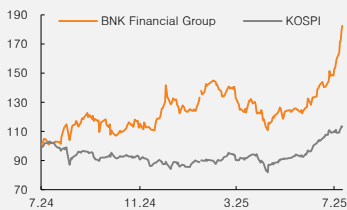


(Upgrade)	Buy
Target price	▲ W19,000
Current price (7/11/25)	W15,310
Upside	24.1%

NP (25F, Wbn)	764
Consensus NP (25F, Wbn)	769
EPS growth (25F, %)	3.7
Market EPS growth (25F, %)	24.6
P/E (25F, x)	6.3
Market P/E (25F, x)	11.6
KOSPI	3,175.77

Market cap (Wbn)	4,874
Shares outstanding (mn)	318
Free float (%)	84.0
Foreign ownership (%)	39.5
Beta (12M)	0.59
52-week low (W)	8,500
52-week high (W)	15,310

(%)	1M	6M	12M
Absolute	30.7	45.0	78.6
Relative	19.7	14.9	62.6



Mirae Asset Securities Co., Ltd.

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138930 KS · Banks

BNK Financial Group

Easing asset quality concerns

Upgrade to Buy; raise TP to W19,000

We upgrade our rating on BNK Financial Group (BNKFG) from Trading Buy to Buy and raise our target price from W11,500 to W19,000. The new TP is based on a target P/B of 0.55x applied to our 2025F BPS estimate. We believe this multiple is justified by the company's ongoing commitment to shareholder returns, including its stated goal of achieving a 50% shareholder return ratio by 2027, which should help partially resolve the group's undervaluation.

That said, we applied a lower P/B multiple than those used for major commercial banks, given that BNKFG will likely need to cap its growth in order to maintain the capital ratios required to deliver on its shareholder return commitments. Our new TP implies 24.1% upside, supporting our Buy rating.

Positive: Asset quality risk easing

BNKFG saw a sharp spike in credit costs in 1Q25 due to multiple asset quality issues. However, from 2Q25, we expect the group's asset quality to stabilize. Accordingly, we believe the CET1 ratio will remain in the 12% range, which should allow BNKFG to press ahead with its aggressive shareholder return plans.

2Q25 preview

For 2Q25, we forecast net profit attributable to owners of the parent at W248.9bn, in line with the consensus. We expect interest income to decline 0.6% YoY and 1.1% QoQ, with group NIM up 1bp QoQ and the won-denominated loan balance up 0.5% QoQ. Credit costs likely declined 19.8% YoY and 40.4% QoQ, supported by stabilizing asset quality. We estimate the CET1 ratio rose by 21bps QoQ to 12.50%, as muted loan growth and earnings recovery helped shore up capital levels.

(Dec.)	2023	2024	2025F	2026F	2027F
Net operating revenue (Wbn)	3,230	3,334	3,286	3,309	3,426
OP (Wbn)	801	876	954	1,072	1,169
NP (Wbn)	640	729	764	846	918
EPS (W)	1,373	2,273	2,429	2,764	3,126
BPS (W)	31,746	33,604	34,838	37,358	40,535
P/E (x)	5.2	4.5	6.3	5.5	4.9
P/B (x)	0.22	0.31	0.44	0.41	0.38
ROE (%)	6.4	7.0	7.1	7.6	7.9
Shareholder return yield (%)	8.1	4.9	6.2	8.0	10.2
CET1 ratio (%)	11.7	12.3	12.5	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



Mirae Asset Research AI translation

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Table 1. BNKFG: TP calculation

(W, x, %)

	Value	Notes
Previous TP	11,500	
2025F ROE	7.2	Mirae Asset Securities est.
Adj. discount rate	22.8	
Target P/B	0.32	
2025F BPS	36,229	Mirae Asset Securities est.
Revised TP	19,000	
2025F ROE	7.1	Mirae Asset Securities est.
Adj. discount rate	12.8	
Target P/B	0.55	
2025F BPS	34,838	Mirae Asset Securities est.
Current price	15,310	
Upside	24.1	
Rating	Buy	

Source: Company data, Mirae Asset Securities Research

Table 2. BNKFG: Earnings and forecasts

(Wbn)

	1Q25	2Q25F	3Q25F	4Q25F	2024	2025F	2026F
Net operating revenue	854	875	792	765	3,334	3,286	3,309
Interest income	736	743	740	739	2,977	2,958	2,988
Bank	558	562	558	558	2,229	2,236	2,265
Non-bank	177	181	182	181	748	722	723
Non-interest income	119	131	51	26	357	328	321
SG&A expenses	377	394	356	383	1,567	1,509	1,528
PPOP	478	481	435	383	1,767	1,777	1,781
Provisioning	272	162	178	210	891	823	709
OP	206	319	257	172	876	954	1,072
Non-OP	22	26	51	8	116	107	107
Pretax profit	228	345	308	180	992	1,061	1,179
Taxes	56	91	81	48	242	276	311
Consolidated NP	172	254	227	133	750	785	867
NP attr. to owners of the parent	167	249	221	127	729	764	846

Source: Company data, Mirae Asset Securities Research

BNK Financial Group (138930 KS)

Income statement

(Wbn)	2024	2025F	2026F	2027F
Net operating revenue	3,334	3,286	3,309	3,426
Interest income	2,977	2,958	2,988	3,096
Bank	2,229	2,236	2,265	2,364
Non-bank	748	722	723	732
Non-interest income	357	328	321	330
SG&A expenses	1,567	1,509	1,528	1,582
PPOP	1,767	1,777	1,781	1,843
Provisioning	891	823	709	674
OP	876	954	1,072	1,169
Non-OP	116	107	107	107
Pretax profit	992	1,061	1,179	1,276
Taxes	242	276	311	337
NP	750	785	867	939
Attr. to owners of the parent	729	764	846	918
Minority interests	21	21	21	21

Growth (%)	2024	2025F	2026F	2027F
Net operating revenue	3.2	-1.4	0.7	3.5
Interest income	2.5	-0.7	1.0	3.6
Bank	1.9	0.3	1.3	4.4
Non-bank	4.3	-3.5	0.1	1.2
Non-interest income	10.0	-8.0	-2.1	2.8
SG&A expenses	6.2	-3.7	1.3	3.5
PPOP	0.8	0.6	0.2	3.5
Provisioning	-6.4	-7.7	-13.8	-5.0
OP	9.3	8.9	12.3	9.1
Non-OP	55.6	-7.6	0.0	0.0
Pretax profit	13.3	7.0	11.0	8.3
Taxes	22.9	14.1	12.8	8.3
NP	10.5	4.7	10.4	8.3
Attr. to owners of the parent	13.9	4.9	10.7	8.5
Minority interests	-45.3	-0.9	0.0	0.0

Performance indicators

(%, Wbn)	2024	2025F	2026F	2027F
NIM	1.87	1.83	1.78	1.79
NIS	1.81	1.78	1.74	1.74
Cost-to-income ratio	47.0	45.9	46.2	46.2
Credit cost ratio	0.77	0.68	0.57	0.52
Asset growth	4.6	3.5	4.1	4.1
Equity growth (attr. to owners)	4.6	1.8	4.3	4.1
BIS capital	10,868	11,136	11,606	12,069
Tier 1 capital	10,426	10,715	11,185	11,648
CET1 capital	9,449	9,888	10,359	10,821
Tier 2 capital	442	421	421	421
Risk-weighted assets	76,745	79,353	82,575	85,928
BIS capital adequacy ratio	14.1	14.0	14.1	14.0
Tier 1 capital	13.6	13.5	13.5	13.6
CET1 capital	12.3	12.5	12.5	12.6
Tier 2 capital	0.6	0.5	0.5	0.5

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet

(Wbn)	2024	2025F	2026F	2027F
Assets	152,471	157,794	164,201	170,868
Cash/cash equivalents	5,818	4,776	4,970	5,172
Securities	27,807	30,356	31,589	32,872
Loans	113,946	117,645	122,422	127,393
Won-denominated bank loans	100,633	103,921	108,140	112,531
Tangible assets	1,265	1,238	1,238	1,238
Other	4,899	3,779	3,982	4,194
Liabilities	141,323	146,458	152,395	158,599
Deposits	107,855	111,176	115,690	120,388
Won-denominated bank deposits	97,418	101,297	105,410	109,690
Borrowings	25,423	26,506	27,580	28,703
Other	8,044	8,776	9,124	9,508
Equity	11,148	11,336	11,806	12,269
Attr. to owners of the parent	10,699	10,887	11,357	11,820
Capital stock	1,630	1,630	1,630	1,630
Capital surplus	787	787	787	787
Capital adj.	-16	-16	-16	-16
AOCI	-34	-392	-390	-388
Retained earnings	7,605	8,148	8,617	9,078
Other	730	730	730	730
Minority interests	449	449	449	449

Investment indicators

(x, %, W)	2024	2025F	2026F	2027F
Valuation				
P/E	4.5	6.3	5.5	4.9
P/B	0.31	0.44	0.41	0.38
Dividend yield	6.3	4.3	5.2	5.9
Per-share indicators				
EPS	2,273	2,429	2,764	3,126
BPS	33,604	34,838	37,358	40,535
DPS	650	660	800	900
Growth				
EPS	5.9	3.7	7.2	8.5
BPS	5.9	3.7	7.2	8.5
Profitability				
ROE	7.0	7.1	7.6	7.9
ROA	0.49	0.49	0.53	0.55
PPOP margin	53.0	54.1	53.8	53.8
OP margin	26.3	29.0	32.4	34.1
Pretax margin	29.7	32.3	35.6	37.3
Net margin	21.9	23.3	25.6	26.8

No. of shares & dividend payout ratio

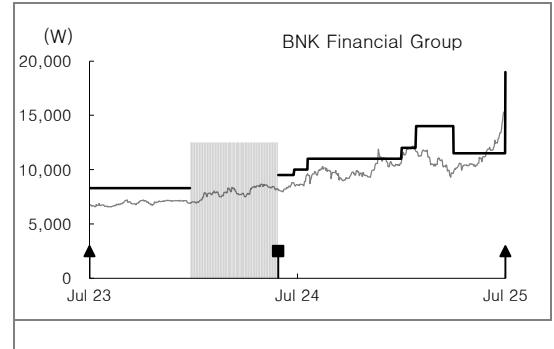
('000, %)	2024	2025F	2026F	2027F
Issued shares (year-end)	320,437	314,558	306,067	293,657
Common	320,437	314,558	306,067	293,657
Preferred	0	0	0	0
Dividend payout ratio				
Common	28.5	27.3	29.2	29.2
Preferred	0.0	0.0	0.0	0.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
BNK Financial Group (138930)	07/14/25	Buy	19,000
	04/14/25	Trading Buy	11,500
	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 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	84.91%	5.59%	8.94%	0.56%
Investment banking services	88.89%	0%	11.11%	0%

* Based on recommendations in the last 12-months (as of June 30, 2025)

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