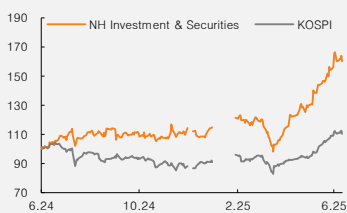


(Maintain)	<b>Buy</b>
Target price	<b>▲ W24,000</b>
Current price (7/4/25)	W19,900
Upside	20.6%

OP (25F, Wbn)	1,100
Consensus OP (25F, Wbn)	1,015
EPS growth (25F, %)	20.5
Market EPS growth (25F, %)	25.5
P/E (25F, x)	8.4
Market P/E (25F, x)	11.1
KOSPI	3,054.28

Market cap (Wbn)	6,449
Shares outstanding (mn)	324
Free float (%)	39.5
Foreign ownership (%)	15.9
Beta (12M)	0.56
52-week low (W)	12,200
52-week high (W)	20,700

(%)	1M	6M	12M
Absolute	11.0	46.4	53.0
Relative	0.7	17.1	41.5



Mirae Asset Securities Co., Ltd.

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# NH Investment & Securities

## Robust shareholder returns are a key strength

### Maintain Buy and raise TP to W24,000

We maintain our Buy rating on NH Investment & Securities (NH I&S) and raise our target price from W18,000 to W24,000 (based on a 2025F P/B of 1x). Notably, the government is considering legislation allowing for separate taxation on dividend income from listed companies with payout ratios above 35%; with the highest dividend payout and shareholder return ratio among peers, NH I&S stands to benefit immediately if this reform is implemented. As such, we believe a return to a P/B of 1x is achievable. Additionally, the stock's 2025F shareholder return yield remains attractive at 6.6%. We continue to present the stock as our top pick in the securities sector.

We expect 2Q25 net profit attributable to owners of the parent to beat the consensus by 34.3%, supported by: 1) higher fee/commission income; and 2) improved trading income amid a bullish stock market and falling yields.

We estimate net fee/commission income grew 36.1% YoY and 19.4% QoQ on a consolidated basis and 31.6% YoY and 20.6% QoQ on a standalone basis. The solid performance was likely driven by: 1) higher brokerage fee/commission income resulting from increased trading volume; and 2) robust IB fee income driven by the expansion of the PF balance since 2H24.

We estimate interest income rose 7.9% YoY and 1.5% QoQ on a consolidated basis and 8.9% YoY and 0.2% QoQ on a standalone basis. While the firm likely benefited from the industry-wide trend of increasing margin loan balances, the positive impact was likely limited due to its relatively low exposure to interest income from loan assets.

We estimate that trading/financial product income was in positive territory on both a consolidated and standalone basis, as the stock market surged QoQ while market yields inched down.

(Dec.)	2023	2024	2025F	2026F	2027F
Net operating revenue (Wbn)	1,678	2,012	2,216	2,219	2,343
OP (Wbn)	726	901	1,100	1,096	1,163
NP (Wbn)	556	687	811	804	853
EPS (W)	1,582	1,966	2,370	2,366	2,533
BPS (W)	21,757	23,474	23,854	25,090	26,413
P/E (x)	6.5	7.1	8.4	8.4	7.9
P/B (x)	0.50	0.60	0.80	0.80	0.75
ROE (%)	7.8	8.7	10.0	9.6	9.8
Shareholder return yield (%)	7.7	7.9	6.6	6.6	7.2
Equity (Wbn)	7,613	8,119	8,190	8,552	8,922

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

Source: Company data, Mirae Asset Securities Research estimates

**Table 1. NH I&S: TP calculation**

(W, x, %)

	Value	Notes
Previous TP	18,000	
2025F ROE	9.3	Mirae Asset Securities est.
Adj. discount rate	12.9	
Target P/B	0.72	
2025F BPS	24,759	Mirae Asset Securities est.
Revised TP	24,000	
2025F ROE	10.0	Mirae Asset Securities est.
Adj. discount rate	10.0	
Target P/B	1.00	
2025F BPS	23,854	Mirae Asset Securities est.
Current price	19,900	
Upside	20.6	
Rating	Buy	20% upside

Source: Company data, Mirae Asset Securities Research

**Table 2. NH I&S: Earnings and forecasts (consolidated)**

(Wbn, %)

	1Q25	2Q25F	3Q25F	4Q25F	YoY	QoQ	2025F
Net operating revenue	557	616	576	468	9.4	10.7	2,216
Net fee/commission income	259	309	314	305	36.1	19.4	1,187
Interest income	214	217	219	213	7.9	1.5	863
Trading/financial products	-38	53	0	-15	-45.9	TTB	-1
Other	122	37	43	21	0.0	-69.8	222
SG&A expenses	268	276	272	301	-6.3	3.2	1,116
OP	289	340	304	167	26.6	17.7	1,100
Pretax profit	277	342	319	160	26.4	23.5	1,097
Taxes	69	91	84	42	24.0	32.3	286
Consolidated NP	208	251	235	118	27.3	20.6	811
NP attr. to owners of the parent	208	251	235	118	27.3	20.6	811

Source: Company data, Mirae Asset Securities Research

**Table 3. NH I&S: Earnings and forecasts (standalone)**

(Wbn)

	1Q25	2Q25F	3Q25F	4Q25F	YoY	QoQ	2025F
Net operating revenue	515	565	556	464	9.9	9.7	2,101
Net fee/commission income	247	298	303	293	31.6	20.3	1,141
Fee/commission income	301	361	367	357	32.1	19.9	1,386
Brokerage	132	156	159	153	23.4	18.4	600
WM	26	31	31	31	2.6	18.9	119
IB/other	143	174	178	173	49.4	21.4	668
Fee/commission expenses	54	63	65	64	34.7	17.9	245
Interest income	188	188	190	186	8.9	0.2	751
Trading/financial products	-8	37	15	15	-49.0	TTB	59
Other	88	42	48	-29	0.0	-52.2	149
SG&A expenses	246	254	250	279	-7.0	3.5	1,029
OP	269	311	306	186	29.2	15.4	1,072
Pretax profit	256	296	311	170	31.1	15.7	1,033
Taxes	69	78	82	45	9.7	13.6	274
Consolidated NP	187	218	229	125	41.0	16.5	759

Source: Company data, Mirae Asset Securities Research

NH Investment & Securities (005940 KS)

**Income statement (stand-alone)**

(Wbn)	2024	2025F	2026F	2027F
Net operating revenue	1,903	2,101	2,142	2,265
Net fee/commission income	951	1,141	1,187	1,268
Fees/commissions	1,144	1,386	1,443	1,541
Brokerage	510	600	597	661
WM	106	119	122	127
IB/other	527	668	723	753
Fee/commission expenses	193	245	256	273
Interest income	680	751	744	782
Trading/financial products	151	59	62	65
Other	121	149	149	149
SG&A expenses	1,024	1,029	1,036	1,093
OP	879	1,072	1,106	1,172
Non-OP	46	39	39	39
Non-operating expenses	75	77	77	77
Pretax profit	850	1,033	1,068	1,134
Taxes	224	274	282	299
NP	626	759	786	834

**Balance sheet (stand-alone)**

(Wbn)	2024	2025F	2026F	2027F
Assets	59,281	67,294	71,234	75,245
Cash/deposits	5,685	7,396	7,829	8,269
Securities	38,168	41,063	43,467	45,914
Loans	8,089	8,536	8,726	8,737
Tangible assets	129	129	136	144
Intangible assets	49	52	55	58
Investment properties	54	54	58	61
Other	7,106	10,065	10,964	12,062
Liabilities	51,889	59,872	63,469	67,127
Deposits	7,458	8,818	9,460	10,025
Borrowings/debentures	36,760	39,973	42,262	44,679
Provisions for other est. liabilities	116	65	69	73
Deferred tax liabilities	0	0	0	0
Other	7,555	11,016	11,678	12,351
Equity	7,392	7,422	7,765	8,117
Capital stock	1,783	1,783	1,783	1,783
Capital surplus	1,885	1,885	1,885	1,885
Retained earnings	3,485	3,520	3,913	4,325
Other	240	235	184	125

**ROA breakdown (stand-alone)**

(%)	2024	2025F	2026F	2027F
Net operating revenue				
Net fee/commission income	50.0	54.3	55.4	56.0
Fees/commissions	60.1	66.0	67.3	68.0
Brokerage	26.8	28.6	27.9	29.2
WM	5.6	5.7	5.7	5.6
IB/other	27.7	31.8	33.8	33.3
Interest income	35.7	35.8	34.7	34.5
Trading/financial products	7.9	2.8	2.9	2.9
Other	6.3	7.1	7.0	6.6
Asset turnover ratio				
Net fee/commission income	1.60	1.70	1.67	1.69
Fees/commissions	1.93	2.06	2.03	2.05
Brokerage	0.86	0.89	0.84	0.88
WM	0.18	0.18	0.17	0.17
IB/other	0.89	0.99	1.02	1.00
Interest income	1.15	1.12	1.04	1.04
Trading/financial products	0.25	0.09	0.09	0.09
Other	0.20	0.22	0.21	0.20

**Financial statement (consolidated)**

(Wbn)	2024	2025F	2026F	2027F
Net operating revenue	2,012	2,216	2,219	2,343
Net fee/commission income	955	1,187	1,234	1,314
Interest income	802	863	857	896
Trading/financial products	57	-1	2	5
Other	198	222	222	222
SG&A expenses	1,111	1,116	1,124	1,180
OP	901	1,100	1,096	1,163
Non-OP	113	104	104	104
Non-operating expenses	89	107	107	107
Pretax profit	925	1,097	1,093	1,160
Taxes	238	286	289	307
NP	687	811	804	853
Attr. to owners of the parent	687	811	804	853
Minority interests	0	0	0	0
Assets	62,427	70,505	74,487	78,542
Liabilities	54,308	62,315	65,936	69,619
Equity	8,119	8,190	8,552	8,922

**Investment indicators**

(x, %, W)	2024	2025F	2026F	2027F
Valuation				
P/B	0.60	0.80	0.80	0.75
P/E	7.1	8.4	8.4	7.9
Payout ratio	6.8	5.8	5.8	6.3
Per-share indicators				
BPS	23,474	23,854	25,090	26,413
EPS	1,966	2,370	2,366	2,533
DPS	950	1,150	1,150	1,250
Growth				
BPS	7.9	1.6	5.2	5.3
EPS	24.3	20.5	-0.2	7.1
Profitability				
ROE	8.7	10.0	9.6	9.8
ROA	1.20	1.20	1.10	1.12
Cost-to-income ratio	53.8	49.0	48.4	48.2
OP margin	44.8	49.6	49.4	49.6
Pretax margin	46.0	49.5	49.2	49.5
Net margin	34.1	36.6	36.2	36.4
Financial leverage (stand-alone)	7.1	8.0	8.0	8.0

**ROA breakdown (consolidated)**

(%)	2024	2025F	2026F	2027F
Net operating revenue				
Net fee/commission income	47.4	53.6	55.6	56.1
Interest income	39.9	38.9	38.6	38.3
Trading/financial products	2.8	0.0	0.1	0.2
Other	9.9	10.0	10.0	9.5
Asset turnover ratio				
Net fee/commission income	1.53	1.68	1.66	1.67
Interest income	1.28	1.22	1.15	1.14
Trading/financial products	0.09	0.00	0.00	0.01
Other	0.32	0.32	0.30	0.28

**No. of shares & dividend payout ratio**

('000, %)	2024	2025F	2026F	2027F
Issued shares (year-end)	346,363	343,851	341,338	338,403
Common	327,492	324,980	322,467	319,532
Preferred	18,871	18,871	18,871	18,871
Dividend payout ratio	48.0	48.8	48.8	49.6
Common	45.2	46.0	46.0	46.7
Preferred	2.7	2.8	2.8	2.9

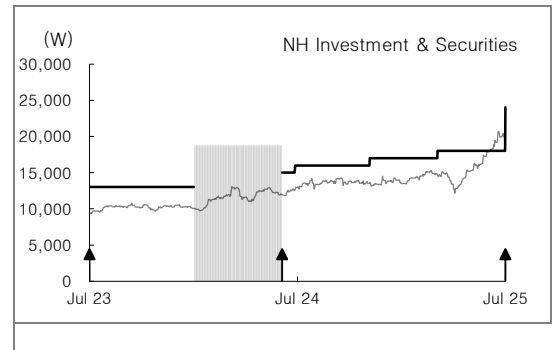
Source: Company data, Mirae Asset Securities Research estimates

# Appendix 1

## Important disclosures and disclaimers

### Two-year rating and TP history

Company	Date	Rating	TP (W)
NH Investment & Securities (005940)	07/07/25	Buy	24,000
	03/10/25	Buy	18,000
	11/11/24	Buy	17,000
	07/03/24	Buy	16,000
	06/10/24	Buy	15,000
	01/08/24	No Coverage	
	05/31/23	Buy	13,000



### Stock ratings

Buy	Expected 12-month return: +20% or greater
Hold	Expected 12-month return: Greater than -10% and less than +10%
Sell	Expected 12-month return: -10% or less

### 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

As of May 12, 2025, the Trading Buy rating category has been removed from our investment rating system.

Stocks expected to deliver a 12-month return between +10% and less than +20% may be rated either Buy or Hold at the discretion of the research analyst.

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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