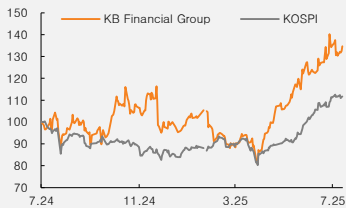


(Maintain)	Buy
Target price	W167,000
Current price (7/24/25)	W117,200
Upside	42.5%

NP (25F, Wbn)	5,722
Consensus NP (25F, Wbn)	5,663
EPS growth (25F, %)	16.9
Market EPS growth (25F, %)	24.6
P/E (25F, x)	7.8
Market P/E (25F, x)	11.7
KOSPI	3,190.45

Market cap (Wbn)	44,707
Shares outstanding (mn)	381
Free float (%)	79.3
Foreign ownership (%)	77.8
Beta (12M)	0.83
52-week low (W)	70,500
52-week high (W)	122,000

(%)	1M	6M	12M
Absolute	4.4	31.8	38.5
Relative	1.5	4.8	19.8



Mirae Asset Securities Co., Ltd.

Tae Joon Jeong, CFA

taejoon.jeong@miraeasset.com

105560 KS • Banks

KB Financial Group

Annual shareholder return ratio likely to reach 53%

Maintain Buy and TP of W167,000

We maintain our Buy rating and target price of W167,000 on KB Financial Group (KBFG). During its 2Q25 earnings call, the group announced an W850bn share buyback/cancellation plan for 2H25, in line with market expectations. As a result, we forecast the full-year shareholder return ratio to reach 53%, setting a new benchmark for shareholder returns in the banking sector. The stock is likely to receive growing interest from long-term investors who prioritize sustained growth in shareholder returns. We continue to recommend KBFG as our top pick in the sector.

2Q25 earnings beat consensus

For 2Q25, KBFG reported net profit attributable to owners of the parent of W1.74tr, in line with our estimate (W1.66tr) and above the consensus (W1.64tr). Interest income was in line with our estimate, while non-interest income exceeded our estimate. While SG&A expenses and credit costs were both higher than anticipated, we note that the increase in credit costs was mainly due to preemptive provisioning for real estate exposures. The CET1 ratio stood at 13.74%, slightly above our estimate of 13.71%.

Following through on shareholder return commitment

Of the announced W850bn share buyback/cancellation plan, KBFG plans to carry out W660bn within this year and the remaining W190bn after the finalization of 2025 financial statements. This deferral is due to a temporary shortfall in distributable earnings, which the group expects to resolve later in the year through interim dividends from subsidiaries. However, management said that the deferred W190bn will still be counted as part of its 2025 shareholder returns. We believe this demonstrates the group's commitment to honoring its previously outlined shareholder return framework, even amid a steeper-than-expected increase in the scale of returns. We are encouraged by the group's disciplined and predictable execution of its shareholder return policy.

(Dec.)	2023	2024	2025F	2026F	2027F
Net operating revenue (Wbn)	16,221	17,028	16,884	17,207	17,647
OP (Wbn)	6,427	8,045	7,552	8,087	8,482
NP (Wbn)	4,626	5,078	5,722	6,091	6,190
EPS (W)	11,483	12,879	15,057	16,734	17,796
BPS (W)	149,718	154,949	166,512	182,477	200,041
P/E (x)	4.7	6.4	7.8	7.0	6.6
P/B (x)	0.36	0.54	0.70	0.64	0.59
ROE (%)	8.4	8.8	9.7	9.9	9.7
Shareholder return yield (%)	8.5	6.5	7.3	8.3	9.0
CET1 ratio (%)	13.6	13.5	13.6	13.6	13.6

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

Source: Company data, Mirae Asset Securities Research estimates

Table 1. KBFG: 2Q25 review

(Wbn, %)

	Mirae Asset	2Q25P	Notes
Net operating revenue	4,464	4,538	
Interest income	3,271	3,107	Group NIM -5bps, bank NIM -3bps QoQ
Bank	2,141	2,130	
Non-bank	1,130	976	
Non-interest income	1,194	1,431	Fee/commission income: +12.2% YoY, +10.5% QoQ
SG&A expenses	1,652	1,750	SG&A ratio: 38.6% (+2.7%p YoY, +3.3%p QoQ)
PPOP	2,813	2,788	
Provisioning	596	655	Credit cost ratio: 55bps (+12bps YoY, +1bps QoQ)
OP	2,217	2,133	
Non-OP	14	210	
Pretax profit	2,231	2,343	
Taxes	589	596	
Consolidated NP	1,642	1,748	
NP attr. to owners of the parent	1,663	1,738	

Source: Company data, Mirae Asset Securities Research

Table 2. KBFG: Earnings and forecasts

(Wbn)

	1Q25	2Q25P	3Q25F	4Q25F	2024	2025F	2026F
Net operating revenue	4,554	4,538	4,255	3,536	17,028	16,884	17,207
Interest income	3,262	3,107	3,082	3,117	12,827	12,568	12,696
Bank	2,158	2,130	2,117	2,131	8,472	8,535	8,713
Non-bank	1,105	976	966	986	4,355	4,033	3,983
Non-interest income	1,292	1,431	1,173	420	4,202	4,316	4,511
SG&A expenses	1,606	1,750	1,575	1,945	6,939	6,875	6,862
PPOP	2,949	2,788	2,681	1,591	10,090	10,009	10,345
Provisioning	656	655	540	606	2,044	2,457	2,259
OP	2,293	2,133	2,141	985	8,045	7,552	8,087
Non-OP	14	210	-43	-33	-1,060	147	147
Pretax profit	2,307	2,343	2,097	952	6,985	7,699	8,234
Taxes	608	596	554	251	1,957	2,008	2,174
Consolidated NP	1,699	1,748	1,544	701	5,029	5,691	6,060
NP attr. to owners of the parent	1,697	1,738	1,562	725	5,078	5,722	6,091

Source: Company data, Mirae Asset Securities Research

KB Financial Group (105560 KS)

Income statement

(Wbn)	2024	2025F	2026F	2027F
Net operating revenue	17,028	16,884	17,207	17,647
Interest income	12,827	12,568	12,696	12,931
Bank	8,472	8,535	8,713	9,192
Non-bank	4,355	4,033	3,983	3,739
Non-interest income	4,202	4,316	4,511	4,716
SG&A expenses	6,939	6,875	6,862	7,055
PPOP	10,090	10,009	10,345	10,592
Provisioning	2,044	2,457	2,259	2,110
OP	8,045	7,552	8,087	8,482
Non-OP	-1,060	147	147	147
Pretax profit	6,985	7,699	8,234	8,629
Taxes	1,957	2,008	2,174	2,470
NP	5,029	5,691	6,060	6,159
Attr. to owners of the parent	5,078	5,722	6,091	6,190
Minority interests	-50	-31	-31	-31

Growth (%)	2024	2025F	2026F	2027F
Net operating revenue	5.0	-0.8	1.9	2.6
Interest income	6.6	-2.0	1.0	1.9
Bank	2.8	0.7	2.1	5.5
Non-bank	14.9	-7.4	-1.2	-6.1
Non-interest income	0.3	2.7	4.5	4.5
SG&A expenses	4.4	-0.9	-0.2	2.8
PPOP	5.4	-0.8	3.4	2.4
Provisioning	-35.0	20.2	-8.1	-6.6
OP	25.2	-6.1	7.1	4.9
Non-OP	300.2	-113.9	0.0	0.0
Pretax profit	13.4	10.2	6.9	4.8
Taxes	21.9	2.6	8.3	13.6
NP	10.3	13.2	6.5	1.6
Attr. to owners of the parent	9.8	12.7	6.4	1.6
Minority interests	-27.5	-37.1	0.0	0.0

Performance indicators

(%, Wbn)	2024	2025F	2026F	2027F
NIM	1.79	1.72	1.68	1.69
NIS	1.71	1.67	1.63	1.63
Cost-to-income ratio	40.7	40.7	39.9	40.0
Credit cost ratio	0.44	0.51	0.44	0.39
Asset growth	5.9	5.6	5.1	5.1
Equity growth (attr. to owners)	1.7	3.4	4.7	4.5
BIS capital	56,849	58,724	61,537	64,331
Tier 1 capital	52,477	55,166	57,979	60,774
CET1 capital	46,794	49,435	52,248	55,043
Tier 2 capital	4,372	3,558	3,558	3,558
Risk-weighted assets	345,981	363,139	383,145	404,252
BIS capital adequacy ratio	16.4	16.2	16.1	15.9
Tier 1 capital	15.2	15.2	15.1	15.0
CET1 capital	13.5	13.6	13.6	13.6
Tier 2 capital	1.3	1.0	0.9	0.9

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet

(Wbn)	2024	2025F	2026F	2027F
Assets	757,846	800,255	841,014	883,848
Cash/cash equivalents	29,869	34,976	36,758	38,630
Securities	210,460	223,949	235,356	247,343
Loans	472,072	490,275	515,246	541,489
Won-denominated bank loans	363,590	381,573	401,008	421,432
Tangible assets	9,286	8,675	8,675	8,675
Other	45,445	42,379	44,979	47,712
Liabilities	698,030	738,534	776,480	816,520
Deposits	435,688	453,205	476,288	500,547
Won-denominated bank deposits	377,577	394,598	414,696	435,817
Borrowings	144,249	147,818	155,412	163,426
Other	118,094	137,511	144,779	152,547
Equity	59,815	61,721	64,534	67,328
Attr. to owners of the parent	57,889	59,836	62,649	65,444
Capital stock	2,091	2,091	2,091	2,091
Capital surplus	16,647	16,646	16,646	16,646
Capital adj.	-1,236	-1,242	-1,242	-1,242
AOCI	497	-277	-277	-277
Retained earnings	34,808	37,456	40,269	43,064
Other	5,083	5,163	5,163	5,163
Minority interests	1,926	1,885	1,885	1,885

Investment indicators

(x, %, W)	2024	2025F	2026F	2027F
Valuation				
P/E	6.4	7.8	7.0	6.6
P/B	0.54	0.70	0.64	0.59
Dividend yield	3.8	3.2	3.5	3.9
Per-share indicators				
EPS	12,879	15,057	16,734	17,796
BPS	154,949	166,512	182,477	200,041
DPS	3,174	3,739	4,101	4,619
Growth				
EPS	12.2	16.9	11.1	6.4
BPS	3.5	7.5	9.6	9.6
Profitability				
ROE	8.8	9.7	9.9	9.7
ROA	0.69	0.73	0.74	0.72
PPOP margin	59.3	59.3	60.1	60.0
OP margin	47.2	44.7	47.0	48.1
Pretax margin	41.0	45.6	47.9	48.9
Net margin	29.8	33.9	35.4	35.1

No. of shares & dividend payout ratio

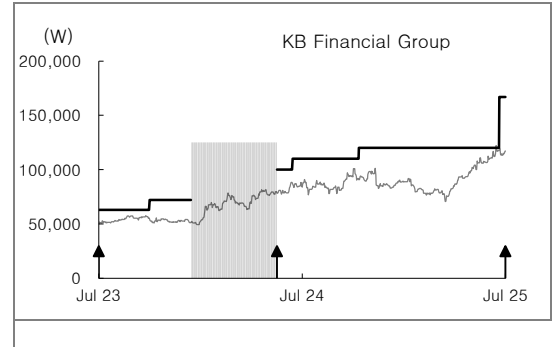
('000, %)	2024	2025F	2026F	2027F
Issued shares (year-end)	393,528	379,278	363,255	347,079
Common	393,528	379,278	363,255	347,079
Preferred	0	0	0	0
Dividend payout ratio	23.6	23.4	23.0	24.2
Common	23.6	23.4	23.0	24.2
Preferred	0.0	0.0	0.0	0.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
KB Financial Group (105560)	07/14/25	Buy	167,000
	11/04/24	Buy	120,000
	07/08/24	Buy	110,000
	06/10/24	Buy	100,000
	01/08/24	No Coverage	
	10/25/23	Buy	72,000
	07/20/23	Buy	63,000



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	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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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 (USA) Inc.

810 Seventh Avenue, 37th Floor
New York, NY 10019
USA

Tel: 1-212-407-1000

Mirae Asset Securities (Singapore) Pte. Ltd.

6 Battery Road, #11-01
Singapore 049909
Republic of Singapore

Tel: 65-6671-9845

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

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 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 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

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)

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)

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

Mirae Asset Securities (UK) Ltd.

41st Floor, Tower 42
25 Old Broad Street,
London EC2N 1HQ
United Kingdom

Tel: 44-20-7982-8000

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 Mongolia UTsk LLC

#406, Blue Sky Tower, Peace Avenue 17
1 Khoroov, Sukhbaatar District
Ulaanbaatar 14240
Mongolia

Tel: 976-7011-0806

Shanghai Representative Office

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

Tel: 86-21-5013-6392
