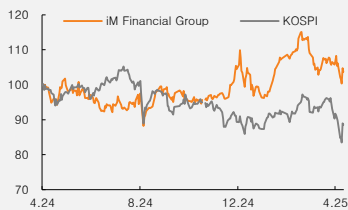


(Upgrade)	Buy
Target price	▲ W12,500
Current price (4/11/25)	W8,800
Upside	42.0%

NP (25F, Wbn)	466
Consensus NP (25F, Wbn)	419
EPS growth (25F, %)	7.8
Market EPS growth (25F, %)	25.6
P/E (25F, x)	2.6
Market P/E (25F, x)	8.8
KOSPI	2,432.72

Market cap (Wbn)	1,464
Shares outstanding (mn)	166
Free float (%)	84.5
Foreign ownership (%)	41.3
Beta (12M)	0.39
52-week low (W)	7,490
52-week high (W)	9,770

(%)	1M	6M	12M
Absolute	0.8	8.6	8.1
Relative	5.1	16.0	20.3



Mirae Asset Securities Co., Ltd.

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iM Financial Group

Poised to deliver the strongest earnings momentum in the sector

Upgrade to Buy; lift TP to W12,500

We upgrade our rating on iM Financial Group (iMFG; formerly DGB Financial Group) to Buy (from Trading Buy) and lift our target price to W12,500 (from W9,500). We expect full-year net profit to more than double YoY on the dissipating impact of real estate PF provisioning. Furthermore, CET1 ratio remains on a stable upward trend, raising expectations for a double-digit shareholder return yield. With earnings rebounding and capital strength intact, we expect the stock's steep valuation discount vs. peers to narrow. We present the stock as our second-most preferred pick in the banking sector.

For 1Q25, we expect net profit to come in at W140.5bn (+26% YoY), meeting the consensus and placing the company among the top performers in the sector in terms of growth. Robust growth was likely driven by credit cost improvement, with the company expected to post the sharpest decline in credit costs among peers.

We estimate interest income declined 3.5% YoY and 0.2% QoQ, with NIM likely narrowing 1bp QoQ. Won-denominated loans likely stayed flat QoQ, suggesting that the bank is prioritizing asset quality improvement over aggressive growth; this strategy appears to be working, with credit costs likely to have fallen sharply (despite flat loan growth).

We estimate non-interest income decreased 16.3% YoY but jumped 76.3% QoQ on a recovery in subsidiary earnings (which had weakened sharply in 2H24). Accordingly, we expect full-year non-interest income to decline at a slower pace YoY.

We believe credit costs improved 44.5% YoY and 37.6% QoQ, mainly due to the dissipating impact of real estate PF provisioning. The credit cost ratio likely fell 46bps YoY to 55bps.

(Dec.)	2023	2024	2025F	2026F	2027F
Net operating revenue (Wbn)	2,177	2,082	2,024	2,032	2,063
OP (Wbn)	534	271	653	676	714
NP (Wbn)	388	221	466	482	494
EPS (W)	2,291	1,548	3,374	3,638	3,897
BPS (W)	35,751	36,006	38,825	42,158	45,664
P/E (x)	3.7	5.3	2.6	2.4	2.3
P/B (x)	0.24	0.23	0.23	0.21	0.19
ROE (%)	6.8	3.7	7.7	7.6	7.5
Shareholder return yield (%)	6.5	5.7	12.4	13.1	14.8
CET1 ratio (%)	11.2	11.7	12.0	12.2	12.4

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

Source: Company data, Mirae Asset Securities Research estimates

Table 1. iMFG: TP calculation

(W, x, %)

	Value	Notes
Previous TP	9,500	
2025F ROE	7.7	Mirae Asset Securities est.
Adj. discount rate	31.2	
Target P/B	0.25	
2025F BPS	38,528	Mirae Asset Securities est.
Revised TP	12,500	
2025F ROE	7.7	Mirae Asset Securities est.
Adj. discount rate	24.0	
Target P/B	0.32	
2025F BPS	32,507	Mirae Asset Securities est.
Current price	8,800	
Upside	42.0	
Rating	Buy	Over 20% upside

Source: Company data, Mirae Asset Securities Research

Table 2. iMFG: Earnings and forecasts

(Wbn)

	1Q25F	2Q25F	3Q25F	4Q25F	2024	2025F	2026F
Net operating revenue	516	529	484	495	2,082	2,024	2,032
Interest income	410	412	414	417	1,686	1,653	1,690
Bank	314	315	317	319	1,287	1,266	1,297
Non-bank	96	97	97	98	399	387	393
Non-interest income	106	117	70	78	396	371	342
SG&A expenses	232	238	218	297	1,078	985	989
PPOP	284	291	266	198	1,004	1,039	1,043
Provisioning	88	90	99	108	732	386	367
OP	195	201	167	90	271	653	676
Non-OP	-3	-2	-3	-5	-11	-13	-15
Pretax profit	193	199	164	85	260	640	661
Taxes	51	52	43	22	53	169	175
Consolidated NP	142	146	121	62	208	471	487
NP attr. to owners of the parent	141	145	120	61	221	466	482

Source: Company data, Mirae Asset Securities Research

iM Financial Group (139130 KS)

Income statement

(Wbn)	2024	2025F	2026F	2027F
Net operating revenue	2,082	2,024	2,032	2,063
Interest income	1,686	1,653	1,690	1,721
Bank	1,287	1,266	1,297	1,324
Non-bank	399	387	393	397
Non-interest income	396	371	342	342
SG&A expenses	1,078	985	989	1,004
PPOP	1,004	1,039	1,043	1,059
Provisioning	732	386	367	345
OP	271	653	676	714
Non-OP	-11	-13	-15	-15
Pretax profit	260	640	661	699
Taxes	53	169	175	200
NP	208	471	487	499
Attr. to owners of the parent	221	466	482	494
Minority interests	-13	5	5	5

Growth (%)	2024	2025F	2026F	2027F
Net operating revenue	-4.4	-2.8	0.4	1.5
Interest income	3.1	-2.0	2.2	1.8
Bank	0.5	-1.7	2.5	2.1
Non-bank	12.5	-2.8	1.5	1.0
Non-interest income	-26.9	-6.3	-7.7	0.0
SG&A expenses	4.1	-8.6	0.4	1.5
PPOP	-12.1	3.5	0.4	1.5
Provisioning	20.7	-47.4	-4.8	-6.1
OP	-49.3	141.0	3.5	5.7
Non-OP	463.2	24.3	9.0	2.3
Pretax profit	-51.1	145.8	3.3	5.7
Taxes	-56.0	219.4	3.3	14.7
NP	-49.7	127.0	3.3	2.5
Attr. to owners of the parent	-43.1	111.0	3.4	2.5
Minority interests	-154.5	-139.1	0.0	0.0

Performance indicators

(%, Wbn)	2024	2025F	2026F	2027F
NIM	1.91	1.78	1.76	1.73
NIS	2.25	2.10	2.06	2.03
Cost-to-income ratio	51.8	48.7	48.7	48.7
Credit cost ratio	1.14	0.58	0.53	0.48
Asset growth	0.9	3.4	3.4	3.4
Equity growth (attr. to owners)	-1.1	4.8	4.7	4.3
BIS capital	6,304	6,588	6,879	7,157
Tier 1 capital	5,731	6,015	6,305	6,583
CET1 capital	5,056	5,341	5,631	5,909
Tier 2 capital	573	573	573	573
Risk-weighted assets	43,088	44,613	46,195	47,832
BIS capital adequacy ratio	14.6	14.8	14.9	15.0
Tier 1 capital	13.3	13.5	13.6	13.8
CET1 capital	11.7	12.0	12.2	12.4
Tier 2 capital	1.6	1.3	1.2	1.2

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet

(Wbn)	2024	2025F	2026F	2027F
Assets	94,156	97,322	100,599	103,988
Cash/cash equivalents	4,126	4,264	4,408	4,557
Securities	20,897	21,600	22,327	23,079
Loans	65,709	68,035	70,447	72,944
Won-denominated bank loans	57,349	59,379	61,484	63,664
Tangible assets	948	948	948	948
Other	3,425	2,475	2,470	2,460
Liabilities	87,944	90,826	93,813	96,924
Deposits	59,807	61,924	64,120	66,393
Won-denominated bank deposits	59,807	61,924	64,120	66,393
Borrowings	17,528	18,102	18,697	19,317
Other	10,610	10,800	10,996	11,214
Equity	6,212	6,496	6,786	7,064
Attr. to owners of the parent	5,886	6,171	6,461	6,739
Capital stock	846	846	846	846
Capital surplus	1,562	1,562	1,562	1,562
Capital adj.	-20	-20	-20	-20
AOCI	-552	-552	-552	-552
Retained earnings	3,334	3,619	3,909	4,186
Other	716	716	716	716
Minority interests	325	325	325	325

Investment indicators

(x, %, W)	2024	2025F	2026F	2027F
Valuation				
P/E	5.3	2.6	2.4	2.3
P/B	0.23	0.23	0.21	0.19
Dividend yield	6.1	9.7	9.7	11.4
Per-share indicators				
EPS	1,548	3,374	3,638	3,897
BPS	36,006	38,825	42,158	45,664
DPS	500	850	850	1,000
Growth				
EPS	0.7	7.8	8.6	8.3
BPS	0.7	7.8	8.6	8.3
Profitability				
ROE	3.7	7.7	7.6	7.5
ROA	0.24	0.49	0.49	0.48
PPOP margin	48.2	51.3	51.3	51.3
OP margin	13.0	32.3	33.3	34.6
Pretax margin	12.5	31.6	32.6	33.9
Net margin	10.6	23.0	23.7	23.9

No. of shares & dividend payout ratio

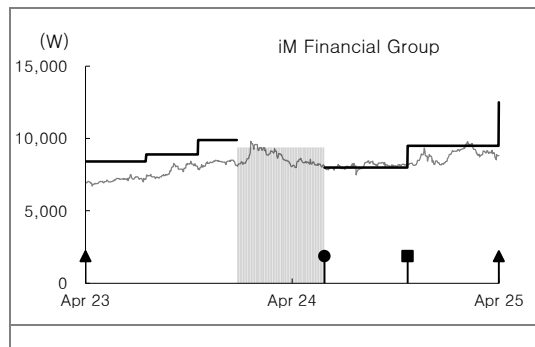
('000, %)	2024	2025F	2026F	2027F
Issued shares (year-end)	169,146	164,600	158,919	153,237
Common	169,146	164,600	158,919	153,237
Preferred	0	0	0	0
Dividend payout ratio	37.7	30.4	29.4	33.7
Common	37.7	30.4	29.4	33.7
Preferred	0.0	0.0	0.0	0.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (₩)
iM Financial Group (139130)	04/14/25	Buy	12,500
	11/04/24	Trading Buy	9,500
	06/10/24	Hold	8,000
	01/08/24	No Coverage	
	10/31/23	Buy	9,900
	07/31/23	Buy	8,900
	04/10/23	Buy	8,400



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	83.98%	6.63%	8.84%	0.55%
Investment banking services	88.24%	0%	11.76%	0%

* Based on recommendations in the last 12-months (as of March 31, 2025)

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