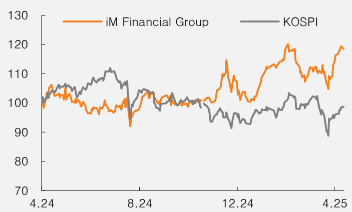
![MIRAE ASSET Securities]

Equity Research
April 29, 2025

(Maintain)	Buy
Target price	W12,500
Current price (4/28/25)	W9,650
Upside	29.5%

NP (25F, Wbn)	465
Consensus NP (25F, Wbn)	423
EPS growth (25F, %)	121.8
Market EPS growth (25F, %)	26.7
P/E (25F, x)	3.5
Market P/E (25F, x)	9.2
KOSPI	2,548.86
Market cap (Wbn)	1,606
Shares outstanding (mn)	166
Free float (%)	84.0
Foreign ownership (%)	41.8
Beta (12M)	0.41
52-week low (W)	7,490
52-week high (W)	9,770

(%)	1M	6M	12M
Absolute	6.7	17.1	12.6
Relative	7.1	20.0	17.3



Mirae Asset Securities Co., Ltd.

Tae Joon Jeong, CFA
taejoon.jeong@miraeasset.com

139130 KS · Banks

iM Financial Group

Stronger-than-expected turnaround

Maintain Buy and TP of W12,500

We maintain our Buy rating and target price of W12,500 on iM Financial Group (iMFG). For 1Q25, iMFG reported net profit attributable to owners of the parent of W154bn (+38.1% YoY), and we expect full-year net profit to grow 116.4% YoY. Notably, credit costs improved by a record 56.1% YoY (beating our estimate of 44.5% YoY improvement).

Interest income declined 5.1% YoY and 1.9% QoQ, broadly in line with our estimate. NIM fell 2bps QoQ at both the group and bank levels, while won-denominated loans edged down 0.1% QoQ. We attribute the declines in both NIM and loan growth to portfolio restructuring efforts aimed at improving asset quality. Loan growth is likely to pick up again in 2Q25.

Non-interest income exceeded our estimate, falling 6.6% YoY but climbing 96.8% QoQ. Meanwhile, fee/commission income held largely steady (-2.1% YoY, +9.6% QoQ).

Credit costs were better than expected (-56.1% YoY, -53.1% QoQ). The credit cost ratio was well-managed at 43bps, declining 58bps YoY and 50bps QoQ. We believe the marked improvement in credit costs indicates that the impact of real estate PF provisioning (which had been viewed as a major potential drag on earnings) is easing. While the loan delinquency rate rose sharply due to delinquencies in large corporate loans secured by guarantees, we expect the rate to normalize over the course of the year as subrogation processes play out.

The CET1 ratio rose 15bps QoQ to 12.17%, likely putting iMFG on track to reach its 12.3% target earlier than planned.

(Dec.)	2023	2024	2025F	2026F	2027F
Net operating revenue (Wbn)	2,177	2,082	2,001	1,997	2,026
OP (Wbn)	534	263	660	683	703
NP (Wbn)	388	215	465	474	473
EPS (W)	2,291	1,271	2,819	2,957	3,053
BPS (W)	35,751	36,006	37,700	40,638	43,814
P/E (x)	3.7	6.4	3.4	3.3	3.2
P/B (x)	0.24	0.23	0.26	0.24	0.22
ROE (%)	6.8	3.6	7.7	7.6	7.2
Shareholder return yield (%)	6.5	5.2	11.3	11.6	12.4
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

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Table 1. iMFG: 1Q25 review (Wbn, %)

	Mirae Asset	1Q25	Notes
Net operating revenue	516	521	
Interest income	410	403	Group and bank NIM: -2bps QoQ
Bank	314	307	
Non-bank	96	96	
Non-interest income	106	118	Fee/commission income: -2.1% YoY, +9.6% QoQ
SG&A expenses	232	242	SG&A ratio: 46.5% (+4.1%p YoY, -30.7%p QoQ)
PPOP	284	279	
Provisioning	88	70	Credit cost ratio: 43bps (-58bps YoY, -50bps QoQ)
OP	195	209	
Non-OP	-3	-3	
Pretax profit	193	206	
Taxes	51	47	
Consolidated NP	142	159	
NP attr. to owners of the parent	141	154	

Source: Company data, Mirae Asset Securities Research

Table 2. iMFG: Earnings and forecasts (Wbn)

	1Q25	2Q25F	3Q25F	4Q25F	2024	2025F	2026F
Net operating revenue	521	520	474	485	2,082	2,001	1,997
Interest income	403	403	405	407	1,686	1,618	1,644
Bank	307	306	308	310	1,287	1,230	1,251
Non-bank	96	97	97	98	399	388	393
Non-interest income	118	117	70	78	396	383	353
SG&A expenses	242	234	213	291	1,078	981	972
PPOP	279	286	261	194	1,004	1,020	1,026
Provisioning	70	82	99	109	740	360	343
OP	209	204	161	85	263	660	683
Non-OP	-3	-3	-3	-5	-11	-14	-15
Pretax profit	206	202	158	80	253	646	668
Taxes	47	53	42	21	51	164	176
Consolidated NP	159	148	117	59	202	483	491
NP attr. to owners of the parent	154	144	112	55	215	465	474

Source: Company data, Mirae Asset Securities Research

iM Financial Group (139130 KS)

Income statement

(Wbn)	2024	2025F	2026F	2027F
Net operating revenue	2,082	2,001	1,997	2,026
Interest income	1,686	1,618	1,644	1,673
Bank	1,287	1,230	1,251	1,276
Non-bank	399	388	393	397
Non-interest income	396	383	353	353
SG&A expenses	1,078	981	972	986
PPOP	1,004	1,020	1,026	1,040
Provisioning	740	360	343	337
OP	263	660	683	703
Non-OP	-11	-14	-15	-15
Pretax profit	253	646	668	688
Taxes	51	164	176	197
NP	202	483	491	491
Attr. to owners of the parent	215	465	474	473
Minority interests	-13	18	18	18

Growth (%)	2024	2025F	2026F	2027F
Net operating revenue	-4.4	-3.9	-0.2	1.4
Interest income	3.1	-4.0	1.7	1.7
Bank	0.5	-4.5	1.7	2.0
Non-bank	12.5	-2.7	1.5	1.0
Non-interest income	-26.9	-3.2	-7.9	0.0
SG&A expenses	4.1	-9.0	-0.9	1.4
PPOP	-12.1	1.7	0.5	1.4
Provisioning	22.0	-51.4	-4.8	-1.7
OP	-50.7	150.6	3.4	3.0
Non-OP	463.2	30.3	7.9	2.1
Pretax profit	-52.5	155.7	3.3	3.0
Taxes	-57.5	220.1	7.8	11.7
NP	-51.1	139.4	1.8	-0.1
Attr. to owners of the parent	-44.6	116.4	1.9	-0.1
Minority interests	-154.5	-232.3	0.0	0.0

Performance indicators

(%, Wbn)	2024	2025F	2026F	2027F
NIM	1.91	1.74	1.73	1.70
NIS	2.25	2.03	1.99	1.96
Cost-to-income ratio	51.8	49.0	48.7	48.7
Credit cost ratio	1.15	0.54	0.50	0.47
Asset growth	0.8	7.2	3.4	3.4
Equity growth (attr. to owners)	0.7	2.1	4.7	4.3
BIS capital	6,304	6,565	6,853	7,126
Tier 1 capital	5,725	6,018	6,305	6,579
CET1 capital	5,050	5,346	5,634	5,907
Tier 2 capital	579	547	547	547
Risk-weighted assets	43,108	44,592	46,173	47,810
BIS capital adequacy ratio	14.6	14.7	14.8	14.9
Tier 1 capital	13.3	13.5	13.7	13.8
CET1 capital	11.7	12.0	12.2	12.4
Tier 2 capital	1.6	1.2	1.2	1.1

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet

(Wbn)	2024	2025F	2026F	2027F
Assets	94,149	100,955	104,347	107,853
Cash/cash equivalents	4,126	5,134	5,307	5,485
Securities	20,897	24,121	24,931	25,769
Loans	65,701	67,527	69,921	72,400
Won-denominated bank loans	57,349	59,344	61,448	63,627
Tangible assets	948	939	939	939
Other	3,425	3,233	3,248	3,259
Liabilities	87,943	94,624	97,728	100,961
Deposits	59,807	61,597	63,781	66,042
Won-denominated bank deposits	59,807	61,597	63,781	66,042
Borrowings	17,528	20,885	21,570	22,283
Other	10,608	12,142	12,378	12,636
Equity	6,206	6,331	6,618	6,892
Attr. to owners of the parent	5,991	6,117	6,404	6,677
Capital stock	846	846	846	846
Capital surplus	1,563	1,563	1,563	1,563
Capital adj.	-20	-20	-20	-20
AOCI	-595	-641	-641	-641
Retained earnings	3,385	3,554	3,841	4,115
Other	816	816	816	816
Minority interests	215	215	215	215

Investment indicators

(x, %, W)	2024	2025F	2026F	2027F
Valuation				
P/E	6.4	3.4	3.3	3.2
P/B	0.23	0.26	0.24	0.22
Dividend yield	6.1	8.8	8.8	9.3
Per-share indicators				
EPS	1,271	2,819	2,957	3,053
BPS	36,006	37,700	40,638	43,814
DPS	500	850	850	900
Growth				
EPS	0.7	4.7	7.8	7.8
BPS	0.7	4.7	7.8	7.8
Profitability				
ROE	3.6	7.7	7.6	7.2
ROA	0.23	0.48	0.46	0.45
PPOP margin	48.2	51.0	51.3	51.3
OP margin	12.7	33.0	34.2	34.7
Pretax margin	12.1	32.3	33.4	33.9
Net margin	10.3	23.2	23.7	23.4

No. of shares & dividend payout ratio

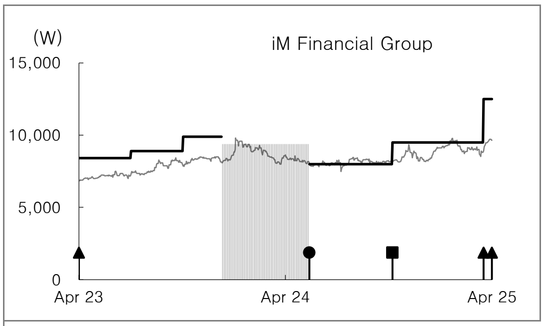
('000, %)	2024	2025F	2026F	2027F
Issued shares (year-end)	169,146	165,001	160,338	155,156
Common	169,146	165,001	160,338	155,156
Preferred	0	0	0	0
Dividend payout ratio	38.7	30.4	29.9	31.6
Common	38.7	30.4	29.9	31.6
Preferred	0.0	0.0	0.0	0.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
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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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 (HK) Ltd.
Units 8501, 8507-8508, 85/F
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong
Tel: 852-2845-6332

Mirae Asset Securities (UK) Ltd.
41st Floor, Tower 42
25 Old Broad Street,
London EC2N 1HQ
United Kingdom

Tel: 44-20-7982-8000

Mirae Asset Securities (USA) Inc.
810 Seventh Avenue, 37th Floor
New York, NY 10019
USA

Tel: 1-212-407-1000

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

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 (Singapore) Pte. Ltd.
6 Battery Road, #11-01
Singapore 049909
Republic of Singapore

Tel: 65-6671-9845

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)

Mirae Asset Securities Mongolia UTsK LLC
#406, Blue Sky Tower, Peace Avenue 17
1 Khoroo, Sukhbaatar District
Ulaanbaatar 14240
Mongolia

Tel: 976-7011-0806

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

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)

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

Tel: 86-21-5013-6392

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 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