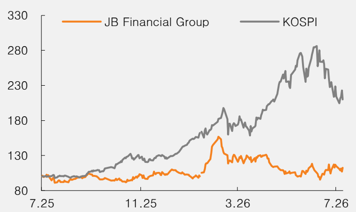
Equity Research
July 24, 2026

(Upgrade)	**Buy**
Target price	**W35,000**
Current price (7/23/26)	W25,550
Upside	37.0%

NP (26F, Wbn)	719
Consensus NP (26F, Wbn)	736
EPS growth (26F, %)	3.7
Market EPS growth (26F, %)	260.0
P/E (26F, x)	6.7
Market P/E (26F, x)	7.3
KOSPI	7,096.89
Market cap (Wbn)	4,810
Shares outstanding (mn)	187
Free float (%)	81.1
Foreign ownership (%)	34.0
Beta (12M)	0.05
52-week low (W)	21,750
52-week high (W)	37,500

(%)	1M	6M	12M
Absolute	3.0	5.1	5.8
Relative	19.1	-26.1	-52.5



Mirae Asset Securities Co., Ltd.

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175330 KS · Financials

JB Financial Group

Shareholder return ratio likely to exceed 50%

Upgrade to Buy; maintain TP at W35,000

We upgrade our rating on JB Financial Group (JBFG) to Buy from Hold and maintain our target price at W35,000, applying a target P/B of 1.0x to our 2026F BPS. Alongside its earnings release, JBFG announced an additional W100bn share buyback to be completed by Jan. 2027, of which W82bn is scheduled to be repurchased by year-end. Accordingly, we expect its shareholder return ratio (based on share buybacks) to exceed 50% this year. Our target price implies 37.0% upside potential.

2Q26 review: In line with consensus

JBFG reported 2Q26 net profit attributable to owners of the parent of W219.6bn, broadly in line with our estimate (W203.4bn) and the consensus (W212.6bn). Notably, while group NIM declined 1bp QoQ, the credit cost ratio improved 10bps QoQ, which is encouraging. Although the credit cost ratio remains elevated in absolute terms, the group's NIM is also high, which should allow it to sustain a double-digit ROE.

2026 shareholder return yield likely to rise to the 8% range

Despite these positives, JBFG's share price has remained sluggish since February. We believe this reflects several factors: 1) continued open-market selling by major shareholders, who must sell shares to remain below the ownership cap as the company conducts share buybacks and cancellations; 2) concerns that the second-largest shareholder, Align Partners, could eventually dispose of its nearly 15% stake; and 3) the risk that continued increases in interest rates could lead to a rapid deterioration in asset quality at JB Woori Capital.

Even taking these concerns into account, however, JBFG currently offers a 2026F shareholder return yield in the 8% range, suggesting that the stock is deeply undervalued in absolute terms. Moreover, despite their recent share price gains, major commercial banks have announced shareholder return plans that fell short of market expectations. This should further highlight JBFG's relative investment appeal.

(Dec.)	2024	2025	2026F	2027F	2028F
Net operating revenue (Wbn)	2,215	2,339	2,491	2,719	2,931
OP (Wbn)	906	952	1,001	1,103	1,179
NP (Wbn)	678	710	719	783	839
EPS (W)	3,471	3,734	3,870	4,339	4,774
BPS (W)	29,348	31,745	33,604	36,838	40,247
P/E (x)	4.7	6.9	6.7	6.1	5.7
P/B (x)	0.55	0.81	0.75	0.71	0.67
ROE (%)	12.8	12.4	11.9	12.4	12.5
Shareholder return yield (%)	6.8	7.0	8.2	8.7	9.7
CET1 ratio (%)	12.2	12.6	12.6	12.7	12.8

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. JBFG: 2Q26 review (Wbn, %)

	Mirae Asset	2Q26	Notes
Net operating revenue	629	639	
Interest income	545	555	Group NIM -1bp, bank NIM +1bp QoQ
Bank	342	340	
Non-bank	203	215	
Non-interest income	84	84	Fee/commission income: +166.1% YoY, +59.1% QoQ
SG&A expenses	220	219	SG&A ratio: 34.2% (-0.7%p YoY, -5.6%p QoQ)
PPOP	409	421	
Provisioning	124	115	Credit cost ratio: 79bps (-3bps YoY, -10bps QoQ)
OP	285	306	
Non-OP	4	-4	
Pretax profit	289	302	
Tax	80	75	
Consolidated NP	210	226	
NP attr. to owners of the parent	203	220	

Source: Company data, Mirae Asset Securities Research

Table 2. JBFG: Earnings and forecasts (Wbn)

	1Q26	2Q26	3Q26F	4Q26F	2025	2026F	2027F
Net operating revenue	575	639	617	661	2,339	2,491	2,719
Interest income	533	555	560	571	2,045	2,218	2,421
Bank	334	340	338	343	1,306	1,354	1,438
Non-bank	199	215	221	228	738	864	983
Non-interest income	42	84	57	90	295	273	298
SG&A expenses	229	219	216	330	908	994	1,059
PPOP	346	421	401	330	1,431	1,498	1,660
Provisioning	125	115	124	133	479	497	557
OP	221	306	276	197	952	1,001	1,103
Non-OP	4	-4	-1	-1	12	-2	-2
Pretax profit	225	302	275	196	965	998	1,101
Tax	53	75	73	52	235	253	291
Consolidated NP	172	226	203	144	730	746	810
NP attr. to owners of the parent	166	220	196	138	710	719	783

Source: Mirae Asset Securities Research

JB Financial Group (175330 KS)

Income statement

(Wbn)	2025	2026F	2027F	2028F
Net operating revenue	2,339	2,491	2,719	2,931
Interest income	2,045	2,218	2,421	2,633
Bank	1,306	1,354	1,438	1,526
Non-bank	738	864	983	1,106
Non-interest income	295	273	298	298
SG&A expenses	908	994	1,059	1,141
PPOP	1,431	1,498	1,660	1,790
Provisioning	479	497	557	611
OP	952	1,001	1,103	1,179
Non-OP	12	-2	-2	-2
Pretax profit	965	998	1,101	1,177
Tax	235	253	291	311
NP	730	746	810	866
Attr. to owners of the parent	710	719	783	839
Minority interests	20	27	27	27

Growth (%)	2025	2026F	2027F	2028F
Net operating revenue	5.6	6.5	9.1	7.8
Interest income	3.5	8.5	9.1	8.7
Bank	-0.5	3.7	6.2	6.1
Non-bank	11.3	17.0	13.8	12.6
Non-interest income	23.3	-7.3	9.1	0.0
SG&A expenses	9.4	9.4	6.6	7.7
PPOP	3.4	4.6	10.8	7.8
Provisioning	0.1	3.8	12.1	9.6
OP	5.1	5.1	10.2	6.9
Non-OP	580.0	-116.8	0.0	0.0
Pretax profit	6.3	3.5	10.2	6.9
Taxes	9.2	7.7	15.0	6.9
NP	5.3	2.1	8.6	6.9
Attr. to owners of the parent	4.9	1.2	8.8	7.2
Minority interests	27.0	36.1	2.6	0.0

Performance indicators

(%, Wbn)	2025	2026F	2027F	2028F
NIM	2.55	2.52	2.54	2.53
NIS	2.53	2.55	2.59	2.58
Cost-to-income ratio	38.8	39.9	39.0	38.9
Credit cost ratio	0.87	0.84	0.88	0.91
Asset growth	9.6	6.4	6.7	6.7
Equity growth (attr. to owners)	6.0	3.7	6.4	6.4
BIS capital	5,703	5,962	6,353	6,768
Tier 1 capital	5,463	5,703	6,094	6,509
CET1 capital	4,876	5,115	5,507	5,921
Tier 2 capital	240	259	259	259
Risk-weighted assets	38,757	40,741	43,453	46,345
BIS capital adequacy ratio	14.7	14.6	14.6	14.6
Tier 1 capital	14.1	14.0	14.0	14.0
CET1 capital	12.6	12.6	12.7	12.8
Tier 2 capital	0.6	0.6	0.6	0.6

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet

(Wbn)	2025	2026F	2027F	2028F
Assets	73,124	77,770	82,947	88,468
Cash/cash equivalents	2,473	2,188	2,333	2,489
Securities	11,599	11,919	12,712	13,558
Loans	56,459	60,712	64,754	69,064
Won-denominated bank loans	54,403	58,141	62,011	66,139
Tangible assets	846	866	866	866
Other	1,747	2,085	2,281	2,491
Liabilities	66,949	71,348	76,134	81,241
Deposits	47,780	50,717	54,093	57,693
Won-denominated bank deposits	452,067	485,001	517,286	551,720
Borrowings	17,053	18,564	19,809	21,138
Other	2,116	2,068	2,233	2,410
Equity	6,175	6,422	6,813	7,227
Attr. to owners of the parent	5,915	6,131	6,522	6,937
Capital stock	985	985	985	985
Capital surplus	709	709	709	709
Capital adj.	-68	-114	-96	-96
AOCI	-40	-68	-68	-68
Retained earnings	3,809	4,100	4,472	4,887
Other	520	520	520	520
Minority interests	261	290	290	290

Investment indicators

(x, %, W)	2025	2026F	2027F	2028F
Valuation				
P/E	6.9	6.7	6.1	5.7
P/B	0.81	0.75	0.71	0.67
Dividend yield	4.4	5.0	6.0	6.9
Per-share indicators				
EPS	3,734	3,870	4,339	4,774
BPS	31,745	33,604	36,838	40,247
DPS	1,140	1,287	1,540	1,769
Growth				
EPS	7.6	3.7	12.1	10.0
BPS	8.2	5.9	9.6	9.3
Profitability				
ROE	12.4	11.9	12.4	12.5
ROA	1.02	0.95	0.97	0.98
PPOP margin	61.2	60.1	61.0	61.1
OP margin	40.7	40.2	40.6	40.2
Pretax margin	41.2	40.1	40.5	40.2
Net margin	30.4	28.9	28.8	28.6

No. of shares & dividend payout ratio

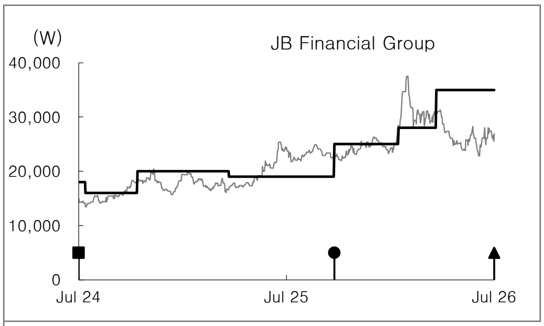
('000, %)	2025	2026F	2027F	2028F
Issued shares (year-end)	189,885	184,340	179,643	174,946
Common	189,885	184,340	179,643	174,946
Preferred	0	0	0	0
Dividend payout ratio	30.0	32.7	34.8	36.2
Common	30.0	32.7	34.8	36.2
Preferred	0.0	0.0	0.0	0.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
JB Financial Group (175330)	07/24/26	Buy	35,000
	04/13/26	Hold	35,000
	02/06/26	Hold	28,000
	10/16/25	Hold	25,000
	04/14/25	Trading Buy	19,000
	11/04/24	Trading Buy	20,000
	08/05/24	Trading Buy	16,000
	07/08/24	Trading Buy	18,000



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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