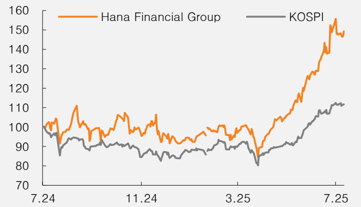
MIRAE ASSET Securities

Equity Research
July 28, 2025

(Maintain)	**Buy**
Target price	**W133,000**
Current price (7/25/25)	W92,500
Upside	43.8%

NP (25F, Wbn)	3,975
Consensus NP (25F, Wbn)	4,001
EPS growth (25F, %)	9.0
Market EPS growth (25F, %)	25.3
P/E (25F, x)	6.5
Market P/E (25F, x)	11.7
KOSPI	3,196.05
Market cap (Wbn)	26,337
Shares outstanding (mn)	285
Free float (%)	85.9
Foreign ownership (%)	67.4
Beta (12M)	0.83
52-week low (W)	52,200
52-week high (W)	96,500

(%)	1M	6M	12M
Absolute	11.2	56.3	51.9
Relative	8.1	24.0	28.8



Mirae Asset Securities Co., Ltd.

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086790 KS · Banks

Hana Financial Group

Weaker-than-expected shareholder return plans

Maintain Buy and TP of W133,000

We maintain our Buy rating and target price of W133,000 on Hana Financial Group (HFG). The group announced a W200bn buyback/cancellation program to run through Oct. 24, falling short of our estimate (W350bn). While there is still a possibility that HFG could announce additional buyback/cancellation plans during its 3Q25 earnings release, the recent rebound in the USD/KRW rate has added a layer of uncertainty. As such, depending on how the situation unfolds, there is a possibility that the shareholder return ratio for this year will remain at around 42%.

2Q25 results beat consensus

For 2Q25, HFG posted net profit attributable to owners of the parent of W1.17tr, exceeding both our estimate (W1.08tr) and the consensus (W1.11tr). The strong results were driven by better-than-expected non-interest income and lower-than-expected credit costs. Despite weak results from non-banking subsidiaries, non-interest income was strong thanks to FX gains from a stronger won. Credit cost ratio was 32bps (remaining low relative to peers). The CET1 ratio climbed 15bps QoQ to 13.39%.

Attention shifts to 3Q25 earnings release

We previously raised the possibility that HFG could accelerate its shareholder return efforts in response to faster-than-expected growth in shareholder returns (to above 50%) at a major peer. While such actions are not yet clearly visible, management suggested that further shareholder return measures remain on the table. We expect greater clarity to come during the 3Q25 earnings call.

(Dec.)	2023	2024	2025F	2026F	2027F
Net operating revenue (Wbn)	10,852	10,687	11,354	11,581	11,993
OP (Wbn)	4,693	4,855	5,184	5,235	5,695
NP (Wbn)	3,422	3,739	3,975	3,958	4,296
EPS (W)	11,704	13,019	14,191	14,521	16,379
BPS (W)	136,601	151,798	161,060	173,722	189,049
P/E (x)	3.7	4.4	6.6	6.7	6.1
P/B (x)	0.32	0.37	0.58	0.56	0.53
ROE (%)	9.0	9.1	9.2	8.7	9.1
Shareholder return yield (%)	9.0	5.4	6.6	7.4	9.2
CET1 ratio (%)	13.2	13.2	13.5	13.7	13.9

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

Table 1. HFG: 2Q25 review (Wbn, %)

	Mirae Asset	2Q25P	Notes
Net operating revenue	2,918	2,954	
Interest income	2,307	2,218	Group NIM +4bps QoQ, bank NIM flat QoQ
Bank	1,614	1,594	
Non-bank	693	624	
Non-interest income	611	736	Fee/commission income: +7.5% YoY, +7.1% QoQ
SG&A expenses	1,167	1,124	SG&A ratio: 38.1% (-2.1%p YoY, -0.8%p QoQ)
PPOP	1,751	1,830	
Provisioning	374	336	Credit cost ratio: 32bps (+6bps YoY, +3bps QoQ)
OP	1,376	1,493	
Non-OP	33	53	
Pretax profit	1,409	1,547	
Taxes	372	362	
Consolidated NP	1,037	1,185	
NP attr. to owners of the parent	1,079	1,173	

Source: Company data, Mirae Asset Securities Research

Table 2. HFG: Earnings and forecasts (Wbn)

	1Q25	2Q25P	3Q25F	4Q25F	2024	2025F	2026F
Net operating revenue	2,935	2,954	2,788	2,677	10,687	11,354	11,581
Interest income	2,273	2,218	2,203	2,213	8,761	8,907	8,935
Bank	1,595	1,594	1,584	1,584	6,196	6,357	6,404
Non-bank	678	624	620	628	2,565	2,550	2,531
Non-interest income	663	736	585	464	1,926	2,447	2,647
SG&A expenses	1,143	1,124	1,115	1,339	4,530	4,721	4,791
PPOP	1,792	1,830	1,673	1,339	6,157	6,633	6,790
Provisioning	304	336	377	433	1,302	1,450	1,555
OP	1,489	1,493	1,296	906	4,855	5,184	5,235
Non-OP	47	53	112	-7	197	205	205
Pretax profit	1,535	1,547	1,408	899	5,052	5,388	5,440
Taxes	397	362	372	237	1,284	1,368	1,436
Consolidated NP	1,138	1,185	1,036	661	3,769	4,021	4,004
NP attr. to owners of the parent	1,128	1,173	1,025	650	3,739	3,975	3,958

Source: Company data, Mirae Asset Securities Research

Hana Financial Group (086790 KS)

Income statement

(Wbn)	2024	2025F	2026F	2027F
Net operating revenue	10,687	11,354	11,581	11,993
Interest income	8,761	8,907	8,935	9,123
Bank	6,196	6,357	6,404	6,697
Non-bank	2,565	2,550	2,531	2,426
Non-interest income	1,926	2,447	2,647	2,871
SG&A expenses	4,530	4,721	4,791	4,968
PPOP	6,157	6,633	6,790	7,025
Provisioning	1,302	1,450	1,555	1,330
OP	4,855	5,184	5,235	5,695
Non-OP	197	205	205	205
Pretax profit	5,052	5,388	5,440	5,899
Taxes	1,284	1,368	1,436	1,557
NP	3,769	4,021	4,004	4,342
Attr. to owners of the parent	3,739	3,975	3,958	4,296
Minority interests	30	45	46	46

Growth (%)	2024	2025F	2026F	2027F
Net operating revenue	-1.5	6.2	2.0	3.6
Interest income	-1.3	1.7	0.3	2.1
Bank	-2.7	2.6	0.7	4.6
Non-bank	2.0	-0.6	-0.7	-4.2
Non-interest income	-2.3	27.1	8.2	8.5
SG&A expenses	2.8	4.2	1.5	3.7
PPOP	-4.5	7.7	2.4	3.4
Provisioning	-25.6	11.4	7.3	-14.5
OP	3.4	6.8	1.0	8.8
Non-OP	-1,715.3	4.0	0.0	0.0
Pretax profit	7.9	6.7	1.0	8.4
Taxes	5.8	6.6	5.0	8.4
NP	8.7	6.7	-0.4	8.4
Attr. to owners of the parent	9.3	6.3	-0.4	8.5
Minority interests	-36.4	52.4	1.8	0.0

Performance indicators

(%, Wbn)	2024	2025F	2026F	2027F
NIM	1.50	1.47	1.44	1.44
NIS	1.39	1.40	1.37	1.37
Cost-to-income ratio	42.4	41.6	41.4	41.4
Credit cost ratio	0.31	0.33	0.35	0.28
Asset growth	7.8	2.2	4.1	4.1
Equity growth (attr. to owners)	8.5	3.4	4.9	4.6
BIS capital	43,556	44,891	47,049	49,195
Tier 1 capital	41,261	42,792	44,950	47,095
CET1 capital	36,925	38,701	40,859	43,005
Tier 2 capital	2,295	2,099	2,099	2,099
Risk-weighted assets	279,404	286,031	297,645	309,730
BIS capital adequacy ratio	15.6	15.7	15.8	15.9
Tier 1 capital	14.8	15.0	15.1	15.2
CET1 capital	13.2	13.5	13.7	13.9
Tier 2 capital	0.8	0.7	0.7	0.7

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet

(Wbn)	2024	2025F	2026F	2027F
Assets	637,848	651,757	678,221	705,759
Cash/cash equivalents	40,405	37,092	38,598	40,165
Securities	152,823	147,478	153,466	159,697
Loans	403,384	409,290	425,909	443,202
Won-denominated bank loans	302,189	314,455	327,223	340,510
Tangible assets	7,487	7,651	7,651	7,651
Other	41,235	50,246	52,597	55,043
Liabilities	594,271	606,734	631,040	656,433
Deposits	390,209	385,659	401,319	417,614
Won-denominated bank deposits	304,842	312,492	325,180	338,384
Borrowings	111,023	115,605	120,237	125,075
Other	93,039	105,469	109,485	113,744
Equity	43,577	45,023	47,181	49,327
Attr. to owners of the parent	42,701	44,169	46,327	48,473
Capital stock	1,501	1,501	1,501	1,501
Capital surplus	10,579	10,578	10,578	10,578
Capital adj.	-325	-637	-637	-637
AOCI	-834	-1,105	-1,105	-1,105
Retained earnings	27,640	29,932	32,089	34,235
Other	4,140	3,900	3,900	3,900
Minority interests	876	854	854	854

Investment indicators

(x, %, W)	2024	2025F	2026F	2027F
Valuation				
P/E	4.4	6.6	6.7	6.1
P/B	0.37	0.58	0.56	0.53
Dividend yield	6.3	4.0	4.5	5.1
Per-share indicators				
EPS	13,019	14,191	14,521	16,379
BPS	151,798	161,060	173,722	189,049
DPS	3,600	3,660	4,142	4,681
Growth				
EPS	11.2	9.0	2.3	12.8
BPS	11.1	6.1	7.9	8.8
Profitability				
ROE	9.1	9.2	8.7	9.1
ROA	0.61	0.62	0.60	0.62
PPOP margin	57.6	58.4	58.6	58.6
OP margin	45.4	45.7	45.2	47.5
Pretax margin	47.3	47.5	47.0	49.2
Net margin	35.0	35.0	34.2	35.8

No. of shares & dividend payout ratio

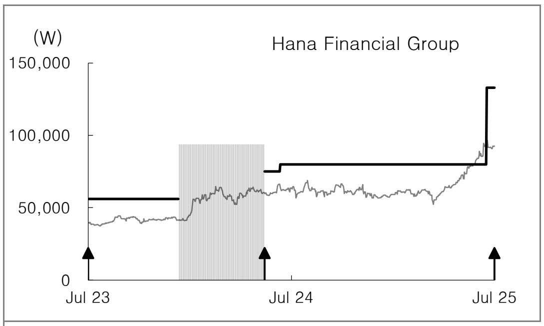
('000, %)	2024	2025F	2026F	2027F
Issued shares (year-end)	287,241	280,180	272,613	262,343
Common	287,241	280,180	272,613	262,343
Preferred	0	0	0	0
Dividend payout ratio	27.2	25.2	27.8	27.9
Common	27.2	25.2	27.8	27.9
Preferred	0.0	0.0	0.0	0.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Hana Financial Group (086790)	07/14/25	Buy	133,000
	07/08/25	One year	80,000
	07/08/24	Buy	80,000
	06/10/24	Buy	75,000
	01/08/24	No Coverage	
	04/10/23	Buy	56,000



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	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
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