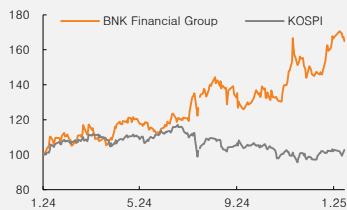


(Maintain)	<b>Trading Buy</b>
Target price	<b>▲ W14,000</b>
Current price (2/6/25)	W11,760
Upside	19.0%

NP (24, Wbn)	803
Consensus NP (24F, Wbn)	801
EPS growth (24, %)	6.6
Market EPS growth (24F, %)	68.3
P/E (24, x)	4.1
Market P/E (24F, x)	10.8
KOSPI	2,536.75

Market cap (Wbn)	3,768
Shares outstanding (mn)	318
Free float (%)	84.7
Foreign ownership (%)	40.7
Beta (12M)	0.25
52-week low (W)	7,500
52-week high (W)	12,160

(%)	1M	6M	12M
Absolute	13.1	30.2	56.8
Relative	10.9	29.5	59.2



Mirae Asset Securities Co., Ltd.

**Tae Joon Jeong, CFA**

taejoon.jeong@miraeasset.com

138930 KS · Banks

# BNK Financial Group

## Shareholder returns to remain solid

### Raise TP to W14,000; maintain Trading Buy

We maintain our Trading Buy rating on BNK Financial Group (BNKFG) and raise our target price to W14,000 (from W12,000). Along with its 4Q24 results, the group announced a W40bn share buyback/cancellation plan for 1H25 (double our estimate of W20bn), signaling its intention to continue shareholder returns centered on buybacks (rather than cash dividends). BNKFG plans to announce an even larger buyback in 2H25 to raise its full-year shareholder return ratio (dividends + buybacks) to the high-30% level. We think this target is highly achievable, given the steady rise in CET1 ratio stemming from stricter management of risk-weighted assets.

For 4Q24, the group posted net profit attributable to owners of the parent of W97.6bn, missing our estimate (W103.2bn) but in line with the consensus (W98.4bn). Despite in-line net operating revenue and higher-than-expected operating profit, net profit missed our estimate due to lower-than-expected non-operating income.

Interest income (+1.3% YoY, -0.1% QoQ) was in line with expectations. Group NIM dipped 1bp QoQ, while the won-denominated loan balance grew 0.8% QoQ.

Non-interest income missed our estimate, plunging 55.5% YoY and 46.1% QoQ, primarily due to a decline in other income. Meanwhile, fee/commission income increased 15.7% YoY.

Credit costs were better than expected (-57.2% YoY, +5% QoQ). Credit cost ratio was well-managed at 73bps, declining 103bps YoY and rising only 3bps QoQ. This suggests that the group's efforts to support 4Q earnings stability through preemptive provisioning (a strategy previously outlined by management) are paying off.

(Dec.)	2022	2023	2024	2025F	2026F
Net operating revenue (Wbn)	3,231	3,230	3,334	3,240	3,221
OP (Wbn)	1,159	801	975	1,050	1,086
NP (Wbn)	810	640	803	837	864
EPS (W)	1,155	1,373	2,497	2,668	2,853
BPS (W)	30,337	31,746	33,836	36,319	39,247
P/E (x)	5.6	5.2	4.1	4.4	4.1
P/B (x)	0.21	0.22	0.31	0.32	0.30
ROE (%)	8.4	6.4	7.6	7.6	7.5
Shareholder return yield (%)	9.6	8.1	6.4	8.8	10.9
CET1 ratio (%)	11.2	11.7	12.4	12.5	12.6

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

Source: Company data, Mirae Asset Securities Research estimates

**Table 1. BNKFG: TP calculation**

(W, x, %)

	Value	Notes
Previous TP	12,000	
2024F ROE	7.5	Mirae Asset Securities est.
Adj. discount rate	21.8	
Target P/B	0.34	
2024F BPS	35,482	Mirae Asset Securities est.
Revised TP	14,000	
2025F ROE (G)	7.6	Mirae Asset Securities est.
Adj. discount rate	19.9	
Target P/B	0.38	
2025F BPS	36,319	Mirae Asset Securities est.
Current price	11,760	
Upside	19.0	(K) = (J) ÷ (A)
Rating	Trading Buy	Over 10-20% upside

Source: Company data, Mirae Asset Securities Research

**Table 2. BNKFG: 4Q24 review**

(Wbn, %)

	Mirae Asset	4Q24	Notes
Net operating revenue	775	783	
Interest income	717	749	Group NIM narrowed 1bp QoQ
Bank	546	552	
Non-bank	172	197	
Non-interest income	58	34	Fee/commission income: +15.7% YoY, -22.1% QoQ
SG&A expenses	426	441	SG&A ratio: 56.3% (+9.3%p YoY, +11.1%p QoQ)
PPOP	349	342	
Provisioning	232	214	Credit cost ratio: 73bps (-103bps YoY, +3bps QoQ)
OP	116	128	
Non-OP	32	8	
Pretax profit	148	136	
Taxes	39	33	
Consolidated NP	109	103	
NP attr. to owners of the parent	103	98	

Source: Company data, Mirae Asset Securities Research

**Table 3. BNKFG: Earnings and forecasts**

(Wbn)

	1Q24	2Q24	3Q24	4Q24	2023	2024	2025F
Net operating revenue	857	881	813	783	3,230	3,334	3,240
Interest income	740	739	749	749	2,906	2,977	2,960
Bank	568	562	547	552	2,188	2,229	2,172
Non-bank	172	177	202	197	717	748	789
Non-interest income	117	142	64	34	324	357	279
SG&A expenses	380	384	368	441	1,476	1,573	1,496
PPOP	477	496	445	342	1,754	1,761	1,744
Provisioning	166	202	204	214	953	785	694
OP	312	294	242	128	801	975	1,050
Non-OP	31	26	51	8	74	116	116
Pretax profit	342	321	292	136	876	1,091	1,166
Taxes	88	72	74	33	197	267	308
Consolidated NP	255	248	218	103	679	824	858
NP attr. to owners of the parent	250	243	213	98	640	803	837

Source: Company data, Mirae Asset Securities Research

## BNK Financial Group (138930 KS)

## Income statement

(Wbn)	2023	2024F	2025F	2026F
Net operating revenue	3,230	3,334	3,240	3,221
Interest income	2,906	2,977	2,960	2,944
Bank	2,188	2,229	2,172	2,140
Non-bank	717	748	789	803
Non-interest income	324	357	279	278
SG&A expenses	1,476	1,573	1,496	1,488
PPOP	1,754	1,761	1,744	1,734
Provisioning	953	785	694	648
OP	801	975	1,050	1,086
Non-OP	74	116	116	116
Pretax profit	876	1,091	1,166	1,202
Taxes	197	267	308	317
NP	679	824	858	885
Attr. to owners of the parent	640	803	837	864
Minority interests	39	21	21	21

Growth (%)	2023	2024F	2025F	2026F
Net operating revenue	0.0	3.2	-2.8	-0.6
Interest income	-0.6	2.5	-0.6	-0.6
Bank	-0.4	1.9	-2.6	-1.4
Non-bank	-1.2	4.3	5.4	1.8
Non-interest income	5.5	10.0	-21.7	-0.6
SG&A expenses	-3.0	6.6	-4.9	-0.5
PPOP	2.6	0.4	-0.9	-0.6
Provisioning	72.9	-17.6	-11.6	-6.7
OP	-30.9	21.7	7.7	3.4
Non-OP	-37,300.0	55.6	0.0	0.0
Pretax profit	-24.4	24.6	6.9	3.1
Taxes	-34.5	35.8	15.2	3.1
NP	-20.9	21.4	4.1	3.1
Attr. to owners of the parent	-21.0	25.5	4.3	3.2
Minority interests	-18.9	-45.3	-2.8	0.0

## Performance indicators

(%, Wbn)	2023	2024F	2025F	2026F
NIM	1.91	1.87	1.79	1.73
NIS	1.86	1.81	1.71	1.66
Cost-to-income ratio	45.7	47.2	46.2	46.2
Credit cost ratio	0.84	0.68	0.59	0.54
Asset growth	6.4	4.7	2.0	2.0
Equity growth (attr. to owners)	3.4	5.4	4.8	4.2
BIS capital	10,575	10,920	11,433	11,908
Tier 1 capital	9,915	10,498	11,011	11,486
CET1 capital	8,933	9,521	10,034	10,509
Tier 2 capital	660	422	422	422
Risk-weighted assets	76,533	77,121	80,250	83,507
BIS capital adequacy ratio	13.8	14.2	14.2	14.3
Tier 1 capital	13.0	13.6	13.7	13.8
CET1 capital	11.7	12.4	12.5	12.6
Tier 2 capital	0.9	0.6	0.5	0.5

Source: Company data, Mirae Asset Securities Research estimates

## Balance sheet

(Wbn)	2023	2024F	2025F	2026F
Assets	145,784	152,573	155,644	158,776
Cash/cash equivalents	5,359	5,818	5,935	6,055
Securities	25,190	27,807	28,367	28,938
Loans	110,858	114,048	116,344	118,685
Won-denominated bank loans	98,437	100,633	102,658	104,724
Tangible assets	1,291	1,265	1,265	1,265
Other	4,377	4,899	3,733	3,834
Liabilities	135,110	141,352	143,910	146,566
Deposits	106,761	107,855	110,026	112,240
Won-denominated bank deposits	93,534	97,418	99,378	101,378
Borrowings	21,851	25,423	25,883	26,361
Other	6,497	8,073	8,000	7,964
Equity	10,674	11,222	11,734	12,210
Attr. to owners of the parent	10,225	10,773	11,286	11,761
Capital stock	1,630	1,630	1,630	1,630
Capital surplus	787	787	787	787
Capital adj.	-2	-16	-16	-16
AOCI	-39	-41	-41	-41
Retained earnings	7,122	7,684	8,196	8,672
Other	730	730	730	730
Minority interests	449	449	449	449

## Investment indicators

(x, %, W)	2023	2024F	2025F	2026F
Valuation				
P/E	5.2	4.1	4.4	4.1
P/B	0.22	0.31	0.32	0.30
Dividend yield	7.1	6.3	6.4	7.2
Per-share indicators				
EPS	1,373	2,497	2,668	2,853
BPS	31,746	33,836	36,319	39,247
DPS	510	650	750	850
Growth				
EPS	4.6	6.6	7.3	8.1
BPS	4.6	6.6	7.3	8.1
Profitability				
ROE	6.4	7.6	7.6	7.5
ROA	0.45	0.54	0.54	0.55
PPOP margin	54.3	52.8	53.8	53.8
OP margin	24.8	29.3	32.4	33.7
Pretax margin	27.1	32.7	36.0	37.3
Net margin	19.8	24.1	25.8	26.8

## No. of shares &amp; dividend payout ratio

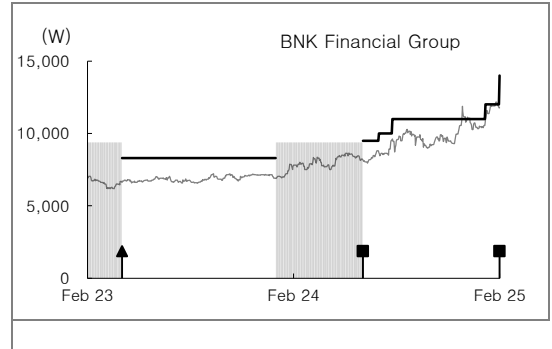
('000, %)	2023	2024F	2025F	2026F
Issued shares (year-end)	322,088	320,437	312,784	301,729
Common	322,088	320,437	312,784	301,729
Preferred	0	0	0	0
Dividend payout ratio	25.7	25.8	28.1	29.8
Common	25.7	25.8	28.1	29.8
Preferred	0.0	0.0	0.0	0.0

# Appendix 1

## Important disclosures and disclaimers

### Two-year rating and TP history

Company	Date	Rating	TP (W)
BNK Financial Group (138930)	02/07/25	Trading Buy	14,000
	01/13/25	Trading Buy	12,000
	08/01/24	Trading Buy	11,000
	07/08/24	Trading Buy	10,000
	06/10/24	Trading Buy	9,500
	01/08/24	No Coverage	
	04/10/23	Buy	8,300



### 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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## Mirae Asset Securities International Network

---

### Mirae Asset Securities Co., Ltd. (Seoul)

One-Asia Equity Sales Team  
Mirae Asset Center 1 Building  
26 Eulji-ro 5-gil, Jung-gu, Seoul 04539  
Korea

Tel: 82-2-3774-2124

---

### Mirae Asset Securities (USA) Inc.

810 Seventh Avenue, 37th Floor  
New York, NY 10019  
USA

Tel: 1-212-407-1000

---

### Mirae Asset Securities (Singapore) Pte. Ltd.

6 Battery Road, #11-01  
Singapore 049909  
Republic of Singapore

Tel: 65-6671-9845

---

### Mirae Asset Investment Advisory (Beijing) Co., Ltd

2401B, 24th Floor, East Tower, Twin Towers  
B12 Jianguomenwai Avenue, Chaoyang District  
Beijing 100022  
China

Tel: 86-10-6567-9699

---

### Ho Chi Minh Representative Office

7F, Saigon Royal Building  
91 Pasteur St.  
District 1, Ben Nghe Ward, Ho Chi Minh City  
Vietnam

Tel: 84-8-3910-7715

---

### Mirae Asset Securities (HK) Ltd.

Units 8501, 8507-8508, 85/F  
International Commerce Centre  
1 Austin Road West  
Kowloon  
Hong Kong  
Tel: 852-2845-6332

---

### Mirae Asset Wealth Management (Brazil) CCTVM

Rua Funchal, 418, 18th Floor, E-Tower Building  
Vila Olimpia  
Sao Paulo - SP  
04551-060  
Brazil  
Tel: 55-11-2789-2100

---

### Mirae Asset Securities (Vietnam) LLC

7F, Saigon Royal Building  
91 Pasteur St.  
District 1, Ben Nghe Ward, Ho Chi Minh City  
Vietnam

Tel: 84-8-3911-0633 (ext.110)

---

### Beijing Representative Office

2401A, 24th Floor, East Tower, Twin Towers  
B12 Jianguomenwai Avenue, Chaoyang District  
Beijing 100022  
China

Tel: 86-10-6567-9699 (ext. 3300)

---

### Mirae Asset Capital Markets (India) Pvt Ltd

1st Floor, Tower 4, Equinox Business Park,  
LBS Marg, Off BKC, Kurla (West), Mumbai - 400 070  
India

Tel: 91-22-62661300 / 48821300

---

### Mirae Asset Securities (UK) Ltd.

41st Floor, Tower 42  
25 Old Broad Street,  
London EC2N 1HQ  
United Kingdom

Tel: 44-20-7982-8000

---

### PT. Mirae Asset Sekuritas Indonesia

District 8, Treasury Tower Building Lt. 50  
Sudirman Central Business District  
Jl. Jend. Sudirman, Kav. 52-54  
Jakarta Selatan 12190  
Indonesia  
Tel: 62-21-5088-7000

---

### Mirae Asset Securities Mongolia UTsk LLC

#406, Blue Sky Tower, Peace Avenue 17  
1 Khoroo, Sukhbaatar District  
Ulaanbaatar 14240  
Mongolia

Tel: 976-7011-0806

---

### Shanghai Representative Office

38T31, 38F, Shanghai World Financial Center  
100 Century Avenue, Pudong New Area  
Shanghai 200120  
China

Tel: 86-21-5013-6392

---