105560 KS · Banks

KB Financial Group

Shareholder returns expected to remain strong

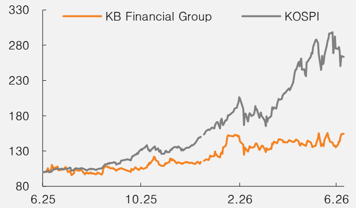
MIRAE ASSET Securities

Equity Research
July 7, 2026

(Maintain)	Buy
Target price	W216,000
Current price (7/6/26)	W170,900
Upside	26.4%

NP (26F, Wbn)	6,905
Consensus NP (26F, Wbn)	6,462
EPS growth (26F, %)	7.8
Market EPS growth (26F, %)	255.0
P/E (26F, x)	9.1
Market P/E (26F, x)	8.4
KOSPI	8,051.33
Market cap (Wbn)	60,616
Shares outstanding (mn)	355
Free float (%)	81.2
Foreign ownership (%)	79.7
Beta (12M)	0.23
52-week low (W)	106,000
52-week high (W)	172,000

(%)	1M	6M	12M
Absolute	-0.4	35.2	52.5
Relative	0.9	-24.0	-42.2



Mirae Asset Securities Co., Ltd.

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Maintain Buy and TP of W216,000

We maintain our Buy rating on KB Financial Group (KBFG) with a target price of W216,000, which is based on a P/B of 1.2x and our 2026F BPS. We leave our target multiple unchanged due to KBFG's industry-leading capital position, which gives it the greatest capacity for shareholder returns in the sector. We expect buybacks to exceed W2tr this year, with at least W800bn likely to be announced alongside the 2Q26 earnings release. With our target price implying 26.4% upside, we maintain our Buy rating.

2Q26 net profit likely to exceed consensus by 12.5%

For 2Q26, we estimate net profit attributable to owners of the parent at W2.03tr, exceeding the consensus (W1.8tr). We estimate NIM remained unchanged QoQ at 1.77%, while won-denominated loans likely edged up 0.8%, leaving interest income broadly flat QoQ. However, non-interest income likely rose 16.5% QoQ on the back of a sharp increase in stock market trading value. We estimate the cost-to-income ratio at 35% and credit cost ratio at 45bps, both largely unchanged QoQ. Despite the won's weakness, the CET1 ratio likely improved 8bps QoQ to 13.72%, supported by solid earnings.

W830bn in buybacks expected in 2H26

We expect KBFG to announce approximately W830bn in share buybacks for 2H26. Combined with the W1.2tr announced in 1H26, annual buybacks should exceed W2tr, representing a substantial increase from 2025 (W1.48tr). Accordingly, we project the 2026 shareholder return yield to reach 6.4% on a buyback basis and 8.8% on a cancellation basis.

KBFG has been repurchasing about 250,000 shares per day since Jul. 1 under its buyback program announced in 1H26. This is equivalent to roughly W43bn per day based on the Jul. 6 closing price. We expect this pace of buybacks to continue through the upcoming earnings release, providing solid share price support.

(Dec.)	2024	2025	2026F	2027F	2028F
Net operating revenue (Wbn)	17,028	17,945	20,034	18,617	17,771
OP (Wbn)	8,045	8,518	9,974	9,270	8,505
NP (Wbn)	5,078	5,833	6,905	6,445	5,923
EPS (W)	12,901	15,292	18,683	18,125	17,135
BPS (W)	154,949	164,669	177,452	191,347	203,803
P/E (x)	6.4	8.2	9.1	9.4	10.0
P/B (x)	0.54	0.76	0.96	0.89	0.84
ROE (%)	8.8	10.0	11.5	10.3	9.2
Shareholder return yield (%)	6.5	6.8	8.8	7.7	7.0
CET1 ratio (%)	13.5	13.8	13.8	13.7	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: Earnings and forecasts (Wbn)

	1Q26	2Q26F	3Q26F	4Q26F	2025	2026F	2027F
Net operating revenue	4,986	5,328	4,875	4,845	17,945	20,034	18,617
Interest income	3,335	3,405	3,428	3,462	13,073	13,630	14,141
Bank	2,241	2,249	2,287	2,325	8,629	9,101	9,691
Non-bank	1,094	1,157	1,141	1,136	4,445	4,529	4,451
Non-interest income	1,651	1,923	1,447	1,383	4,872	6,404	4,475
SG&A expenses	1,765	1,865	1,706	2,423	7,065	7,759	6,967
PPOP	3,221	3,463	3,169	2,423	10,881	12,275	11,649
Provisioning	493	556	562	690	2,363	2,301	2,379
OP	2,728	2,907	2,607	1,732	8,518	9,974	9,270
Non-OP	-96	-96	-74	-155	-335	-421	-340
Pretax profit	2,631	2,811	2,533	1,578	8,183	9,553	8,930
Taxes	715	773	697	434	2,342	2,618	2,456
Consolidated NP	1,917	2,038	1,837	1,144	5,841	6,935	6,474
NP attr. to owners of the parent	1,892	2,029	1,868	1,116	5,833	6,905	6,445

Source: Company data, Mirae Asset Securities Research

KB Financial Group (105560 KS)

Income statement

(Wbn)	2025	2026F	2027F	2028F
Net operating revenue	17,945	20,034	18,617	17,771
Interest income	13,073	13,630	14,141	14,338
Bank	8,629	9,101	9,691	9,993
Non-bank	4,445	4,529	4,451	4,345
Non-interest income	4,872	6,404	4,475	3,432
SG&A expenses	7,065	7,759	6,967	6,669
PPOP	10,881	12,275	11,649	11,101
Provisioning	2,363	2,301	2,379	2,596
OP	8,518	9,974	9,270	8,505
Non-OP	-335	-421	-340	-294
Pretax profit	8,183	9,553	8,930	8,211
Taxes	2,342	2,618	2,456	2,258
NP	5,841	6,935	6,474	5,953
Attr. to owners of the parent	5,833	6,905	6,445	5,923
Minority interests	8	30	30	30

Growth (%)	2025	2026F	2027F	2028F
Net operating revenue	5.4	11.6	-7.1	-4.5
Interest income	1.9	4.3	3.8	1.4
Bank	1.8	5.5	6.5	3.1
Non-bank	2.1	1.9	-1.7	-2.4
Non-interest income	16.0	31.4	-30.1	-23.3
SG&A expenses	1.8	9.8	-10.2	-4.3
PPOP	7.8	12.8	-5.1	-4.7
Provisioning	15.6	-2.6	3.4	9.1
OP	5.9	17.1	-7.1	-8.2
Non-OP	-68.4	25.9	-19.3	-13.5
Pretax profit	17.1	16.7	-6.5	-8.0
Taxes	19.7	11.8	-6.2	-8.0
NP	16.1	18.7	-6.6	-8.0
Attr. to owners of the parent	14.9	18.4	-6.7	-8.1
Minority interests	-115.1	297.3	0.0	0.0

Performance indicators

(%, Wbn)	2025	2026F	2027F	2028F
NIM	1.75	1.78	1.84	1.83
NIS	1.68	1.72	1.75	1.74
Cost-to-income ratio	39.4	38.7	37.4	37.5
Credit cost ratio	0.49	0.46	0.46	0.48
Asset growth	5.3	6.4	3.5	3.5
Equity growth (attr. to owners)	2.0	4.2	3.5	3.3
BIS capital	57,846	59,834	61,967	64,099
Tier 1 capital	54,292	56,593	58,726	60,858
CET1 capital	49,353	52,076	54,210	56,342
Tier 2 capital	3,553	3,241	3,241	3,241
Risk-weighted assets	356,996	377,966	395,260	413,346
BIS capital adequacy ratio	16.2	15.8	15.7	15.5
Tier 1 capital	15.2	15.0	14.9	14.7
CET1 capital	13.8	13.8	13.7	13.6
Tier 2 capital	1.0	0.9	0.8	0.8

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet

(Wbn)	2025	2026F	2027F	2028F
Assets	797,923	848,967	879,065	910,230
Cash/cash equivalents	34,777	33,292	34,473	35,695
Securities	224,849	234,871	243,197	251,819
Loans	491,978	505,808	523,740	542,308
Won-denominated bank loans	377,471	387,810	401,558	415,795
Tangible assets	8,627	8,631	8,631	8,631
Other	46,319	66,366	69,025	71,778
Liabilities	737,093	785,647	813,611	842,644
Deposits	462,397	479,962	496,978	514,597
Won-denominated bank deposits	395,465	410,257	424,802	439,862
Borrowings	150,778	154,182	159,670	165,368
Other	123,918	151,503	156,963	162,679
Equity	60,830	63,320	65,454	67,586
Attr. to owners of the parent	59,048	61,529	63,662	65,795
Capital stock	2,091	2,091	2,091	2,091
Capital surplus	16,634	9,103	9,103	9,103
Capital adj.	-1,902	246	246	246
AOCI	-468	-497	-497	-497
Retained earnings	38,334	46,645	48,780	50,911
Other	4,359	3,940	3,940	3,940
Minority interests	1,782	1,791	1,791	1,791

Investment indicators

(x, %, W)	2025	2026F	2027F	2028F
Valuation				
P/E	8.2	9.1	9.4	10.0
P/B	0.76	0.96	0.89	0.84
Dividend yield	3.5	2.9	3.4	3.8
Per-share indicators				
EPS	15,292	18,683	18,125	17,135
BPS	164,669	177,452	191,347	203,803
DPS	4,367	5,009	5,726	6,522
Growth				
EPS	6.3	7.8	7.8	6.5
BPS	6.3	7.8	7.8	6.5
Profitability				
ROE	10.0	11.5	10.3	9.2
ROA	0.75	0.84	0.75	0.66
PPOP margin	60.6	61.3	62.6	62.5
OP margin	47.5	49.8	49.8	47.9
Pretax margin	45.6	47.7	48.0	46.2
Net margin	32.5	34.5	34.6	33.3

No. of shares & dividend payout ratio

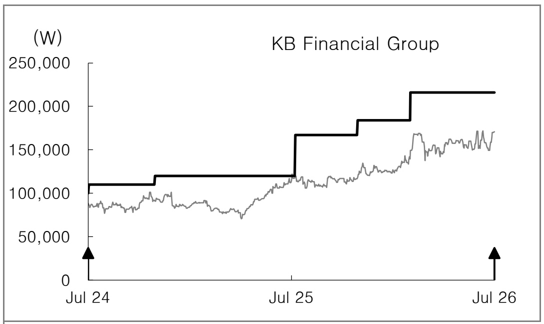
('000, %)	2025	2026F	2027F	2028F
Issued shares (year-end)	381,462	369,609	355,582	345,710
Common	381,462	369,609	355,582	345,710
Preferred	0	0	0	0
Dividend payout ratio	27.1	25.2	29.7	35.5
Common	27.1	25.2	29.7	35.5
Preferred	0.0	0.0	0.0	0.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
KB Financial Group (105560)	02/06/26	Buy	216,000
	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



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	83.02%	0%	16.35%	0.63%
Investment banking services	86.67%	0%	13.33%	0%

* Based on recommendations in the last 12-months (as of June 30, 2026)

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