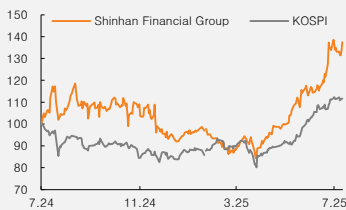


(Maintain)	<b>Buy</b>
Target price	<b>₩97,000</b>
Current price (7/25/25)	₩71,200
Upside	36.2%

NP (25F, Wbn)	5,061
Consensus NP (25F, Wbn)	4,980
EPS growth (25F, %)	7.4
Market EPS growth (25F, %)	25.3
P/E (25F, x)	6.9
Market P/E (25F, x)	11.7
KOSPI	3,196.05

Market cap (Wbn)	34,567
Shares outstanding (mn)	485
Free float (%)	81.2
Foreign ownership (%)	59.9
Beta (12M)	0.72
52-week low (W)	43,600
52-week high (W)	71,800

(%)	1M	6M	12M
Absolute	17.5	42.4	30.6
Relative	14.3	13.0	10.8



Mirae Asset Securities Co., Ltd.

Tae Joon Jeong, CFA

taejoon.jeong@miraeasset.com

# Shinhan Financial Group

## Shareholder return ratio may reach 50% earlier than planned

### Maintain Buy and TP of ₩97,000

We maintain our Buy rating and target price of ₩97,000 on Shinhan Financial Group (SFG). The group announced a ₩600bn share buyback/cancellation plan for 2H25, which would bring its full-year shareholder return ratio (dividends + buybacks/cancellations) to 46.4%. This has fueled expectations that SFG could reach its 50% shareholder return ratio target—originally planned for 2027—sooner than expected. The stock remains one of our preferred names in the banking sector.

### 2Q25 review: NP beats consensus

For 2Q25, SFG posted net profit attributable to owners of the parent of ₩1.55tr, exceeding our estimate (₩1.45tr) and the consensus (₩1.45tr). The earnings beat was largely driven by stronger-than-expected non-interest income arising from a stronger won. That said, credit costs came in higher than expected, mainly due to additional provisioning related to real estate exposures. The CET1 ratio rose 32bps QoQ to 13.59%, supported by the stronger won and subdued loan growth.

### Solid and stable capital ratio

In addition to the ₩600bn share buyback/cancellation plan for 2H25, SFG announced plans to buy back and cancel an additional ₩200bn worth of shares in Jan. 2026, bringing the total value of announced buybacks/cancellations to ₩800bn. We believe the group's ability to commit to such large-scale buybacks reflects the strength and stability of its capital position. Since surpassing a CET1 ratio of 13% in 2023, SFG has consistently maintained the ratio above that threshold, even amid heightened volatility from sharp FX swings. SFG's stable capital position should provide a solid foundation for further shareholder return expansion going forward.

(Dec.)	2023	2024	2025F	2026F	2027F
Net operating revenue (Wbn)	14,247	14,674	15,006	15,131	15,610
OP (Wbn)	6,101	6,459	6,955	7,286	7,733
NP (Wbn)	4,368	4,450	5,061	5,212	5,541
EPS (W)	8,478	8,800	10,366	11,125	12,402
BPS (W)	104,769	112,364	120,649	131,606	144,466
P/E (x)	4.7	5.4	6.9	6.4	5.7
P/B (x)	0.38	0.42	0.59	0.54	0.49
ROE (%)	8.4	8.1	8.9	8.8	8.9
Shareholder return yield (%)	8.4	8.1	8.9	8.8	8.9
CET1 ratio (%)	13.2	13.1	13.6	13.8	14.0

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

Source: Company data, Mirae Asset Securities Research estimates

**Table 1. SFG: 2Q25 review**

(Wbn, %)

	Mirae Asset	2Q25P	Notes
Net operating revenue	3,885	4,129	
Interest income	2,860	2,864	Group NIM -1bps QoQ, bank NIM flat QoQ
Bank	1,683	1,711	
Non-bank	1,178	1,153	
Non-interest income	1,025	1,265	Fee/commission income: +6.4% YoY, +12.4% QoQ
SG&A expenses	1,438	1,486	SG&A ratio: 36.0% (-1.4%p YoY, -1.3%p QoQ)
PPOP	2,448	2,643	
Provisioning	487	629	Credit cost ratio: 59bps (flat YoY, +18bps QoQ)
OP	1,961	2,014	
Non-OP	19	58	
Pretax profit	1,980	2,072	
Taxes	523	495	
Consolidated NP	1,457	1,577	
NP attr. to owners of the parent	1,447	1,549	

Source: Company data, Mirae Asset Securities Research

**Table 2. SFG: Earnings and forecasts**

(Wbn)

	1Q25	2Q25P	3Q25F	4Q25F	2024	2025F	2026F
Net operating revenue	3,794	4,129	3,773	3,310	14,674	15,006	15,131
Interest income	2,855	2,864	2,840	2,847	11,402	11,406	11,505
Bank	1,703	1,711	1,687	1,694	6,665	6,796	6,894
Non-bank	1,152	1,153	1,153	1,153	4,737	4,610	4,610
Non-interest income	939	1,265	933	463	3,272	3,600	3,626
SG&A expenses	1,414	1,486	1,396	1,655	6,116	5,951	6,039
PPOP	2,380	2,643	2,377	1,655	8,558	9,055	9,092
Provisioning	436	629	488	548	2,099	2,101	1,805
OP	1,944	2,014	1,889	1,107	6,459	6,955	7,286
Non-OP	61	58	-105	-66	-430	-52	-52
Pretax profit	2,006	2,072	1,784	1,041	6,029	6,903	7,235
Taxes	489	495	471	275	1,471	1,729	1,910
Consolidated NP	1,517	1,577	1,313	766	4,558	5,174	5,325
NP attr. to owners of the parent	1,488	1,549	1,285	738	4,450	5,061	5,212

Source: Company data, Mirae Asset Securities Research

## Shinhan Financial Group (055550 KS)

## Income statement

(Wbn)	2024	2025F	2026F	2027F
Net operating revenue	14,674	15,006	15,131	15,610
Interest income	11,402	11,406	11,505	11,842
Bank	6,665	6,796	6,894	7,229
Non-bank	4,737	4,610	4,610	4,613
Non-interest income	3,272	3,600	3,626	3,768
SG&A expenses	6,116	5,951	6,039	6,233
PPOP	8,558	9,055	9,092	9,377
Provisioning	2,099	2,101	1,805	1,644
OP	6,459	6,955	7,286	7,733
Non-OP	-430	-52	-52	-52
Pretax profit	6,029	6,903	7,235	7,681
Taxes	1,471	1,729	1,910	2,028
NP	4,558	5,174	5,325	5,653
Attr. to owners of the parent	4,450	5,061	5,212	5,541
Minority interests	108	113	113	113

Growth (%)	2024	2025F	2026F	2027F
Net operating revenue	3.0	2.3	0.8	3.2
Interest income	5.4	0.0	0.9	2.9
Bank	3.7	2.0	1.4	4.9
Non-bank	7.9	-2.7	0.0	0.1
Non-interest income	-4.6	10.0	0.7	3.9
SG&A expenses	3.7	-2.7	1.5	3.2
PPOP	2.5	5.8	0.4	3.1
Provisioning	-6.7	0.1	-14.1	-8.9
OP	5.9	7.7	4.8	6.1
Non-OP	216.1	-88.0	0.0	0.0
Pretax profit	1.1	14.5	4.8	6.2
Taxes	-1.1	17.6	10.4	6.2
NP	1.8	13.5	2.9	6.2
Attr. to owners of the parent	1.9	13.7	3.0	6.3
Minority interests	-1.8	4.9	-0.5	0.0

## Performance indicators

(%, Wbn)	2024	2025F	2026F	2027F
NIM	1.58	1.53	1.49	1.50
NIS	1.87	1.74	1.70	1.70
Cost-to-income ratio	41.7	39.7	39.9	39.9
Credit cost ratio	0.49	0.48	0.40	0.35
Asset growth	6.9	4.0	4.1	4.1
Equity growth (attr. to owners)	4.3	3.6	4.6	4.6
BIS capital	53,905	56,059	58,745	61,537
Tier 1 capital	50,393	53,190	55,876	58,668
CET1 capital	44,570	47,177	49,863	52,655
Tier 2 capital	3,512	2,869	2,869	2,869
Risk-weighted assets	341,379	348,129	362,255	376,955
BIS capital adequacy ratio	15.8	16.1	16.2	16.3
Tier 1 capital	14.8	15.3	15.4	15.6
CET1 capital	13.1	13.6	13.8	14.0
Tier 2 capital	1.0	0.8	0.8	0.8

Source: Company data, Mirae Asset Securities Research estimates

## Balance sheet

(Wbn)	2024	2025F	2026F	2027F
Assets	739,741	769,341	800,560	833,045
Cash/cash equivalents	40,561	40,765	42,420	44,141
Securities	197,353	205,634	213,978	222,661
Loans	451,175	459,917	478,579	497,999
Won-denominated bank loans	320,223	329,968	343,358	357,290
Tangible assets	4,158	3,999	3,999	3,999
Other	46,494	59,026	61,584	64,245
Liabilities	680,943	708,266	736,799	766,493
Deposits	422,781	429,874	447,317	465,469
Won-denominated bank deposits	326,961	331,056	344,489	358,468
Borrowings	143,686	146,718	152,629	158,780
Other	114,476	131,674	136,853	142,244
Equity	58,821	61,075	63,761	66,552
Attr. to owners of the parent	56,054	58,069	60,755	63,546
Capital stock	2,970	2,970	2,970	2,970
Capital surplus	12,095	12,102	12,102	12,102
Capital adj.	-807	-578	-578	-578
AOCI	-1,824	-2,615	-2,614	-2,610
Retained earnings	39,021	41,390	44,075	46,863
Other	4,600	4,800	4,800	4,800
Minority interests	2,767	3,006	3,006	3,006

## Investment indicators

(x, %, W)	2024	2025F	2026F	2027F
Valuation				
P/E	5.4	6.9	6.4	5.7
P/B	0.42	0.59	0.54	0.49
Dividend yield	4.5	3.2	3.4	3.8
Per-share indicators				
EPS	8,800	10,366	11,125	12,402
BPS	112,364	120,649	131,606	144,466
DPS	2,160	2,280	2,440	2,720
Growth				
EPS	3.8	17.8	7.3	11.5
BPS	7.2	7.4	9.1	9.8
Profitability				
ROE	8.1	8.9	8.8	8.9
ROA	0.62	0.67	0.66	0.68
PPOP margin	58.3	60.3	60.1	60.1
OP margin	44.0	46.3	48.2	49.5
Pretax margin	41.1	46.0	47.8	49.2
Net margin	30.3	33.7	34.4	35.5

## No. of shares &amp; dividend payout ratio

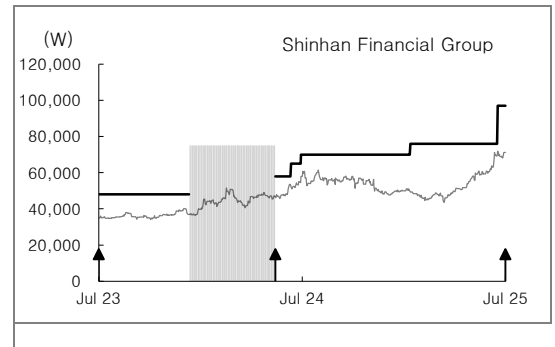
('000, %)	2024	2025F	2026F	2027F
Issued shares (year-end)	503,445	485,889	466,226	444,457
Common	503,445	485,889	466,226	444,457
Preferred	0	0	0	0
Dividend payout ratio	24.4	21.7	21.6	21.7
Common	24.4	21.7	21.6	21.7
Preferred	0.0	0.0	0.0	0.0

# 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)

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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 (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 Khoroo, 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

---