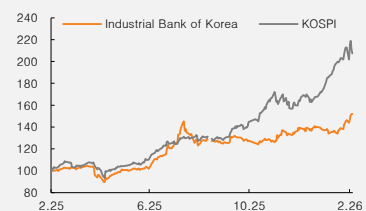


(Maintain)	Hold
Target price	▲ W22,000
Current price (2/6/26)	W23,000
Upside	-4.3%

NP (25, Wbn)	2,711
Consensus NP (25F, Wbn)	2,736
EPS growth (25, %)	2.4
Market EPS growth (25F, %)	36.0
P/E (25, x)	6.2
Market P/E (25F, x)	17.5
KOSPI	5,089.14
Market cap (Wbn)	18,341
Shares outstanding (mn)	797
Free float (%)	31.2
Foreign ownership (%)	14.0
Beta (12M)	0.44
52-week low (W)	13,600
52-week high (W)	23,000
(%)	1M 6M 12M
Absolute	9.8 18.9 51.6
Relative	-2.4 -25.3 -24.4



Mirae Asset Securities Co., Ltd.

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Industrial Bank of Korea

Unlikely to qualify for separate taxation on dividends

Maintain Hold; lift TP to W22,000

We raise our target price for Industrial Bank of Korea (IBK) to W22,000 (from W21,000), applying a target P/B of 0.45x (unchanged) to our 2026F BPS. With our target price implying 4.3% downside, we maintain our Hold rating.

We keep our target P/B unchanged, as: 1) we do not expect IBK's CET1 ratio to reach the 12% threshold required to raise the dividend payout ratio even in 2026; and 2) under this scenario, the cash dividend payout ratio is effectively capped at 35% of standalone net profit. To meet the criteria for separate taxation on dividends, standalone net profit would need to grow by more than 10% YoY to support a corresponding increase in cash dividends; however, we expect standalone net profit to rise only 3.7% YoY in 2026.

4Q25 review: Earnings fall short of our estimates

For 4Q25, IBK reported net profit attributable to owners of the parent of W462.5bn, coming in below our estimate (W503.4bn) but broadly in line with the consensus (W457bn). The miss vs. our estimate was mainly driven by higher-than-expected credit costs and non-operating losses. Interest income was in line with our forecast, while non-interest income exceeded expectations. Meanwhile, the CET1 ratio stood at 11.5%, remaining in the 11% range. Although the cash dividend for 4Q25 has not yet been announced, we estimate DPS at W1,046, equivalent to 35% of standalone net profit.

Net profit expected to grow 2% in 2026

For 2026, we forecast net profit attributable to owners of the parent to grow 2.2% YoY. IBK targets loan growth in line with the 2025 level, and as long as NIM is maintained, we expect net interest income to increase solidly, at 6.6% YoY. That said, given the relatively small contribution from fee/commission income and high volatility in other non-interest income, we expect overall non-interest income to fall short of the 2025 level. We also project the CET1 ratio to remain in the 11% range.

(Dec.)	2023	2024	2025	2026F	2027F
Net operating revenue (Wbn)	8,575	8,134	8,566	8,773	9,195
OP (Wbn)	3,432	3,594	3,656	3,737	3,905
NP (Wbn)	2,670	2,645	2,711	2,770	2,894
EPS (W)	3,346	3,319	3,399	3,473	3,628
BPS (W)	39,698	42,570	45,744	48,133	50,622
P/E (x)	3.5	4.3	6.2	6.6	6.3
P/B (x)	0.30	0.34	0.46	0.47	0.45
ROE (%)	8.8	8.1	7.7	7.4	7.3
Shareholder return yield (%)	8.3	4.6	4.5	4.7	5.0
CET1 ratio (%)	11.3	11.3	11.5	11.6	11.8

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

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Table 1. IBK: TP calculation

(W, x, %)

	Value	Notes
Previous TP	21,000	
2026F ROE	8.2	Mirae Asset Securities est.
Adj. discount rate	18.1	
Target P/B	0.45	
2026F BPS	46,647	Mirae Asset Securities est.
Revised TP	22,000	
2026F ROE	7.4	Mirae Asset Securities est.
Adj. discount rate	16.4	
Target P/B	0.45	
2026F BPS	48,133	Mirae Asset Securities est.
Current price	23,000	
Upside	-4.3	
Rating	Hold	

Source: Company data, Mirae Asset Securities Research

Table 2. IBK: 4Q25 review

(Wbn, %)

	Mirae Asset	4Q25	Notes
Net operating revenue	1,963	2,188	
Interest income	1,948	1,993	Group/bank NIM: Flat QoQ
Bank	1,805	1,844	
Non-bank	143	149	
Non-interest income	15	195	Fee/commission income: -2.1% YoY, -6.7% QoQ
SG&A expenses	817	815	SG&A ratio: 37.3% (-2.8%p YoY, +0.4%p QoQ)
PPOP	1,146	1,373	
Provisioning	459	646	Credit cost ratio: 77bps (+14bps YoY, +36bps QoQ)
OP	687	727	
Non-OP	3	-54	
Pretax profit	690	673	
Taxes	182	214	
Consolidated NP	508	459	
NP attr. to owners of the parent	503	463	

Source: Company data, Mirae Asset Securities Research

Table 3. IBK: Earnings and forecasts

(Wbn)

	1Q25	2Q25	3Q25	4Q25	2024	2025	2026F
Net operating revenue	2,081	2,209	2,088	2,188	8,134	8,566	8,773
Interest income	1,921	1,883	1,953	1,993	7,892	7,749	8,264
Bank	1,783	1,765	1,813	1,844	7,276	7,205	7,629
Non-bank	138	118	140	149	616	544	635
Non-interest income	160	326	135	195	242	816	509
SG&A expenses	748	848	772	815	2,813	3,183	3,342
PPOP	1,333	1,361	1,317	1,373	5,321	5,383	5,432
Provisioning	309	433	340	646	1,727	1,727	1,694
OP	1,024	927	977	727	3,594	3,656	3,737
Non-OP	25	3	35	-54	-27	9	9
Pretax profit	1,049	931	1,012	673	3,568	3,665	3,746
Taxes	235	237	260	214	913	946	989
Consolidated NP	814	694	751	459	2,654	2,719	2,757
NP attr. to owners of the parent	809	694	747	463	2,645	2,711	2,770

Source: Company data, Mirae Asset Securities Research

Industrial Bank of Korea (024110 KS)

Income statement

(Wbn)	2024	2025	2026F	2027F
Net operating revenue	8,134	8,566	8,773	9,195
Interest income	7,892	7,749	8,264	8,685
Bank	7,276	7,205	7,629	8,098
Non-bank	616	544	635	587
Non-interest income	242	816	509	509
SG&A expenses	2,813	3,183	3,342	3,509
PPOP	5,321	5,383	5,432	5,686
Provisioning	1,727	1,727	1,694	1,781
OP	3,594	3,656	3,737	3,905
Non-OP	-27	9	9	9
Pretax profit	3,568	3,665	3,746	3,914
Taxes	913	946	989	1,033
NP	2,654	2,719	2,757	2,881
Attr. to owners of the parent	2,645	2,711	2,770	2,894
Minority interests	10	8	-13	-13

Growth (%)	2024	2025	2026F	2027F
Net operating revenue	-5.1	5.3	2.4	4.8
Interest income	-0.4	-1.8	6.6	5.1
Bank	-2.6	-1.0	5.9	6.2
Non-bank	33.9	-11.6	16.7	-7.6
Non-interest income	-62.7	237.1	-37.6	0.0
SG&A expenses	4.8	13.1	5.0	5.0
PPOP	-9.7	1.2	0.9	4.7
Provisioning	-29.7	0.0	-1.9	5.1
OP	4.7	1.7	2.2	4.5
Non-OP	-143.8	-133.8	0.0	0.0
Pretax profit	2.1	2.7	2.2	4.5
Taxes	11.7	3.6	4.6	4.5
NP	-0.8	2.4	1.4	4.5
Attr. to owners of the parent	-0.9	2.5	2.2	4.5
Minority interests	76.4	-20.3	-270.8	0.0

Performance indicators

(%, Wbn)	2024	2025	2026F	2027F
NIM	1.69	1.59	1.58	1.60
NIS	1.61	1.52	1.51	1.51
Cost-to-income ratio	34.6	37.2	38.1	38.2
Credit cost ratio	0.54	0.52	0.48	0.48
Asset growth	5.3	6.0	5.1	5.1
Equity growth (attr. to owners)	7.2	7.5	5.2	5.2
BIS capital	36,926	39,081	40,986	42,971
Tier 1 capital	32,788	35,067	36,972	38,957
CET1 capital	28,450	30,356	32,261	34,246
Tier 2 capital	4,138	4,014	4,014	4,014
Risk-weighted assets	251,437	263,904	277,332	291,443
BIS capital adequacy ratio	14.7	14.8	14.8	14.7
Tier 1 capital	13.0	13.3	13.3	13.4
CET1 capital	11.3	11.5	11.6	11.8
Tier 2 capital	1.6	1.5	1.4	1.4

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet

(Wbn)	2024	2025	2026F	2027F
Assets	472,220	500,725	526,202	552,976
Cash/cash equivalents	18,083	24,259	25,493	26,790
Securities	94,706	101,194	106,343	111,754
Loans	343,900	357,806	376,012	395,144
Won-denominated bank loans	300,584	315,623	331,682	348,559
Tangible assets	2,480	2,463	2,463	2,463
Other	15,530	17,466	15,891	16,825
Liabilities	437,989	463,846	487,418	512,207
Deposits	158,256	168,163	176,719	185,711
Won-denominated bank deposits	125,241	129,159	135,730	142,636
Borrowings	237,928	253,771	266,667	280,229
Other	41,805	41,913	44,032	46,267
Equity	34,231	36,879	38,784	40,769
Attr. to owners of the parent	33,947	36,477	38,383	40,367
Capital stock	4,211	4,211	4,211	4,211
Capital surplus	1,170	1,179	1,179	1,179
Capital adj.	0	-1	-1	-1
AOCI	659	1,009	1,009	1,009
Retained earnings	23,593	25,396	27,302	29,286
Other	4,313	4,683	4,683	4,683
Minority interests	284	401	401	401

Investment indicators

(x, %, W)	2024	2025	2026F	2027F
Valuation				
P/E	4.3	6.2	6.6	6.3
P/B	0.34	0.46	0.47	0.45
Dividend yield	7.4	5.0	4.7	5.0
Per-share indicators				
EPS	3,319	3,399	3,473	3,628
BPS	42,570	45,744	48,133	50,622
DPS	1,065	1,046	1,085	1,140
Growth				
EPS	-0.8	2.4	2.2	4.5
BPS	7.2	7.5	5.2	5.2
Profitability				
ROE	8.1	7.7	7.4	7.3
ROA	0.57	0.56	0.54	0.54
PPOP margin	65.4	62.8	61.9	61.8
OP margin	44.2	42.7	42.6	42.5
Pretax margin	43.9	42.8	42.7	42.6
Net margin	32.5	31.7	31.6	31.5

No. of shares & dividend payout ratio

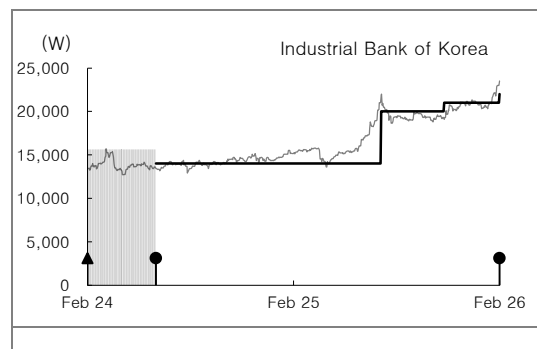
('000, %)	2024	2025	2026F	2027F
Issued shares (year-end)	797,426	797,426	797,426	797,426
Common	797,426	797,426	797,426	797,426
Preferred	0	0	0	0
Dividend payout ratio				
Common	32.1	30.8	31.2	31.4
Preferred	0.0	0.0	0.0	0.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Industrial Bank of Korea (024110)	02/09/26	Hold	22,000
	11/03/25	Hold	21,000
	07/14/25	Hold	20,000
	06/10/25	One year	14,000
	06/10/24	Hold	14,000
	01/08/24	No Coverage	



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	79.76%	1.19%	19.05%	0%
Investment banking services	83.33%	0%	16.67%	0%

* Based on recommendations in the last 12-months (as of December 31, 2025)

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