4Q24F	2023	2024F	2025F
Net operating revenue	4,412	4,449	4,506	3,453	16,221	16,821	16,746
Interest income	3,152	3,206	3,165	3,163	12,030	12,686	12,687
Bank	2,167	2,164	2,053	2,060	8,239	8,444	8,257
Non-bank	985	1,042	1,112	1,104	3,791	4,242	4,430
Non-interest income	1,261	1,243	1,341	290	4,191	4,135	4,060
SG&A expenses	1,628	1,594	1,651	1,899	6,647	6,772	7,238
PPOP	2,784	2,855	2,856	1,554	9,574	10,048	9,508
Provisioning	428	553	498	582	3,146	2,061	2,087
OP	2,355	2,302	2,358	972	6,427	7,987	7,421
Non-OP	-948	67	-73	-33	-265	-987	-265
Pretax profit	1,407	2,369	2,284	939	6,162	7,000	7,156
Taxes	344	659	688	248	1,605	1,939	1,889
Consolidated NP	1,063	1,711	1,596	691	4,557	5,061	5,267
NP attr. to owners of the parent	1,049	1,732	1,614	735	4,626	5,131	5,336

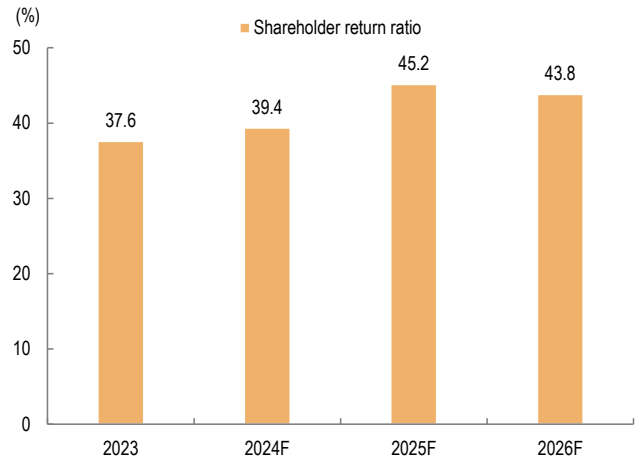
Source: Company data, Mirae Asset Securities Research

Figure 1. CET1 ratio



Source: Company data, Mirae Asset Securities Research

Figure 2. Shareholder return ratio



Note: Shareholder return ratio is the payout ratio including dividends + buybacks.
Source: Company data, Mirae Asset Securities Research

KB Financial Group (105560 KS)

Income statement

(Wbn)	2023	2024F	2025F	2026F
Net operating revenue	16,221	16,821	16,746	17,140
Interest income	12,030	12,686	12,687	12,923
Bank	8,239	8,444	8,257	8,412
Non-bank	3,791	4,242	4,430	4,510
Non-interest income	4,191	4,135	4,060	4,217
SG&A expenses	6,647	6,772	7,238	7,420
PPOP	9,574	10,048	9,508	9,720
Provisioning	3,146	2,061	2,087	1,937
OP	6,427	7,987	7,421	7,782
Non-OP	-265	-987	-265	-265
Pretax profit	6,162	7,000	7,156	7,517
Taxes	1,605	1,939	1,889	1,985
NP	4,557	5,061	5,267	5,533
Attr. to owners of the parent	4,626	5,131	5,336	5,602
Minority interests	-68	-69	-69	-69

Growth (%)	2023	2024F	2025F	2026F
Net operating revenue	18.1	3.7	-0.4	2.4
Interest income	5.6	5.5	0.0	1.9
Bank	8.7	2.5	-2.2	1.9
Non-bank	-0.6	11.9	4.4	1.8
Non-interest income	78.7	-1.3	-1.8	3.9
SG&A expenses	0.1	1.9	6.9	2.5
PPOP	34.9	5.0	-5.4	2.2
Provisioning	70.3	-34.5	1.3	-7.2
OP	22.5	24.3	-7.1	4.9
Non-OP	-264.9	272.7	-73.2	0.0
Pretax profit	14.0	13.6	2.2	5.0
Taxes	6.5	20.8	-2.6	5.0
NP	16.9	11.1	4.1	5.0
Attr. to owners of the parent	12.2	10.9	4.0	5.0
Minority interests	-69.1	1.5	0.0	0.0

Performance indicators

(%, Wbn)	2023	2024F	2025F	2026F
NIM	1.79	1.79	1.68	1.64
NIS	1.75	1.72	1.64	1.60
Cost-to-income ratio	41.0	40.3	43.2	43.3
Credit cost ratio	0.72	0.44	0.43	0.38
Asset growth	3.9	4.8	4.1	4.5
Equity growth (attr. to owners)	7.7	2.4	5.0	5.1
BIS capital	53,744	57,053	59,979	63,126
Tier 1 capital	49,390	52,706	55,633	58,780
CET1 capital	43,664	47,051	49,977	53,124
Tier 2 capital	4,353	4,346	4,346	4,346
Risk-weighted assets	321,319	344,423	365,549	389,508
BIS capital adequacy ratio	16.7	16.6	16.4	16.2
Tier 1 capital	15.4	15.3	15.2	15.1
CET1 capital	13.6	13.7	13.7	13.6
Tier 2 capital	1.4	1.3	1.2	1.1

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet

(Wbn)	2023	2024F	2025F	2026F
Assets	715,739	749,807	780,233	815,126
Cash/cash equivalents	29,836	26,386	27,457	28,685
Securities	199,238	205,433	213,769	223,329
Loans	444,805	468,803	487,826	509,642
Won-denominated bank loans	341,644	363,986	378,756	395,694
Tangible assets	9,264	9,287	9,287	9,287
Other	41,860	39,898	41,894	44,183
Liabilities	656,865	689,562	717,062	748,807
Deposits	406,512	426,080	443,369	463,197
Won-denominated bank deposits	354,428	372,931	388,064	405,418
Borrowings	138,760	138,012	143,516	149,869
Other	111,592	125,471	130,177	135,741
Equity	58,873	60,245	63,171	66,319
Attr. to owners of the parent	56,930	58,284	61,210	64,357
Capital stock	2,091	2,091	2,091	2,091
Capital surplus	16,648	16,618	16,618	16,618
Capital adj.	-1,166	-907	-907	-907
AOCI	2,295	495	495	495
Retained earnings	32,029	34,904	37,831	40,978
Other	5,033	5,083	5,083	5,083
Minority interests	1,944	1,962	1,962	1,962

Investment indicators

(x, %, W)	2023	2024F	2025F	2026F
Valuation				
P/E	4.7	6.4	6.3	5.8
P/B	0.36	0.53	0.52	0.48
Dividend yield	5.7	3.8	4.1	4.5
Per-share indicators				
EPS	11,580	12,917	13,886	15,066
BPS	150,344	155,104	168,666	183,652
DPS	3,060	3,189	3,616	3,991
Growth				
EPS	10.9	3.2	8.7	8.9
BPS	10.9	3.2	8.7	8.9
Profitability				
ROE	8.4	8.9	8.9	8.9
ROA	0.66	0.70	0.70	0.70
PPOP margin	59.0	59.7	56.8	56.7
OP margin	39.6	47.5	44.3	45.4
Pretax margin	38.0	41.6	42.7	43.9
Net margin	28.5	30.5	31.9	32.7

No. of shares & dividend payout ratio

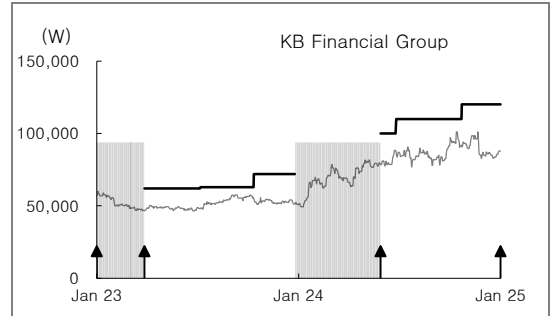
('000, %)	2023	2024F	2025F	2026F
Issued shares (year-end)	403,511	392,389	379,523	367,047
Common	403,511	392,389	379,523	367,047
Preferred	0	0	0	0
Dividend payout ratio	25.2	23.4	24.0	24.3
Common	25.2	23.4	24.0	24.3
Preferred	0.0	0.0	0.0	0.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (₩)
KB Financial Group (105560)	11/04/24	Buy	120,000
	07/08/24	Buy	110,000
	06/10/24	Buy	100,000
	01/08/24	No Coverage	
	10/25/23	Buy	72,000
	07/20/23	Buy	63,000
	04/10/23	Buy	62,000
	02/03/22	No Coverage	



Stock ratings

Buy	Expected 12-month performance: +20% or greater
Trading Buy	Expected 12-month performance: +10% to +20%
Hold	Expected 12-month performance: -10% to +10%
Sell	Expected 12-month performance: -10% or worse

Sector ratings

Overweight	Expected to outperform the market over 12 months
Neutral	Expected to perform in line with the market over 12 months
Underweight	Expected to underperform the market over 12 months

Rating and TP history: Share price (—), TP (—), Not Rated (■), Buy (▲), Trading Buy (■), Hold (●), Sell (◆)

* Our investment rating is a guide to the expected return of the stock over the next 12 months.

* Outside of the official ratings of Mirae Asset Securities Co., Ltd., analysts may call trading opportunities should technical or short-term material developments arise.

* The TP was determined by the research analyst through valuation methods discussed in this report, in part based on estimates of future earnings.

* TP achievement may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

Ratings distribution and investment banking services

	Buy	Trading Buy	Hold	Sell
Ratings distribution	84.62%	7.14%	8.24%	0%
Investment banking services	85.71%	0%	14.29%	0%

* Based on recommendations in the last 12-months (as of December 31, 2024)

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