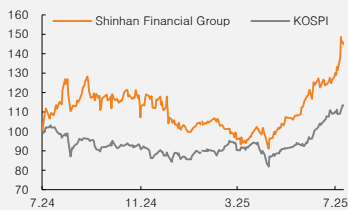


(Maintain)	Buy
Target price	▲ W97,000
Current price (7/11/25)	W69,300
Upside	40.0%

NP (25F, Wbn)	4,965
Consensus NP (25F, Wbn)	4,972
EPS growth (25F, %)	8.3
Market EPS growth (25F, %)	24.6
P/E (25F, x)	6.8
Market P/E (25F, x)	11.6
KOSPI	3,175.77

Market cap (Wbn)	34,362
Shares outstanding (mn)	485
Free float (%)	79.3
Foreign ownership (%)	58.8
Beta (12M)	0.62
52-week low (W)	43,600
52-week high (W)	71,100

(%)	1M	6M	12M
Absolute	15.9	39.0	33.3
Relative	6.1	10.1	21.3



Mirae Asset Securities Co., Ltd.

Tae Joon Jeong, CFA

taejoon.jeong@miraeasset.com

055550 KS • Banks

Shinhan Financial Group

More aggressive shareholder returns likely

Maintain Buy and raise TP to W97,000

We raise our target price for Shinhan Financial Group (SFG) to W97,000 (from W76,000), applying a target P/B of 0.8x to our 2025 BPS estimate. Under its corporate value enhancement plan, SFG aims to achieve a shareholder return ratio (dividends + buybacks/cancellations) of 50% by 2027, and its solid capital ratios should allow it to meet that target. With this in mind, we believe our target multiple is justified. With our target price implying 40% upside potential, we maintain our Buy rating.

More aggressive shareholder returns likely

While we had previously estimated SFG's 2025 shareholder return ratio at around 42% (assuming a gradual increase toward the long-term target of 50%), we now raise our estimate to 46.3%, reflecting growing efforts by the government to resolve the undervaluation issue across the Korean equity market as well as SFG's capacity to expand shareholder returns.

2Q25 preview

For 2Q25, we expect SFG to report net profit attributable to owners of the parent of W1.45tr, in line with the consensus. We estimate interest income grew 1.4% YoY and 0.2% QoQ. NIM likely declined 3bps QoQ, while the won-denominated loan balance likely rose 0.2% QoQ. Credit costs likely declined 20.2% YoY but increased 11.6% QoQ. The CET1 ratio likely rose 9bps QoQ to 13.36%. While won-denominated loan growth likely accelerated QoQ, the impact was likely offset by the won's sharp appreciation.

(Dec.)	2023	2024	2025F	2026F	2027F
Net operating revenue (Wbn)	14,247	14,674	14,837	14,977	15,509
OP (Wbn)	6,101	6,459	6,937	7,171	7,652
NP (Wbn)	4,368	4,450	4,965	5,096	5,450
EPS (W)	8,478	8,800	10,166	10,851	12,165
BPS (W)	104,769	112,364	121,690	132,378	145,093
P/E (x)	4.7	5.4	6.8	6.4	5.7
P/B (x)	0.38	0.42	0.57	0.52	0.48
ROE (%)	8.4	8.1	8.7	8.5	8.7
Shareholder return yield (%)	7.6	5.3	7.0	7.7	9.0
CET1 ratio (%)	13.2	13.1	13.3	13.5	13.7

Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent

Source: Company data, Mirae Asset Securities Research estimates

Analysts who prepared this report are registered as research analysts in Korea but not in any other jurisdiction, including the US. Please see analyst certifications and important disclosures & disclaimers in Appendix 1 at the end of the report.

Table 1. SFG: TP calculation

(W, x, %)

	Value	Notes
Previous TP	76,000	
2025F ROE	8.4	Mirae Asset Securities est.
Adj. discount rate	13.5	
Target P/B	0.62	
2025F BPS	122,563	Mirae Asset Securities est.
Revised TP	97,000	
2025F ROE	8.7	Mirae Asset Securities est.
Adj. discount rate	10.8	
Target P/B	0.80	
2025F BPS	121,690	Mirae Asset Securities est.
Current price	69,300	
Upside	40.0	
Rating	Buy	

Source: Company data, Mirae Asset Securities Research

Table 2. SFG: Earnings and forecasts

(Wbn)

	1Q25	2Q25F	3Q25F	4Q25F	2024	2025F	2026F
Net operating revenue	3,794	3,925	3,793	3,325	14,674	14,837	14,977
Interest income	2,855	2,860	2,860	2,862	11,402	11,437	11,553
Bank	1,703	1,683	1,679	1,687	6,665	6,752	6,862
Non-bank	1,152	1,178	1,180	1,175	4,737	4,685	4,692
Non-interest income	939	1,065	933	463	3,272	3,400	3,424
SG&A expenses	1,414	1,452	1,403	1,663	6,116	5,932	5,985
PPOP	2,380	2,473	2,389	1,663	8,558	8,905	8,992
Provisioning	436	487	493	553	2,099	1,968	1,821
OP	1,944	1,986	1,897	1,110	6,459	6,937	7,171
Non-OP	61	19	-105	-66	-430	-91	-91
Pretax profit	2,006	2,005	1,792	1,044	6,029	6,847	7,080
Taxes	489	529	473	276	1,471	1,767	1,869
Consolidated NP	1,517	1,476	1,319	768	4,558	5,080	5,211
NP attr. to owners of the parent	1,488	1,447	1,290	739	4,450	4,965	5,096

Source: Company data, Mirae Asset Securities Research

Shinhan Financial Group (055550 KS)

Income statement

(Wbn)	2024	2025F	2026F	2027F
Net operating revenue	14,674	14,837	14,977	15,509
Interest income	11,402	11,437	11,553	11,942
Bank	6,665	6,752	6,862	7,194
Non-bank	4,737	4,685	4,692	4,748
Non-interest income	3,272	3,400	3,424	3,566
SG&A expenses	6,116	5,932	5,985	6,198
PPOP	8,558	8,905	8,992	9,310
Provisioning	2,099	1,968	1,821	1,659
OP	6,459	6,937	7,171	7,652
Non-OP	-430	-91	-91	-91
Pretax profit	6,029	6,847	7,080	7,561
Taxes	1,471	1,767	1,869	1,996
NP	4,558	5,080	5,211	5,565
Attr. to owners of the parent	4,450	4,965	5,096	5,450
Minority interests	108	115	115	115

Growth (%)	2024	2025F	2026F	2027F
Net operating revenue	3.0	1.1	0.9	3.5
Interest income	5.4	0.3	1.0	3.4
Bank	3.7	1.3	1.6	4.8
Non-bank	7.9	-1.1	0.1	1.2
Non-interest income	-4.6	3.9	0.7	4.2
SG&A expenses	3.7	-3.0	0.9	3.6
PPOP	2.5	4.1	1.0	3.5
Provisioning	-6.7	-6.3	-7.4	-8.9
OP	5.9	7.4	3.4	6.7
Non-OP	216.1	-78.9	0.0	0.0
Pretax profit	1.1	13.6	3.4	6.8
Taxes	-1.1	20.1	5.8	6.8
NP	1.8	11.4	2.6	6.8
Attr. to owners of the parent	1.9	11.6	2.6	6.9
Minority interests	-1.8	6.3	0.0	0.0

Performance indicators

(%, Wbn)	2024	2025F	2026F	2027F
NIM	1.58	1.51	1.48	1.49
NIS	1.87	1.77	1.74	1.74
Cost-to-income ratio	41.7	40.0	40.0	40.0
Credit cost ratio	0.49	0.45	0.40	0.35
Asset growth	6.9	4.3	4.1	4.1
Equity growth (attr. to owners)	4.3	4.5	4.5	4.5
BIS capital	53,905	56,809	59,472	62,216
Tier 1 capital	50,393	53,563	56,226	58,970
CET1 capital	44,570	47,507	50,170	52,914
Tier 2 capital	3,512	3,246	3,246	3,246
Risk-weighted assets	341,379	356,366	370,826	385,874
BIS capital adequacy ratio	15.8	15.9	16.0	16.1
Tier 1 capital	14.8	15.0	15.2	15.3
CET1 capital	13.1	13.3	13.5	13.7
Tier 2 capital	1.0	0.9	0.9	0.8

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet

(Wbn)	2024	2025F	2026F	2027F
Assets	739,741	771,882	803,203	835,796
Cash/cash equivalents	40,561	44,678	46,491	48,378
Securities	197,353	206,388	214,763	223,478
Loans	451,175	465,707	484,605	504,269
Won-denominated bank loans	320,223	332,581	346,077	360,120
Tangible assets	4,158	4,109	4,109	4,109
Other	46,494	50,999	53,235	55,562
Liabilities	680,943	710,753	739,411	769,260
Deposits	422,781	434,466	452,096	470,442
Won-denominated bank deposits	326,961	335,418	349,029	363,192
Borrowings	143,686	145,291	151,150	157,251
Other	114,476	130,995	136,165	141,567
Equity	58,821	61,129	63,792	66,536
Attr. to owners of the parent	56,054	58,599	61,262	64,006
Capital stock	2,970	2,970	2,970	2,970
Capital surplus	12,095	12,095	12,095	12,095
Capital adj.	-807	-1,084	-1,084	-1,084
AOCI	-1,824	-2,358	-2,359	-2,359
Retained earnings	39,021	41,978	44,642	47,385
Other	4,600	4,999	4,999	4,999
Minority interests	2,767	2,530	2,530	2,530

Investment indicators

(x, %, W)	2024	2025F	2026F	2027F
Valuation				
P/E	5.4	6.8	6.4	5.7
P/B	0.42	0.57	0.52	0.48
Dividend yield	4.5	3.3	3.5	3.9
Per-share indicators				
EPS	8,800	10,166	10,851	12,165
BPS	112,364	121,690	132,378	145,093
DPS	2,160	2,280	2,440	2,720
Growth				
EPS	7.2	8.3	8.8	9.6
BPS	7.2	8.3	8.8	9.6
Profitability				
ROE	8.1	8.7	8.5	8.7
ROA	0.62	0.66	0.65	0.67
PPOP margin	58.3	60.0	60.0	60.0
OP margin	44.0	46.8	47.9	49.3
Pretax margin	41.1	46.1	47.3	48.8
Net margin	30.3	33.5	34.0	35.1

No. of shares & dividend payout ratio

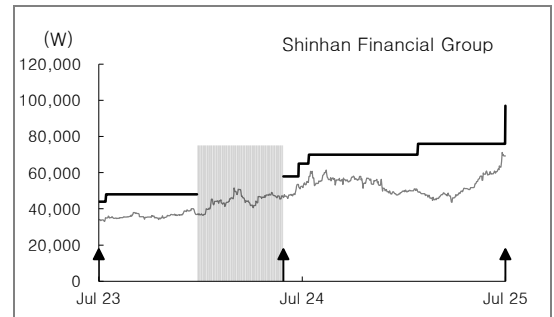
('000, %)	2024	2025F	2026F	2027F
Issued shares (year-end)	503,445	486,129	467,370	445,725
Common	503,445	486,129	467,370	445,725
Preferred	0	0	0	0
Dividend payout ratio	24.4	22.1	22.2	22.1
Common	24.4	22.1	22.2	22.1
Preferred	0.0	0.0	0.0	0.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Shinhan Financial Group (055550)	07/14/25	Buy	97,000
	02/07/25	Buy	76,000
	07/26/24	Buy	70,000
	07/08/24	Buy	65,000
	06/10/24	Buy	58,000
	01/08/24	No Coverage	
	07/28/23	Buy	48,000
	04/10/23	Buy	44,000



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	84.91%	5.59%	8.94%	0.56%
Investment banking services	88.89%	0%	11.11%	0%

* Based on recommendations in the last 12-months (as of June 30, 2025)

Disclosures

As of the publication date, Mirae Asset Securities Co., Ltd. has acted as a liquidity provider for equity-linked warrants backed by shares of Shinhan Financial Group as an underlying asset; other than this, Mirae Asset Securities has no other special interests in the covered companies.

Analyst certification

The research analysts who prepared this report (the "Analysts") are registered with the Korea Financial Investment Association and are subject to Korean securities regulations. They are neither registered as research analysts in any other jurisdiction nor subject to the laws or regulations thereof. Each Analyst responsible for the preparation of this report certifies that (i) all views expressed in this report accurately reflect the personal views of the Analyst about any and all of the issuers and securities named in this report and (ii) no part of the compensation of the Analyst was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report. Mirae Asset Securities Co., Ltd. ("Mirae Asset Securities") policy prohibits its Analysts and members of their households from owning securities of any company in the Analyst's area of coverage, and the Analysts do not serve as an officer, director, or advisory board member of the subject companies. Except as otherwise specified herein, the Analysts have not received any compensation or any other benefits from the subject companies in the past 12 months and have not been promised the same in connection with this report. Like all employees of Mirae Asset Securities, the Analysts receive compensation that is determined by overall firm profitability, which includes revenues from, among other business units, the institutional equities, investment banking, proprietary trading, and private client divisions. At the time of publication of this report, the Analysts do not know or have reason to know of any actual, material conflict of interest of the Analyst or Mirae Asset Securities except as otherwise stated herein.

Disclaimers

This report was prepared by Mirae Asset Securities, a broker-dealer registered in the Republic of Korea and a member of the Korea Exchange. Information and opinions contained herein have been compiled in good faith and from sources believed to be reliable, but such information has not been independently verified and Mirae Asset Securities makes no guarantee, representation or warranty, express or implied, as to the fairness, accuracy, completeness, or correctness of the information and opinions contained herein or of any translation into English from the Korean language. In case of an English translation of a report prepared in the Korean language, the original Korean language report may have been made available to investors in advance of this report.

The intended recipients of this report are sophisticated institutional investors who have substantial knowledge of the local business environment, its common practices, laws, and accounting principles, and no person whose receipt or use of this report would violate any laws or regulations or subject Mirae Asset Securities or any of its affiliates to registration or licensing requirements in any jurisdiction shall receive or make any use hereof.

This report is for general information purposes only and is not and shall not be construed as an offer or a solicitation of an offer to effect transactions in any securities or other financial instruments. The report does not constitute investment advice to any person, and such person shall not be treated as a client of Mirae Asset Securities by virtue of receiving this report. This report does not take into account the particular investment objectives, financial situations, or needs of individual clients. The report is not to be relied upon in substitution for the exercise of independent judgment. Information and opinions contained herein are as of the date hereof and are subject to change without notice. The price and value of the investments referred to in this report and the income from them may depreciate or appreciate, and investors may incur losses on investments. Past performance is not a guide to future performance. Future

returns are not guaranteed, and a loss of original capital may occur. Mirae Asset Securities, its affiliates, and their directors, officers, employees, and agents do not accept any liability for any loss arising out of the use hereof.

Mirae Asset Securities may have issued other reports that are inconsistent with, and reach different conclusions from, the opinions presented in this report. The reports may reflect different assumptions, views, and analytical methods of the analysts who prepared them. Mirae Asset Securities may make investment decisions that are inconsistent with the opinions and views expressed in this research report. Mirae Asset Securities, its affiliates, and their directors, officers, employees, and agents may have long or short positions in any of the subject securities at any time and may make a purchase or sale, or offer to make a purchase or sale, of any such securities or other financial instruments from time to time in the open market or otherwise, in each case either as principals or agents. Mirae Asset Securities and its affiliates may have had, or may be expecting to enter into, business relationships with the subject companies to provide investment banking, market-making, or other financial services as are permitted under applicable laws and regulations.

No part of this document may be copied or reproduced in any manner or form or redistributed or published, in whole or in part, without the prior written consent of Mirae Asset Securities. For further information regarding company-specific information as it pertains to the representations and disclosures in this Appendix 1, please contact compliance@miraeasset.us.com or +1 (212) 407-1000.

Distribution

United Kingdom: This report is being distributed by Mirae Asset Securities (UK) Ltd. in the United Kingdom only to (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), and (ii) high net worth companies and other persons to whom it may lawfully be communicated, falling within Article 49(2)(A) to (E) of the Order (all such persons together being referred to as "Relevant Persons"). This report is directed only at Relevant Persons. Any person who is not a Relevant Person should not act or rely on this report or any of its contents.

United States: Mirae Asset Securities is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This report is distributed in the U.S. by Mirae Asset Securities (USA) Inc., a member of FINRA/SIPC, to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6(b)(4) under the U.S. Securities Exchange Act of 1934, as amended. All U.S. persons that receive this document by their acceptance hereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Mirae Asset Securities or its affiliates. Any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Mirae Asset Securities (USA) Inc. Mirae Asset Securities (USA) Inc. accepts responsibility for the contents of this report in the U.S., subject to the terms hereof, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through Mirae Asset Securities. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. persons absent registration or an applicable exemption from the registration requirements.

Hong Kong SAR: This report is distributed in Hong Kong SAR by Mirae Asset Securities (HK) Limited, which is regulated by the Hong Kong Securities and Futures Commission. The contents of this report have not been reviewed by any regulatory authority in Hong Kong SAR. This report is for distribution only to professional investors within the meaning of Part I of Schedule 1 to the Securities and Futures Ordinance of Hong Kong SAR (Cap. 571, Laws of Hong Kong SAR) and any rules made thereunder and may not be redistributed in whole or in part in Hong Kong SAR to any person.

India: This report is being distributed by Mirae Asset Capital Markets (India) Private Limited ("MACM") in India to the customers based in India and is personal information only for those authorised recipient(s). MACM is inter alia a Securities and Exchange Board of India ("SEBI") registered Research Analyst in India and is not registered outside India. MACM and Mirae Asset, Korea are group entities. MACM makes no guarantee, representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information and opinions contained herein. The user assumes the entire risk of any use made of this information. This report has been provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipient must read the entire Appendix 1 to the report carefully for Important Disclosures & Disclaimers.

All other jurisdictions: Customers in all other countries who wish to effect a transaction in any securities referenced in this report should contact Mirae Asset Securities or its affiliates only if distribution to or use by such customer of this report would not violate applicable laws and regulations and not subject Mirae Asset Securities and its affiliates to any registration or licensing requirement within such jurisdiction.

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 (USA) Inc.

810 Seventh Avenue, 37th Floor
New York, NY 10019
USA

Tel: 1-212-407-1000

Mirae Asset Securities (Singapore) Pte. Ltd.

6 Battery Road, #11-01
Singapore 049909
Republic of Singapore

Tel: 65-6671-9845

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

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 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 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

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)

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)

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

Mirae Asset Securities (UK) Ltd.

41st Floor, Tower 42
25 Old Broad Street,
London EC2N 1HQ
United Kingdom

Tel: 44-20-7982-8000

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 Mongolia UTsk LLC

#406, Blue Sky Tower, Peace Avenue 17
1 Khoroov, Sukhbaatar District
Ulaanbaatar 14240
Mongolia

Tel: 976-7011-0806

Shanghai Representative Office

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

Tel: 86-21-5013-6392
