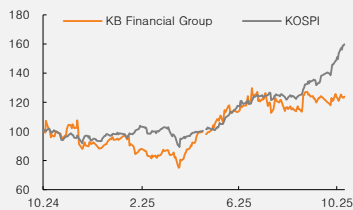


(Maintain)	Buy
Target price	▲ W184,000
Current price (10/31/25)	W116,600
Upside	57.8%

NP (25F, Wbn)	5,947
Consensus NP (25F, Wbn)	5,794
EPS growth (25F, %)	21.8
Market EPS growth (25F, %)	30.8
P/E (25F, x)	7.5
Market P/E (25F, x)	14.6
KOSPI	4,107.50

Market cap (Wbn)	44,478
Shares outstanding (mn)	381
Free float (%)	78.5
Foreign ownership (%)	77.0
Beta (12M)	0.93
52-week low (W)	70,500
52-week high (W)	122,000

(%)	1M	6M	12M
Absolute	1.0	29.3	29.1
Relative	-15.8	-19.5	-19.6



Mirae Asset Securities Co., Ltd.

Tae Joon Jeong, CFA

taejoon.jeong@miraeasset.com

KB Financial Group

Strong capital position to support higher shareholder returns

Lift TP to W184,000 (from W167,000); maintain Buy

We lift our target price for KB Financial Group (KBFG) to W184,000, which we derived by applying a target P/B of 1.0x (unchanged) to our 2026F BPS. We believe it is reasonable to maintain a target P/B of 1.0x due to the group's stronger-than-expected capital position, which should give it ample capacity to keep raising shareholder returns (even accounting for potential earnings headwinds such as "productive finance" initiatives and regulatory fines). We project the shareholder return ratio (dividends + buybacks) to reach 53.8% in 2026 and increase steadily thereafter. With our target price implying 57.8% upside, we maintain our Buy rating.

3Q25 results beat consensus

For 3Q25, KBFG reported net profit attributable to owners of the parent of W1.69tr, in line with our estimate (W1.65tr) and above the consensus (W1.59tr). While net interest income was in line with expectations, non-interest income came in lower than expected, mainly due to weak results from the group's insurance subsidiaries. Meanwhile, credit costs were much smaller than feared thanks to roughly W70bn in reversals, leading to a 25bp QoQ improvement in the credit cost ratio (to 30bps). Despite the weak win, the CET1 ratio climbed 6bps QoQ to 13.83%, strengthening visibility on further shareholder return growth in 2026.

Shareholder return yield likely to reach 9.1% in 2026

In 2026, we forecast net profit attributable to owners of the parent to increase 11.4% YoY, supported by a 6.1% increase in net interest income, a 13.9% increase in non-interest income, and a 2bp decline in the credit cost ratio. With concerns over won depreciation and potential fines likely to subside, we also expect the CET1 ratio to remain stable in the mid/high-13% range. Against this backdrop, we forecast the shareholder return ratio to once again exceed 50% (53.8%), implying a shareholder return yield of 9.1%.

(Dec.)	2023	2024	2025F	2026F	2027F
Net operating revenue (Wbn)	16,221	17,028	17,305	18,688	18,778
OP (Wbn)	6,427	8,045	7,955	9,089	9,185
NP (Wbn)	4,626	5,078	5,947	6,622	6,693
EPS (W)	11,483	12,879	15,688	18,254	19,451
BPS (W)	149,718	154,949	167,415	184,464	204,032
P/E (x)	4.7	6.4	7.5	6.7	6.6
P/B (x)	0.36	0.54	0.72	0.69	0.66
ROE (%)	8.4	8.8	10.1	10.8	10.4
Shareholder return yield (%)	8.5	6.5	7.6	9.1	10.4
CET1 ratio (%)	13.6	13.5	13.6	13.6	13.7

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

Source: Company data, Mirae Asset Securities Research estimates

Table 1. KBFG: TP calculation

(W, x, %)

	Value	Notes
Previous TP	167,000	
2025F ROE	9.7	Mirae Asset Securities est.
Adj. discount rate	9.7	
Target P/B	1.00	
2025F BPS	167,071	Mirae Asset Securities est.
Revised TP	184,000	
2026F ROE	10.8	Mirae Asset Securities est.
Adj. discount rate	10.8	
Target P/B	1.00	
2026F BPS	184,464	Mirae Asset Securities est.
Current price	116,600	
Upside	57.8	
Rating	Buy	

Source: Company data, Mirae Asset Securities Research

Table 2. KBFG: 3Q25 review

(Wbn, %)

	Mirae Asset	3Q25	Notes
Net operating revenue	4,486	4,352	
Interest income	3,236	3,336	Group NIM flat, bank NIM +1bp QoQ
Bank	2,118	2,140	
Non-bank	1,118	1,197	
Non-interest income	1,250	1,016	Fee/commission income: +4.6% YoY, -4.4% QoQ
SG&A expenses	1,660	1,652	SG&A ratio: 38.0% (+1.4%p YoY, -0.6%p QoQ)
PPOP	2,826	2,700	
Provisioning	537	365	Credit cost ratio: 30bps (-13bps YoY, -25bps QoQ)
OP	2,289	2,335	
Non-OP	-73	-74	
Pretax profit	2,216	2,262	
Taxes	585	606	
Consolidated NP	1,631	1,655	
NP attr. to owners of the parent	1,649	1,686	

Source: Company data, Mirae Asset Securities Research

Table 3. KBFG: Earnings and forecasts

(Wbn)

	1Q25	2Q25	3Q25	4Q25F	2024	2025F	2026F
Net operating revenue	4,554	4,538	4,352	3,861	17,028	17,305	18,688
Interest income	3,262	3,107	3,336	3,361	12,827	13,066	13,861
Bank	2,158	2,130	2,140	2,139	8,472	8,566	8,937
Non-bank	1,105	976	1,197	1,222	4,355	4,500	4,924
Non-interest income	1,292	1,431	1,016	500	4,202	4,239	4,827
SG&A expenses	1,606	1,750	1,652	2,124	6,939	7,131	7,355
PPOP	2,949	2,788	2,700	1,737	10,090	10,174	11,332
Provisioning	656	655	365	544	2,044	2,219	2,243
OP	2,293	2,133	2,335	1,194	8,045	7,955	9,089
Non-OP	14	210	-74	-106	-1,060	45	-152
Pretax profit	2,307	2,343	2,262	1,088	6,985	7,999	8,937
Taxes	608	596	606	287	1,957	2,097	2,359
Consolidated NP	1,699	1,748	1,655	801	5,029	5,903	6,578
NP attr. to owners of the parent	1,697	1,738	1,686	825	5,078	5,947	6,622

Source: Company data, Mirae Asset Securities Research

KB Financial Group (105560 KS)

Income statement

(Wbn)	2024	2025F	2026F	2027F
Net operating revenue	17,028	17,305	18,688	18,778
Interest income	12,827	13,066	13,861	14,465
Bank	8,472	8,566	8,937	9,598
Non-bank	4,355	4,500	4,924	4,867
Non-interest income	4,202	4,239	4,827	4,312
SG&A expenses	6,939	7,131	7,355	7,377
PPOP	10,090	10,174	11,332	11,400
Provisioning	2,044	2,219	2,243	2,215
OP	8,045	7,955	9,089	9,185
Non-OP	-1,060	45	-152	-152
Pretax profit	6,985	7,999	8,937	9,033
Taxes	1,957	2,097	2,359	2,385
NP	5,029	5,903	6,578	6,649
Attr. to owners of the parent	5,078	5,947	6,622	6,693
Minority interests	-50	-44	-44	-44

Growth (%)	2024	2025F	2026F	2027F
Net operating revenue	5.0	1.6	8.0	0.5
Interest income	6.6	1.9	6.1	4.4
Bank	2.8	1.1	4.3	7.4
Non-bank	14.9	3.3	9.4	-1.2
Non-interest income	0.3	0.9	13.9	-10.7
SG&A expenses	4.4	2.8	3.1	0.3
PPOP	5.4	0.8	11.4	0.6
Provisioning	-35.0	8.5	1.1	-1.3
OP	25.2	-1.1	14.3	1.1
Non-OP	300.2	-104.2	-440.6	0.0
Pretax profit	13.4	14.5	11.7	1.1
Taxes	21.9	7.1	12.5	1.1
NP	10.3	17.4	11.4	1.1
Attr. to owners of the parent	9.8	17.1	11.4	1.1
Minority interests	-27.5	-11.1	0.0	0.0

Performance indicators

(%, Wbn)	2024	2025F	2026F	2027F
NIM	1.79	1.74	1.76	1.81
NIS	1.71	1.68	1.71	1.75
Cost-to-income ratio	40.7	41.2	39.4	39.3
Credit cost ratio	0.44	0.46	0.44	0.42
Asset growth	5.9	6.1	4.6	4.6
Equity growth (attr. to owners)	1.7	2.9	5.1	4.5
BIS capital	56,849	58,292	61,352	64,186
Tier 1 capital	52,477	54,889	57,948	60,782
CET1 capital	46,794	49,534	52,593	55,427
Tier 2 capital	4,372	3,403	3,403	3,403
Risk-weighted assets	345,981	363,394	387,593	405,327
BIS capital adequacy ratio	16.4	16.0	15.8	15.8
Tier 1 capital	15.2	15.1	15.0	15.0
CET1 capital	13.5	13.6	13.6	13.7
Tier 2 capital	1.3	0.9	0.9	0.8

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet

(Wbn)	2024	2025F	2026F	2027F
Assets	757,846	804,031	840,820	879,292
Cash/cash equivalents	29,869	25,524	26,691	27,913
Securities	210,460	227,214	237,610	248,482
Loans	472,072	491,385	513,868	537,381
Won-denominated bank loans	363,590	379,212	396,563	414,708
Tangible assets	9,286	8,272	8,272	8,272
Other	45,445	51,637	54,378	57,245
Liabilities	698,030	742,648	776,378	812,016
Deposits	435,688	453,199	473,935	495,620
Won-denominated bank deposits	377,577	392,608	410,572	429,358
Borrowings	144,249	147,581	154,284	161,366
Other	118,094	141,868	148,159	155,029
Equity	59,815	61,383	64,442	67,276
Attr. to owners of the parent	57,889	59,594	62,653	65,487
Capital stock	2,091	2,091	2,091	2,091
Capital surplus	16,647	16,623	16,623	16,623
Capital adj.	-1,236	-989	-989	-989
AOCI	497	-451	-451	-451
Retained earnings	34,808	37,527	40,586	43,421
Other	5,083	4,793	4,793	4,793
Minority interests	1,926	1,789	1,789	1,789

Investment indicators

(x, %, W)	2024	2025F	2026F	2027F
Valuation				
P/E	6.4	7.5	6.7	6.6
P/B	0.54	0.72	0.69	0.66
Dividend yield	3.8	3.2	4.1	4.4
Per-share indicators				
EPS	12,879	15,688	18,254	19,451
BPS	154,949	167,415	184,464	204,032
DPS	3,174	3,714	4,827	5,136
Growth				
EPS	3.5	8.0	10.2	10.6
BPS	3.5	8.0	10.2	10.6
Profitability				
ROE	8.8	10.1	10.8	10.4
ROA	0.69	0.76	0.81	0.78
PPOP margin	59.3	58.8	60.6	60.7
OP margin	47.2	46.0	48.6	48.9
Pretax margin	41.0	46.2	47.8	48.1
Net margin	29.8	34.4	35.4	35.6

No. of shares & dividend payout ratio

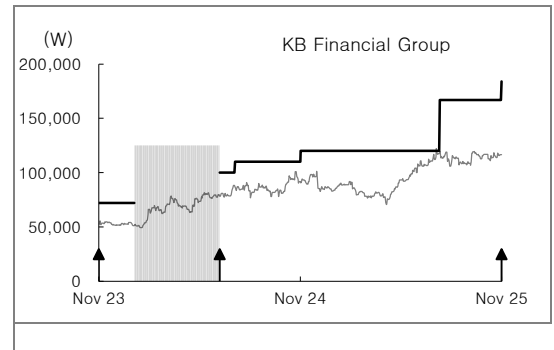
('000, %)	2024	2025F	2026F	2027F
Issued shares (year-end)	393,528	373,277	356,961	338,278
Common	393,528	373,277	356,961	338,278
Preferred	0	0	0	0
Dividend payout ratio	23.6	22.6	25.1	25.1
Common	23.6	22.6	25.1	25.1
Preferred	0.0	0.0	0.0	0.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
KB Financial Group (105560)	11/03/25	Buy	184,000
	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



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	78.61%	1.73%	19.08%	0.58%
Investment banking services	84.62%	0%	15.38%	0%

* Based on recommendations in the last 12-months (as of September 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
