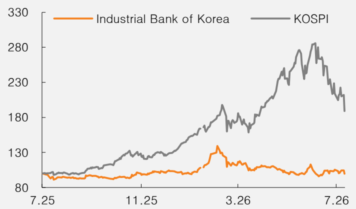
MIRAE ASSET Securities

Equity Research
July 29, 2026

(Maintain)	**Hold**
Target price	**W22,000**
Current price (7/28/26)	W20,400
Upside	7.8%

NP (26F, Wbn)	2,777
Consensus NP (26F, Wbn)	2,778
EPS growth (26F, %)	4.9
Market EPS growth (26F, %)	262.0
P/E (26F, x)	5.9
Market P/E (26F, x)	6.9
KOSPI	6,023.66
Market cap (Wbn)	16,267
Shares outstanding (mn)	797
Free float (%)	31.2
Foreign ownership (%)	13.7
Beta (12M)	0.20
52-week low (W)	18,650
52-week high (W)	28,550

(%)	1M	6M	12M
Absolute	3.8	-6.2	7.4
Relative	44.9	-19.5	-42.8



Mirae Asset Securities Co., Ltd.

Tae Joon Jeong, CFA
taejoon.jeong@miraeasset.com

024110 KS · Financials

Industrial Bank of Korea

2026 DPS expected to decline

Maintain Hold and TP of W22,000

We maintain our Hold rating and target price of W22,000 for Industrial Bank of Korea (IBK), applying a target P/B of 0.45x to our 2026F BPS. In 2Q26, the bank's CET1 ratio rose 5bps QoQ to 11.56%. However, given IBK's continued focus on expanding corporate lending, we believe the ratio is unlikely to reach 12% by year-end. Accordingly, we do not expect the dividend payout ratio to increase. With our target price implying only 7.8% upside, we maintain our Hold rating.

2Q26 review: In line with consensus

For 2Q26, IBK reported net profit attributable to owners of the parent of W683.6bn, exceeding our estimate (W623.2bn) and broadly in line with the consensus (W693.7bn). Net interest income and SG&A expenses were better than expected, while non-interest income and credit costs were weaker than anticipated. On a positive note, NIM declined by only 1bp despite a sharp 1.8% increase in won-denominated loans.

2026 DPS expected to decline

Meanwhile, IBK paid its first-ever interim dividend of W210 per share in 1H26. However, this simply represents the payment of its annual dividend—previously paid once a year based on a payout ratio of 35% of standalone net profit—in two installments. Accordingly, the year-end DPS is expected to decline by a corresponding amount. As we expect standalone net profit to decrease YoY this year, we forecast full-year DPS at W995, down 5.1% YoY.

(Dec.)	2024	2025	2026F	2027F	2028F
Net operating revenue (Wbn)	8,134	8,566	8,809	9,278	9,626
OP (Wbn)	3,594	3,656	3,710	3,945	3,940
NP (Wbn)	2,645	2,711	2,777	2,908	2,904
EPS (W)	3,319	3,400	3,483	3,647	3,643
BPS (W)	42,570	45,716	47,967	50,588	53,206
P/E (x)	4.3	6.2	5.9	5.6	5.6
P/B (x)	0.34	0.46	0.43	0.40	0.38
ROE (%)	8.1	7.7	7.4	7.4	7.0
Shareholder return yield (%)	7.4	5.0	4.9	5.0	5.0
CET1 ratio (%)	11.3	11.5	11.6	11.8	12.0

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

Table 1. IBK: 2Q26 review (Wbn, %)

	Mirae Asset	2Q26	Notes
Net operating revenue	2,140	2,231	
Interest income	1,982	2,085	Group NIM -1bp QoQ
Bank	1,833	1,918	
Non-bank	149	166	
Non-interest income	158	146	Fee/commission income: +6.8% YoY, 9.1% QoQ
SG&A expenses	890	868	SG&A ratio: 38.9% (+0.5%p YoY, +1.6%p QoQ)
PPOP	1,250	1,362	
Provisioning	387	447	Credit cost ratio: 52bps (-1bps YoY, +7bps QoQ)
OP	863	915	
Non-OP	3	17	
Pretax profit	866	932	
Taxes	238	242	
Consolidated NP	628	690	
NP attr. to owners of the parent	623	684	

Source: Company data, Mirae Asset Securities Research

Table 2. IBK: Earnings and forecasts (Wbn)

	1Q26	2Q26	3Q26F	4Q26F	2025	2026F	2027F
Net operating revenue	2,090	2,231	2,238	2,251	8,566	8,809	9,278
Interest income	1,992	2,085	2,103	2,127	7,749	8,306	8,775
Bank	1,851	1,918	1,944	1,970	7,205	7,683	8,187
Non-bank	141	166	159	157	544	623	588
Non-interest income	98	146	135	124	816	503	503
SG&A expenses	780	868	810	856	3,183	3,315	3,480
PPOP	1,310	1,362	1,428	1,394	5,383	5,495	5,798
Provisioning	377	447	435	526	1,727	1,785	1,853
OP	933	915	994	869	3,656	3,710	3,945
Non-OP	41	17	35	-54	9	38	38
Pretax profit	974	932	1,028	814	3,665	3,748	3,983
Taxes	220	242	272	215	946	949	1,052
Consolidated NP	753	690	757	599	2,719	2,799	2,931
NP attr. to owners of the parent	749	684	751	593	2,711	2,777	2,908

Source: Company data, Mirae Asset Securities Research

Industrial Bank of Korea (024110 KS)

Income statement

(Wbn)	2025	2026F	2027F	2028F
Net operating revenue	8,566	8,809	9,278	9,626
Interest income	7,749	8,306	8,775	9,123
Bank	7,205	7,683	8,187	8,579
Non-bank	544	623	588	544
Non-interest income	816	503	503	503
SG&A expenses	3,183	3,315	3,480	3,654
PPOP	5,383	5,495	5,798	5,972
Provisioning	1,727	1,785	1,853	2,032
OP	3,656	3,710	3,945	3,940
Non-OP	9	38	38	38
Pretax profit	3,665	3,748	3,983	3,978
Taxes	946	949	1,052	1,050
NP	2,719	2,799	2,931	2,928
Attr. to owners of the parent	2,711	2,777	2,908	2,904
Minority interests	8	22	24	24

Growth (%)	2025	2026F	2027F	2028F
Net operating revenue	5.3	2.8	5.3	3.8
Interest income	-1.8	7.2	5.6	4.0
Bank	-1.0	6.6	6.6	4.8
Non-bank	-11.6	14.5	-5.7	-7.4
Non-interest income	237.1	-38.4	0.0	0.0
SG&A expenses	13.1	4.1	5.0	5.0
PPOP	1.2	2.1	5.5	3.0
Provisioning	0.0	3.3	3.8	9.6
OP	1.7	1.5	6.3	-0.1
Non-OP	-133.8	325.6	0.0	0.0
Pretax profit	2.7	2.3	6.3	-0.1
Taxes	3.6	0.3	10.8	-0.1
NP	2.4	3.0	4.7	-0.1
Attr. to owners of the parent	2.5	2.4	4.7	-0.1
Minority interests	-20.3	190.0	5.3	0.0

Performance indicators

(%, Wbn)	2025	2026F	2027F	2028F
NIM	1.59	1.60	1.63	1.63
NIS	1.52	1.54	1.54	1.54
Cost-to-income ratio	37.2	37.6	37.5	38.0
Credit cost ratio	0.52	0.51	0.51	0.53
Asset growth	6.0	7.1	4.6	4.6
Equity growth (attr. to owners)	7.4	4.9	5.5	5.2
BIS capital	39,043	41,531	43,621	45,709
Tier 1 capital	35,029	37,653	39,743	41,831
CET1 capital	30,318	32,435	34,525	36,613
Tier 2 capital	4,014	3,878	3,878	3,878
Risk-weighted assets	264,087	279,278	292,056	305,419
BIS capital adequacy ratio	14.8	14.9	14.9	15.0
Tier 1 capital	13.3	13.5	13.6	13.7
CET1 capital	11.5	11.6	11.8	12.0
Tier 2 capital	1.5	1.4	1.3	1.3

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet

(Wbn)	2025	2026F	2027F	2028F
Assets	500,693	536,392	560,935	586,601
Cash/cash equivalents	24,259	20,133	21,055	22,018
Securities	101,194	109,276	114,275	119,504
Loans	357,806	384,412	402,001	420,395
Won-denominated bank loans	315,623	329,413	344,485	360,247
Tangible assets	2,463	2,446	2,446	2,446
Other	17,434	20,125	21,158	22,238
Liabilities	463,837	497,739	520,192	543,770
Deposits	168,163	171,093	178,922	187,108
Won-denominated bank deposits	129,159	135,347	141,540	148,016
Borrowings	253,771	272,627	284,925	297,840
Other	41,903	54,019	56,345	58,822
Equity	36,856	38,653	40,743	42,831
Attr. to owners of the parent	36,455	38,250	40,341	42,428
Capital stock	4,211	4,211	4,211	4,211
Capital surplus	1,179	1,179	1,179	1,179
Capital adj.	-1	0	0	0
AOCI	986	1,058	1,058	1,058
Retained earnings	25,396	26,620	28,711	30,798
Other	4,683	5,182	5,182	5,182
Minority interests	401	403	403	403

Investment indicators

(x, %, W)	2025	2026F	2027F	2028F
Valuation				
P/E	6.2	5.9	5.6	5.6
P/B	0.46	0.43	0.40	0.38
Dividend yield	5.0	4.9	5.0	5.0
Per-share indicators				
EPS	3,400	3,483	3,647	3,643
BPS	45,716	47,967	50,588	53,206
DPS	1,048	995	1,025	1,025
Growth				
EPS	7.4	4.9	5.5	5.2
BPS	7.4	4.9	5.5	5.2
Profitability				
ROE	7.7	7.4	7.4	7.0
ROA	0.56	0.54	0.53	0.51
PPOP margin	62.8	62.4	62.5	62.0
OP margin	42.7	42.1	42.5	40.9
Pretax margin	42.8	42.5	42.9	41.3
Net margin	31.7	31.5	31.3	30.2

No. of shares & dividend payout ratio

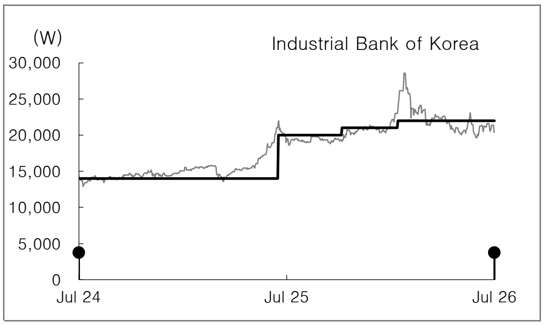
('000, %)	2025	2026F	2027F	2028F
Issued shares (year-end)	797,426	797,426	797,426	797,426
Common	797,426	797,426	797,426	797,426
Preferred	0	0	0	0
Dividend payout ratio	30.8	28.6	28.1	28.1
Common	30.8	28.6	28.1	28.1
Preferred	0.0	0.0	0.0	0.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
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



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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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 (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 Securities (UK) Ltd.
41st Floor, Tower 42
25 Old Broad Street,
London EC2N 1HQ
United Kingdom

Tel: 44-20-7982-8000

Mirae Asset Securities (USA) Inc.
810 Seventh Avenue, 37th Floor
New York, NY 10019
USA

Tel: 1-212-407-1000

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

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 (Singapore) Pte. Ltd.
6 Battery Road, #11-01
Singapore 049909
Republic of Singapore

Tel: 65-6671-9845

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)

Mirae Asset Securities Mongolia UTsK LLC
#406, Blue Sky Tower, Peace Avenue 17
1 Khoroo, Sukhbaatar District
Ulaanbaatar 14240
Mongolia

Tel: 976-7011-0806

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

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)

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

Tel: 86-21-5013-6392

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 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