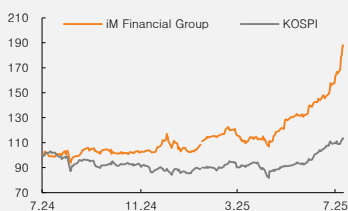


(Maintain)	<b>Buy</b>
Target price	<b>▲ W19,000</b>
Current price (7/11/25)	W14,980
Upside	26.8%

NP (25F, Wbn)	473
Consensus NP (25F, Wbn)	443
EPS growth (25F, %)	5.4
Market EPS growth (25F, %)	24.6
P/E (25F, x)	5.3
Market P/E (25F, x)	11.6
KOSPI	3,175.77

Market cap (Wbn)	2,493
Shares outstanding (mn)	162
Free float (%)	84.0
Foreign ownership (%)	43.2
Beta (12M)	0.64
52-week low (W)	7,490
52-week high (W)	15,000

(%)	1M	6M	12M
Absolute	30.0	78.1	89.1
Relative	19.0	41.1	72.2



Mirae Asset Securities Co., Ltd.

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# iM Financial Group

## Capital ratio improvement increases room for shareholder returns

### Raise TP to W19,000 and maintain Buy

We raise our target price for iM Financial Group (iMFG) to W19,000 (from W12,500), applying a target P/B of 0.5x to our 2025 BPS estimate. Our target multiple takes into account both iMFG's comparatively low shareholder return target and its quick capital ratio improvement, which may enable increased shareholder returns going forward. With our target price implying 26.8% upside, we maintain our Buy rating.

### Upside to shareholder returns

iMFG's current shareholder return ratio target is only 40% (lower than the levels of peers), primarily due to its weak capital ratios last year. However, earnings have been turning around sharply since 1Q25, which should drive rapid capital ratio improvement. We believe the CET1 ratio may have already reached 12.3%—a level at which the bank has indicated it would raise its shareholder return target to 50%. Additionally, while iMFG's share buyback/retirement program has been viewed as modest (with planned buybacks totaling W150bn by 2027), we expect it to be completed ahead of schedule, paving the way for a new, stronger shareholder return policy thereafter.

### 2Q25 preview

For 2Q25, we expect iMFG to post net profit attributable to owners of the parent of W145.6bn, beating the consensus by 8.1%. We estimate interest income declined 8.8% YoY and 0.8% QoQ amid a 3bp decline in NIM and a 0.5% QoQ increase in won-denominated loans. Credit costs likely decreased 74.3% YoY but increased 15.8% QoQ. We estimate the CET1 ratio climbed 28bps QoQ to 12.3%; while we see the ratio inching down slightly in 2H25 due to higher loan growth and additional shareholder returns, the overall upward trend should continue on a full-year basis.

(Dec.)	2023	2024	2025F	2026F	2027F
Net operating revenue (Wbn)	2,177	2,082	1,999	1,989	2,026
OP (Wbn)	534	263	671	682	706
NP (Wbn)	388	215	473	473	476
EPS (W)	2,291	1,271	2,850	2,946	3,077
BPS (W)	35,751	36,006	37,945	41,118	44,657
P/E (x)	3.7	6.4	5.3	5.1	4.9
P/B (x)	0.24	0.23	0.39	0.36	0.34
ROE (%)	6.8	3.6	7.8	7.5	7.2
Shareholder return yield (%)	6.5	3.3	6.8	7.2	7.6
CET1 ratio (%)	11.2	11.7	12.2	12.4	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. iMFG: TP calculation**

(W, x, %)

	Value	Notes
Previous TP	12,500	
2025F ROE	7.7	Mirae Asset Securities est.
Adj. discount rate	23.2	
Target P/B	0.33	
2025F BPS	37,700	Mirae Asset Securities est.
Revised TP	19,000	
2025F ROE	7.8	Mirae Asset Securities est.
Adj. discount rate	15.6	
Target P/B	0.50	
2025F BPS	32,507	Mirae Asset Securities est.
Current price	14,980	
Upside	26.8	
Rating	Buy	

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	523	472	483	2,082	1,999	1,989
Interest income	403	400	400	401	1,686	1,604	1,625
Bank	307	301	301	303	1,287	1,212	1,232
Non-bank	96	98	99	98	399	392	392
Non-interest income	118	123	73	82	396	396	364
SG&A expenses	242	235	213	290	1,078	980	968
PPOP	279	288	260	193	1,004	1,020	1,021
Provisioning	70	81	90	108	740	349	340
OP	209	206	170	86	263	671	682
Non-OP	-3	-3	-3	-5	-11	-14	-15
Pretax profit	206	204	166	80	253	657	667
Taxes	47	54	44	21	51	166	176
Consolidated NP	159	150	123	59	202	490	491
NP attr. to owners of the parent	154	146	118	55	215	473	473

Source: Company data, Mirae Asset Securities Research

## iM Financial Group (139130 KS)

**Income statement**

(Wbn)	2024	2025F	2026F	2027F
Net operating revenue	2,082	1,999	1,989	2,026
Interest income	1,686	1,604	1,625	1,661
Bank	1,287	1,212	1,232	1,264
Non-bank	399	392	392	397
Non-interest income	396	396	364	364
SG&A expenses	1,078	980	968	985
PPOP	1,004	1,020	1,021	1,040
Provisioning	740	349	340	334
OP	263	671	682	706
Non-OP	-11	-14	-15	-15
Pretax profit	253	657	667	691
Taxes	51	166	176	198
NP	202	490	491	493
Attr. to owners of the parent	215	473	473	476
Minority interests	-13	18	18	18

<b>Growth (%)</b>	2024	2025F	2026F	2027F
Net operating revenue	-4.4	-3.9	-0.5	1.8
Interest income	3.1	-4.9	1.3	2.3
Bank	0.5	-5.9	1.7	2.6
Non-bank	12.5	-1.7	0.1	1.2
Non-interest income	-26.9	0.1	-7.9	0.0
SG&A expenses	4.1	-9.1	-1.2	1.8
PPOP	-12.1	1.6	0.1	1.9
Provisioning	22.0	-52.8	-2.7	-1.7
OP	-50.7	154.6	1.6	3.6
Non-OP	463.2	30.3	7.9	2.1
Pretax profit	-52.5	159.9	1.5	3.7
Taxes	-57.5	225.5	5.8	12.4
NP	-51.1	143.2	0.1	0.5
Attr. to owners of the parent	-44.6	120.0	0.1	0.6
Minority interests	-154.5	-232.3	0.0	0.0

**Performance indicators**

(%, Wbn)	2024	2025F	2026F	2027F
NIM	1.91	1.72	1.72	1.70
NIS	2.25	2.02	1.98	1.95
Cost-to-income ratio	51.8	49.0	48.7	48.6
Credit cost ratio	1.15	0.53	0.50	0.47
Asset growth	0.8	6.2	3.4	3.4
Equity growth (attr. to owners)	0.7	2.4	4.8	4.4
BIS capital	6,304	6,585	6,879	7,164
Tier 1 capital	5,725	6,038	6,331	6,616
CET1 capital	5,050	5,366	5,660	5,945
Tier 2 capital	579	547	547	547
Risk-weighted assets	43,108	44,153	45,718	47,339
BIS capital adequacy ratio	14.6	14.9	15.0	15.1
Tier 1 capital	13.3	13.7	13.8	14.0
CET1 capital	11.7	12.2	12.4	12.6
Tier 2 capital	1.6	1.2	1.2	1.2

Source: Company data, Mirae Asset Securities Research estimates

**Balance sheet**

(Wbn)	2024	2025F	2026F	2027F
Assets	94,149	99,960	103,319	106,791
Cash/cash equivalents	4,126	5,084	5,254	5,431
Securities	20,897	23,883	24,686	25,515
Loans	65,701	66,862	69,233	71,687
Won-denominated bank loans	57,349	58,760	60,843	63,000
Tangible assets	948	939	939	939
Other	3,425	3,192	3,207	3,218
Liabilities	87,943	93,610	96,675	99,861
Deposits	59,807	60,990	63,152	65,391
Won-denominated bank deposits	59,807	60,990	63,152	65,391
Borrowings	17,528	20,661	21,337	22,040
Other	10,608	11,959	12,185	12,430
Equity	6,206	6,351	6,644	6,929
Attr. to owners of the parent	5,991	6,136	6,430	6,715
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	3,573	3,866	4,152
Other	816	816	816	816
Minority interests	215	215	215	215

**Investment indicators**

(x, %, W)	2024	2025F	2026F	2027F
Valuation				
P/E	6.4	5.3	5.1	4.9
P/B	0.23	0.39	0.36	0.34
Dividend yield	6.1	4.0	4.0	4.0
Per-share indicators				
EPS	1,271	2,850	2,946	3,077
BPS	36,006	37,945	41,118	44,657
DPS	500	600	600	600
Growth				
EPS	0.7	5.4	8.4	8.6
BPS	0.7	5.4	8.4	8.6
Profitability				
ROE	3.6	7.8	7.5	7.2
ROA	0.23	0.49	0.47	0.45
PPOP margin	48.2	51.0	51.3	51.4
OP margin	12.7	33.5	34.3	34.9
Pretax margin	12.1	32.8	33.5	34.1
Net margin	10.3	23.6	23.8	23.5

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

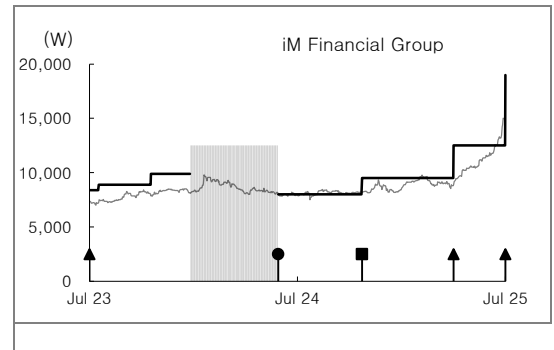
('000, %)	2024	2025F	2026F	2027F
Issued shares (year-end)	169,146	164,390	159,050	153,042
Common	169,146	164,390	159,050	153,042
Preferred	0	0	0	0
Dividend payout ratio				
Common	38.7	21.1	21.1	21.0
Preferred	0.0	0.0	0.0	0.0

# Appendix 1

## Important disclosures and disclaimers

### Two-year rating and TP history

Company	Date	Rating	TP (W)
iM Financial Group (139130)	07/14/25	Buy	19,000
	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 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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