COMPANY UPDATE

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JB Financial Group (175330)

4Q review; higher CET-1 ratio key

- JB Financial Group (JBFG) reported a 4Q net profit of KRW131.7b, up 15.1% y-y and exceeding FnGuide consensus by 10%. Full-year 2025 net profit reached KRW710.4b, slightly above the initial target of KRW705b.
- The strong performance—despite one-off costs—was attributable to: 1) net interest income up 3.2% q-q; and 2) JB Woori Capital's securities-related income up KRW38.7b q-q.
- JBFG trades at a 0.91x 2026 P/B, among the highest in the sector. Key to further re-rating should be: 1) confirmation of differentiated ROE generation; and 2) enhanced shareholder returns supported by CET-1 ratio hike.

AT A GLANCE

HOLD

Target price	KRW29,000	-1.9%
Current price	**KRW29,550**	
Market cap	KRW5.6t/USD3.8b	
Shares (float)	188,253,584 (81.2%)	
52-week high/low	KRW29,550/KRW16,040	
Avg daily trading value (60-day)	KRW11.2b/ USD7.7m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
JB Financial Group (%)	20.4	34.0	55.9
Vs Kospi (%pts)	4.2	-18.8	-25.8

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	HOLD	HOLD	
Target price	29,000	29,000	0.0%
2025P EPS	3,752	3,752	0.0%
2026E EPS	4,000	4,000	0.0%

SAMSUNG vs THE STREET

No of estimates	13
Target price	32,077
Recommendation	3.9

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

WHAT'S THE STORY?

4Q review–Above consensus: JB Financial Group (JBFG) reported a 4Q net profit of KRW131.7b, up 15.1% y-y and exceeding FnGuide consensus by 10% (full-year 2025 net profit reached KRW710.4b, slightly above the initial target of KRW705b). Despite one-off costs totaling KRW37.1b (related to ordinary pay and conservative provisioning), net interest income rose 3.2% q-q, and JB Woori Capital's securities-related income increased by KRW38.7b q-q. Annual ROE came in at 13.6%, and the CET-1 ratio hit 12.58%, down 15bps q-q but up 37bps y-y.

High-dividend company status and enhanced shareholder return plan: The group has met the requirements for high-dividend company status, increasing its dividend payout ratio to 30% and achieving a total payout ratio of 45%. It has also offered an updated shareholder return plan, including: 1) targeting a ROE of 15% (vs 13% + α% in 2026); 2) aiming for a 50% total payout ratio in 2026 (with potential to exceed 50% if CET-1 ratio exceeds 13%); 3) increasing dividends by 10% annually to maintain high-dividend company status; and 4) using the portion of total returns not distributed as dividends for share buybacks and cancellations.

(Continued on the next page)

SUMMARY 4Q RESULTS

(KRWb)	4Q25	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Operating profit	186.9	18.1	(33.5)	3.3	-
Pre-prov op profit	321.7	12.2	(18.6)	(1.2)	-
Provisioning	126.7	4.9	19.5	(7.2)	-
Net profit	131.7	15.1	(36.8)	3.1	10.0
Major indicators (%, %pts)					
Loan growth	1.36	(0.08)	0.51		
NIM	2.53	(0.06)	0.01		
NPLs below subs	0.90	0.05	0.00		

Source: Company data, FnGuide, Samsung Securities estimates

VALUATION SUMMARY

	2024	2025P	2026E
Valuations (x)			
P/E	4.7	6.8	7.4
P/B	0.6	0.9	0.9
Div yield (%)	6.1	4.4	4.1
EPS growth (% y-y)	17.1	7.7	6.6
ROE (%)	14.0	13.6	13.2
Total payout ratio (%)	32.4	45.0	49.1
Per-share data (KRW)			
EPS	3,483	3,752	4,000
BVPS	26,019	28,496	31,230
DPS	995	1,140	1,204

Key focus areas–Differentiated ROE and CET-1 ratio improvement: JBFG is currently trading at 0.91x 2026 P/B, among the highest in the sector. Its additional re-rating hinges on: 1) confirmation of differentiated ROE generation; 2) improving CET-1 ratios; and 3) enhanced shareholder returns. Key priorities include: 1) identifying and capturing niche markets to boost earnings growth; 2) stabilizing credit costs (CCR); and 3) accelerating CET-1 ratio improvement.

NIM rebound in 4Q25–Stronger recovery expected in 2026: In 4Q25, group and bank NIMs rebounded by 4bps and 1bps q-q, respectively, to 3.11% and 2.53%. As for 2026, JBFG sets group and bank NIM guidance at 3.19% (up 9bps y-y) and 2.63% (up 7bps y-y), respectively. To achieve it, JBFG plans to take a strategy of rebalancing the portfolio toward higher-margin products.

Loan growth up 0.9% q-q in 4Q25, up 6.9% y-y in 2025: Loan growth slowed in 2H but reached 6.9% y-y in 2025, the highest in the sector. By segment, growth included: 1) 11.4% in mortgage loans; 2) 10.3% in personal credit; 3) 14.0% in other household loans; 4) 7.9% in large corporate loans; and 5) 3.7% in SME loans.

CCR at 0.87% in 2025, down 6bps q-q–2026 guidance at 0.86%: Group credit cost (CCR) improved by 6bps q-q to 0.87% in 2025, with a 2026 guidance of 0.86% (1bp improvement). This is in line with the average credit cost over the past three years. Group delinquency and NPL ratios rose to 1.38% and 1.23%, respectively, up 5bps and 2bps q-q, higher than the 1.13% and 0.91% at end-2024.

JB Woori Capital posts a net profit of KRW281.5b in 2025–Sustainability key: JB Woori Capital reported a net profit of KRW281.5b in 2025, up 25.8% y-y. Due to the high volatility in securities valuation gains, the group sets a similar annual net profit target of KRW280b for the subsidiary in 2026.

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash & equivalents	1,903	1,622	1,810	1,920	2,035
Financial securities	9,061	10,070	10,542	11,214	11,728
Net loans & credits	49,219	52,050	56,459	58,469	61,295
Interest-earning assets	**60,183**	**63,741**	**68,811**	**71,602**	**75,058**
Fixed assets	1,264	1,350	1,390	1,324	1,328
Other assets	1,957	1,631	2,260	1,586	1,114
Total assets	**63,404**	**66,722**	**72,461**	**74,512**	**77,500**
Customer deposits	42,958	44,141	47,780	49,780	52,067
Borrowings	2,748	2,655	2,870	2,667	2,797
Debentures	10,617	12,213	14,183	14,646	15,695
Interest-bearing liabilities	**56,322**	**59,008**	**64,833**	**67,093**	**70,560**
Other liabilities	1,966	1,989	2,116	1,015	159
Total liabilities	**58,288**	**60,997**	**66,949**	**68,108**	**70,719**
Paid-in capital	985	985	985	985	985
Hybrid securities	405	520	520	520	520
Capital surplus	704	703	709	709	709
Retained earnings	2,983	3,425	3,809	4,090	4,468
Capital adjustment	(46)	(56)	(68)	(66)	(66)
Other accumulated earnings and comprehensive income	(29)	4	(40)	12	13
Minority interest	113	144	261	152	152
Shareholder equity	**5,116**	**5,725**	**6,175**	**6,403**	**6,781**

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Interest income	3,396	3,636	3,561	3,734	3,900
Interest expenses	(1,489)	(1,660)	(1,524)	(1,580)	(1,679)
Net interest income before provisioning	**1,907**	**1,976**	**2,045**	**2,155**	**2,221**
Provisioning for loan losses	(495)	(480)	(483)	(432)	(407)
Net interest income after provisioning	**1,412**	**1,496**	**1,562**	**1,723**	**1,815**
Fee income	79	79	54	48	49
Other non-interest income	81	161	257	138	116
Gross profit	**1,572**	**1,736**	**1,809**	**1,909**	**1,980**
G&A expenses	(772)	(830)	(908)	(881)	(900)
Operating profit	**800**	**906**	**952**	**1,028**	**1,080**
Other non-operating income	(0)	2	12	12	12
Pre-tax profit	**799**	**908**	**964**	**1,040**	**1,092**
Taxes	196	215	235	286	300
Net profit	**604**	**693**	**730**	**754**	**792**
Minority interest	18	15	20	20	20
Consolidated net profit	**586**	**677**	**710**	**734**	**772**
Pre-provisioning operating profit	1,295	1,386	1,435	1,460	1,487

Asset quality

Year-end Dec 31 (%)	2023	2024	2025E	2026E	2027E
NPL ratio (below substandard)	0.9	0.9	1.2	0.8	0.8
NPL ratio (below precautionary)	2.3	2.5	2.9	2.1	2.1
Cumulative provisioning /NPL below substandard	159.2	152.2	81.6	99.2	100.9
Cumulative provisioning /NPL below precautionary	48.5	40.9	27.7	29.2	29.7
Cumulative provisioning/credit	1.2	1.1	0.9	0.9	0.9
Net write-offs /NPL below substandard	89.3	96.8	66.0	59.3	55.4
Net write-offs/credit	0.7	0.7	0.7	0.6	0.5
Loan loss provisioning charges /total credit	0.75	0.80	0.82	0.61	0.57

Key ratios

Year-end Dec 31 (%)	2023	2024	2025E	2026E	2027E
Return on avg assets	1.0	1.0	1.0	1.0	1.0
Return on avg equity	13.4	14.0	13.6	13.2	13.0
Loan growth* (% y-y)	4.5	5.8	8.5	4.8	4.8
Deposit growth* (% y-y)	2.6	2.8	8.2	4.6	4.6
Asset growth (% y-y)	6.0	5.2	8.6	3.7	4.0
Loan/deposit ratio*	98.6	101.0	98.5	98.5	98.5
Net interest margin**	2.81	2.68	2.61	2.54	2.48
Net interest spread**	3.28	3.15	3.04	2.95	2.89
Cost-to-income ratio	37.4	37.5	39.6	37.6	37.7
BIS CAR**	14.1	14.3	14.7	16.0	15.9
Tier-1 ratio**	13.4	13.6	14.1	13.9	14.0
Tier-2 ratio**	0.7	0.7	0.6	2.0	1.9
Common Equity Capital Ratio	12.2	12.2	12.6	12.8	12.9
Equity/assets	8.1	8.6	8.5	8.6	8.8

Source: Company data, Samsung Securities estimates

Per-share data

Year-end Dec 31 (KRW)	2023	2024	2025E	2026E	2027E
EPS	2,975	3,483	3,752	4,000	4,342
BVPS	23,341	26,019	28,496	31,230	34,364
DPS	855	995	1,140	1,204	1,324
Dividend payout ratio	28.0	28.0	30.0	30.0	30.4
Total Shareholder Payout Ratio	33.1	32.4	45.0	49.1	51.1

Year-end Dec 31	Pre-prov op prof (KRWb)	Net prof (KRWb)	EPS (KRW)	Chg (%)	BVPS (KRW)	P/E (x)	P/B (x)	ROAA (%)	ROAE (%)	CET-1 Ratio (%)	Div yield (%)
2023	1,295	586	2,975	(2.5)	23,341	3.8	0.5	1.0	13.4	12.2	7.5
2024	1,386	677	3,483	17.1	26,019	4.7	0.6	1.0	14.0	12.2	6.1
2025E	1,435	710	3,752	7.7	28,496	6.8	0.9	1.0	13.6	12.6	4.4
2026E	1,460	734	4,000	6.6	31,230	7.4	0.9	1.0	13.2	12.8	4.1
2027E	1,487	772	4,342	8.5	34,364	6.8	0.9	1.0	13.0	12.9	4.5

Source: Company data, Samsung Securities estimates

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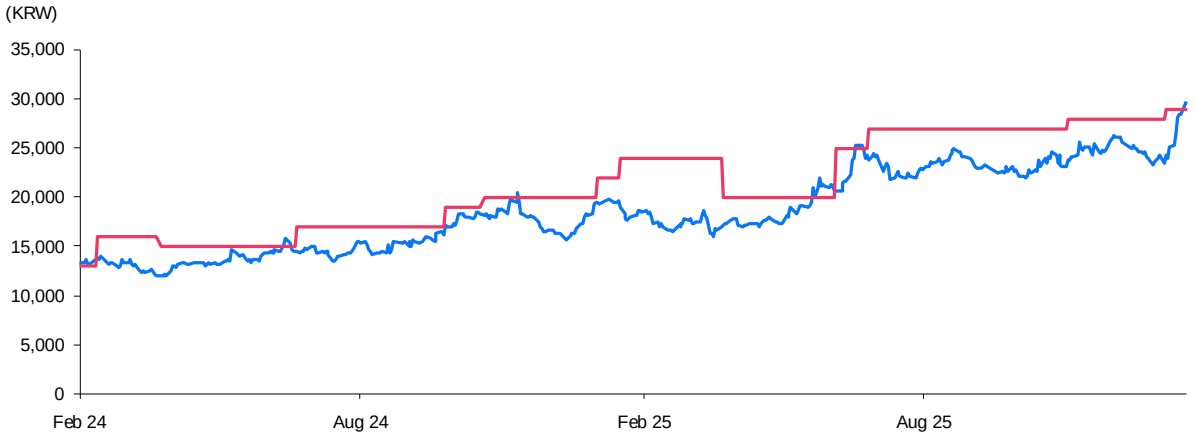
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/2/7	3/5	4/15	7/12	10/17	11/11	2025/1/23	2/7	4/15	6/27	7/18	11/25
Recommendation	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD
Target price (KRW)	13000	16000	15000	17000	19000	20000	22000	24000	20000	25000	27000	28000
Gap* (average)	-1.56	-18.57	-8.89	-12.61	-6.18	-10.99	-11.17	-27.13	-7.02	-7.20	-14.05	-11.68
(max or min)**	4.92	-12.44	5.73	-2.94	-2.74	2.25	-10.14	-22.04	9.50	1.40	-7.78	-6.07

Date	2026/1/27
Recommendation	HOLD
Target price (KRW)	29000
Gap* (average)	
(max or min)**	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
** Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

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Percentage of ratings in 12 months prior to 2025.12.31

BUY(85.8%)·HOLD(14.2%)·SELL(0%)

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