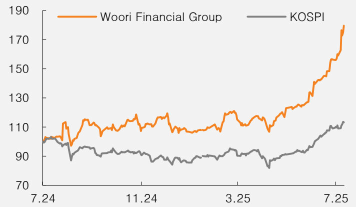
MIRAE ASSET Securities

Equity Research
July 14, 2025

(Upgrade)	Buy
Target price	▲ W29,000
Current price (7/11/25)	W25,850
Upside	12.2%

NP (25F, Wbn)	2,892
Consensus NP (25F, Wbn)	2,998
EPS growth (25F, %)	4.2
Market EPS growth (25F, %)	24.6
P/E (25F, x)	6.6
Market P/E (25F, x)	11.6
KOSPI	3,175.77
Market cap (Wbn)	19,196
Shares outstanding (mn)	743
Free float (%)	87.1
Foreign ownership (%)	46.7
Beta (12M)	0.88
52-week low (W)	13,980
52-week high (W)	25,850

(%)	1M	6M	12M
Absolute	26.4	66.8	73.7
Relative	15.7	32.1	58.2



Mirae Asset Securities Co., Ltd.

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

316140 KS · Banks

Woori Financial Group

Long-term hold still appealing

Upgrade to Buy; raise TP to W29,000

We upgrade our rating on Woori Financial Group from Trading Buy to Buy, and raise our target price from W18,000 to W29,000. The new TP is based on our 2025F BPS and a target P/B of 0.6x. Despite Woori's relatively low CET1 ratio and shareholder return guidance compared to peers, we believe its long-term hold appeal remains intact given the expected tax exemption on dividend income starting next year. This justifies our target multiple of 0.6x. Based on this, we see 12.2% upside, which supports our upgraded rating.

Although the upside is only in the low teens, we assign a Buy rating because the tax-exempt dividend policy, once approved at the shareholder meeting, can be applied to 2025 year-end dividends. This means investors could benefit not just from capital gains but also from improved dividend yield.

Shareholder return potential to expand

Woori's current shareholder return target is only 35%, reflecting its relatively low capital buffer. However, if the CET1 ratio surpasses 12.5% this year, the bank is likely to raise its target return ratio to 40%. This means the appeal of shareholder returns should rise significantly from next year onward, when the tax-exempt dividends begin to apply. Additionally, starting in 3Q25, the consolidation of Tongyang Life and ABL Life will be reflected in the group's financials, bolstering non-interest income.

2Q25 earnings preview

We expect 2Q25 net profit attributable to owners of the parent to come in at W847.7bn, in line with the consensus. Interest income is projected to increase 4.2% YoY and 1.6% QoQ, driven by a 1bp QoQ rise in NIM and a 0.7% QoQ increase in won-denominated loans. Credit costs are expected to grow 30.7% YoY and 22.7% QoQ. The CET1 ratio is forecast at 12.63% (+21bps QoQ), aided by disciplined loan growth and the strengthening of the won.

(Dec.)	2023	2024	2025F	2026F	2027F
Net operating revenue (Wbn)	9,837	10,440	11,238	11,587	11,901
OP (Wbn)	3,499	4,255	4,146	4,680	4,994
NP (Wbn)	2,506	3,086	2,892	3,263	3,493
EPS (W)	3,312	4,157	3,926	4,489	4,883
BPS (W)	42,116	45,919	47,865	51,292	55,083
P/E (x)	3.9	3.7	6.6	5.8	5.3
P/B (x)	0.31	0.33	0.54	0.50	0.47
ROE (%)	8.3	9.4	8.3	9.0	9.1
Shareholder return yield (%)	8.8	5.4	5.4	6.5	7.4
CET1 ratio (%)	12.0	12.1	12.6	12.9	13.2

Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent
Source: Company data, Mirae Asset Securities Research estimates

Table 1. WFG: TP calculation (W, x, %)

	Value	Notes
Previous TP	18,000	
2025F ROE	8.5	Mirae Asset Securities est.
Adj. discount rate	23.2	
Target P/B	0.37	
2025F BPS	49,173	Mirae Asset Securities est.
Revised TP	29,000	
2025F ROE	8.3	Mirae Asset Securities est.
Adj. discount rate	13.9	
Target P/B	0.60	
2025F BPS	47,865	Mirae Asset Securities est.
Current price	25,850	
Upside	12.2	
Rating	Buy	

Source: Company data, Mirae Asset Securities Research

Table 2. WFG: Earnings and forecasts (Wbn)

	1Q25	2Q25F	3Q25F	4Q25F	2024	2025F	2026F
Net operating revenue	2,610	2,909	2,874	2,846	10,440	11,238	11,587
Interest income	2,252	2,288	2,290	2,291	8,886	9,121	9,255
Bank	1,450	1,468	1,469	1,473	5,671	5,861	5,990
Non-bank	802	820	821	818	3,216	3,261	3,266
Non-interest income	358	621	584	554	1,554	2,117	2,332
SG&A expenses	1,306	1,164	1,150	1,565	4,469	5,184	5,069
PPOP	1,303	1,745	1,724	1,280	5,971	6,054	6,517
Provisioning	436	535	442	496	1,716	1,907	1,838
OP	868	1,211	1,283	785	4,255	4,146	4,680
Non-OP	-5	-8	-8	-16	-32	-36	-41
Pretax profit	863	1,203	1,275	769	4,223	4,110	4,639
Taxes	210	318	337	203	1,051	1,067	1,225
Consolidated NP	654	886	938	566	3,171	3,043	3,414
NP attr. to owners of the parent	616	848	900	528	3,086	2,892	3,263

Source: Company data, Mirae Asset Securities Research

Woori Financial Group (316140 KS)

Income statement

(Wbn)	2024	2025F	2026F	2027F
Net operating revenue	10,440	11,238	11,587	11,901
Interest income	8,886	9,121	9,255	9,548
Bank	5,671	5,861	5,990	6,243
Non-bank	3,216	3,261	3,266	3,305
Non-interest income	1,554	2,117	2,332	2,353
SG&A expenses	4,469	5,184	5,069	5,207
PPOP	5,971	6,054	6,517	6,694
Provisioning	1,716	1,907	1,838	1,700
OP	4,255	4,146	4,680	4,994
Non-OP	-32	-36	-41	-42
Pretax profit	4,223	4,110	4,639	4,952
Taxes	1,051	1,067	1,225	1,307
NP	3,171	3,043	3,414	3,644
Attr. to owners of the parent	3,086	2,892	3,263	3,493
Minority interests	85	151	151	151

Growth (%)	2024	2025F	2026F	2027F
Net operating revenue	6.1	7.6	3.1	2.7
Interest income	1.6	2.6	1.5	3.2
Bank	-1.4	3.3	2.2	4.2
Non-bank	7.4	1.4	0.1	1.2
Non-interest income	41.9	36.2	10.2	0.9
SG&A expenses	0.6	16.0	-2.2	2.7
PPOP	10.7	1.4	7.7	2.7
Provisioning	-9.4	11.1	-3.7	-7.5
OP	21.6	-2.6	12.9	6.7
Non-OP	-275.5	10.8	14.4	3.0
Pretax profit	20.1	-2.7	12.9	6.7
Taxes	18.1	1.5	14.8	6.7
NP	20.7	-4.0	12.2	6.7
Attr. to owners of the parent	23.1	-6.3	12.8	7.1
Minority interests	-29.1	77.2	0.0	0.0

Performance indicators

(%, Wbn)	2024	2025F	2026F	2027F
NIM	1.44	1.42	1.41	1.42
NIS	1.41	1.42	1.40	1.40
Cost-to-income ratio	42.8	46.1	43.8	43.8
Credit cost ratio	0.44	0.48	0.45	0.40
Asset growth	5.6	4.1	4.1	4.1
Equity growth (attr. to owners)	7.7	3.4	5.8	5.7
BIS capital	36,928	38,320	40,349	42,466
Tier 1 capital	33,393	34,972	37,001	39,118
CET1 capital	28,523	30,565	32,594	34,711
Tier 2 capital	3,535	3,348	3,348	3,348
Risk-weighted assets	235,100	242,408	252,244	262,480
BIS capital adequacy ratio	15.7	15.8	16.0	16.2
Tier 1 capital	14.2	14.4	14.7	14.9
CET1 capital	12.1	12.6	12.9	13.2
Tier 2 capital	1.5	1.4	1.3	1.3

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet

(Wbn)	2024	2025F	2026F	2027F
Assets	525,753	547,209	569,414	592,520
Cash/cash equivalents	27,281	26,308	27,375	28,486
Securities	88,204	88,279	91,862	95,589
Loans	398,472	420,651	437,721	455,483
Won-denominated bank loans	299,969	305,182	317,566	330,452
Tangible assets	10,048	9,905	9,905	9,905
Other	1,749	2,066	2,552	3,057
Liabilities	489,858	510,150	530,326	551,315
Deposits	366,821	378,516	393,876	409,859
Won-denominated bank deposits	312,634	326,567	339,819	353,608
Borrowings	78,324	79,351	82,489	85,754
Other	44,713	52,283	53,961	55,703
Equity	35,895	37,059	39,088	41,205
Attr. to owners of the parent	34,097	35,264	37,293	39,410
Capital stock	3,803	3,803	3,803	3,803
Capital surplus	934	934	934	934
Capital adj.	-286	-286	-286	-286
AOCI	-1,115	-1,117	-1,116	-1,116
Retained earnings	26,951	28,519	30,547	32,664
Other	3,810	3,411	3,411	3,411
Minority interests	1,798	1,795	1,795	1,795

Investment indicators

(x, %, W)	2024	2025F	2026F	2027F
Valuation				
P/E	3.7	6.6	5.8	5.3
P/B	0.33	0.54	0.50	0.47
Dividend yield	7.8	4.6	5.2	5.8
Per-share indicators				
EPS	4,157	3,926	4,489	4,883
BPS	45,919	47,865	51,292	55,083
DPS	1,200	1,200	1,350	1,500
Growth				
EPS	9.0	4.2	7.2	7.4
BPS	9.0	4.2	7.2	7.4
Profitability				
ROE	9.4	8.3	9.0	9.1
ROA	0.60	0.54	0.58	0.60
PPOP margin	57.2	53.9	56.2	56.2
OP margin	40.8	36.9	40.4	42.0
Pretax margin	40.4	36.6	40.0	41.6
Net margin	29.6	25.7	28.2	29.4

No. of shares & dividend payout ratio

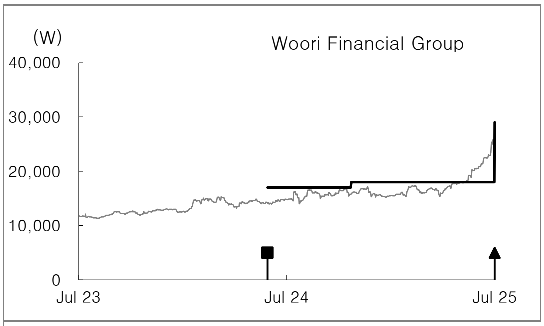
('000, %)	2024	2025F	2026F	2027F
Issued shares (year-end)	742,592	736,789	727,118	715,512
Common	742,592	736,789	727,118	715,512
Preferred	0	0	0	0
Dividend payout ratio	28.9	30.7	30.2	30.8
Common	28.9	30.7	30.2	30.8
Preferred	0.0	0.0	0.0	0.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Woori Financial Group (316140)	07/14/25	Buy	29,000
	11/04/24	Trading Buy	18,000
	06/10/24	Trading Buy	17,000



Stock ratings		Sector ratings	
Buy	Expected 12-month return: +20% or greater	Overweight	Expected to outperform the market over 12 months
Hold	Expected 12-month return: Greater than -10% and less than +10%	Neutral	Expected to perform in line with the market over 12 months
Sell	Expected 12-month return: -10% or less	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)

Disclosures

As of the publication date, Mirae Asset Securities Co., Ltd. has acted as a liquidity provider for equity-linked warrants backed by shares of Woori Financial Group as an underlying asset; other than this, Mirae Asset Securities has no other special interests in the covered companies.

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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 SAR 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	