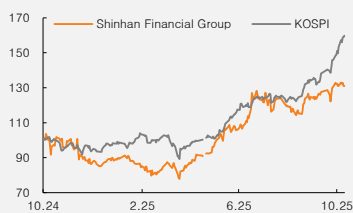


(Maintain)	<b>Buy</b>
Target price	<b>▲ W106,000</b>
Current price (10/31/25)	W73,300
Upside	44.6%

NP (25F, Wbn)	5,278
Consensus NP (25F, Wbn)	5,115
EPS growth (25F, %)	22.6
Market EPS growth (25F, %)	30.8
P/E (25F, x)	6.7
Market P/E (25F, x)	14.6
KOSPI	4,107.50

Market cap (Wbn)	35,587
Shares outstanding (mn)	485
Free float (%)	80.1
Foreign ownership (%)	59.7
Beta (12M)	0.77
52-week low (W)	43,600
52-week high (W)	74,500

(%)	1M	6M	12M
Absolute	3.5	42.6	42.9
Relative	-13.7	-11.2	-11.1



Mirae Asset Securities Co., Ltd.

Tae Joon Jeong, CFA

taejoon.jeong@miraeasset.com

055550 KS • Banks

# Shinhan Financial Group

## Likely to achieve 50% shareholder return ratio sooner than expected

### Maintain Buy and raise TP to W106,000

We raise our target price on Shinhan Financial Group (SFG) to W106,000 (from W97,000), which we derived by applying a P/B of 0.8x (unchanged) to our 2026F BPS. We kept our target multiple unchanged for two reasons: 1) the group appears on track to achieve its 50% shareholder return ratio target in 2026 (ahead of schedule); and 2) its CET1 ratio remains stable, providing a solid foundation for further shareholder return expansion. With our target price implying 44.6% upside, we maintain our Buy rating.

### 3Q25 results beat consensus

For 3Q25, SFG posted net profit attributable to owners of the parent of W1.42tr, exceeding our estimate (W1.33tr) and the consensus (W1.35tr). The earnings beat was mainly driven by stronger-than-expected non-interest income and lower credit costs. Despite declines in securities trading gains, FX gains, and insurance income, non-interest income was robust thanks to a surge in fee/commission income. In addition, the credit cost ratio improved to 40bps (-19bps QoQ), as: 1) the impact of provisions in the previous quarter faded; and 2) the net increase in substandard-and-below loans (before write-offs/sales) slowed. Despite won weakness, the CET1 ratio slipped only 6bps QoQ to 13.56%, remaining within management's mid-13% target range.

### Shareholder return yield likely to reach 8.3% in 2026

In 2026, we forecast net profit attributable to owners of the parent to grow 4.2% YoY, supported by a 5.4% YoY increase in net interest income, a 1.1% YoY rise in non-interest income, and a 3bp decline in the credit cost ratio. With concerns over won depreciation and potential fines likely to subside, we project the CET1 ratio to remain stable in the mid-13% range. Accordingly, we expect the shareholder return ratio (dividends + buybacks/cancellations) to expand 6%p YoY to 50.6%, implying a shareholder return yield of 8.3%.

(Dec.)	2023	2024	2025F	2026F	2027F
Net operating revenue (Wbn)	14,247	14,674	15,371	16,037	16,431
OP (Wbn)	6,101	6,459	7,129	7,582	7,965
NP (Wbn)	4,368	4,450	5,278	5,501	5,783
EPS (W)	8,478	8,800	10,785	11,697	12,915
BPS (W)	104,769	112,364	121,714	132,723	145,739
P/E (x)	4.7	5.4	6.7	6.5	6.2
P/B (x)	0.38	0.42	0.59	0.56	0.54
ROE (%)	8.4	8.1	9.2	9.3	9.3
Shareholder return yield (%)	7.6	5.0	6.7	8.3	9.7
CET1 ratio (%)	13.2	13.0	13.5	13.6	13.7

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

Source: Company data, Mirae Asset Securities Research estimates

**Table 1. SFG: TP calculation**

(W, x, %)

	Value	Notes
Previous 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.
Revised TP	106,000	
2026F ROE	9.3	Mirae Asset Securities est.
Adj. discount rate	11.5	
Target P/B	0.80	
2026F BPS	132,723	Mirae Asset Securities est.
Current price	73,300	
Upside	44.6	
Rating	Buy	

Source: Company data, Mirae Asset Securities Research

**Table 2. SFG: 3Q25 review**

(Wbn, %)

	Mirae Asset	3Q25	Notes
Net operating revenue	3,812	3,912	
Interest income	2,898	2,948	Group and bank NIM +1bp QoQ
Bank	1,732	1,748	
Non-bank	1,166	1,199	
Non-interest income	914	965	Fee/commission income: +11.2% YoY, +0.8% QoQ
SG&A expenses	1,525	1,518	SG&A ratio: 38.8% (-0.8%p YoY, +2.8%p QoQ)
PPOP	2,287	2,394	
Provisioning	494	440	Credit cost ratio: 40bps (+2bps YoY, -19bps QoQ)
OP	1,793	1,955	
Non-OP	58	-4	
Pretax profit	1,851	1,951	
Taxes	489	498	
Consolidated NP	1,362	1,452	
NP attr. to owners of the parent	1,334	1,424	

Source: Company data, Mirae Asset Securities Research

**Table 3. SFG: Earnings and forecasts**

(Wbn)

	1Q25	2Q25	3Q25	4Q25F	2024	2025F	2026F
Net operating revenue	3,794	4,129	3,912	3,535	14,674	15,371	16,037
Interest income	2,855	2,864	2,948	2,978	11,402	11,644	12,271
Bank	1,703	1,711	1,748	1,753	6,665	6,916	7,337
Non-bank	1,152	1,153	1,199	1,225	4,737	4,729	4,934
Non-interest income	939	1,265	965	557	3,272	3,726	3,766
SG&A expenses	1,414	1,486	1,518	1,767	6,116	6,186	6,408
PPOP	2,380	2,643	2,394	1,767	8,558	9,185	9,629
Provisioning	436	629	440	552	2,099	2,056	2,048
OP	1,944	2,014	1,955	1,216	6,459	7,129	7,582
Non-OP	61	58	-4	-66	-430	49	49
Pretax profit	2,006	2,072	1,951	1,150	6,029	7,178	7,631
Taxes	489	495	498	304	1,471	1,785	2,014
Consolidated NP	1,517	1,577	1,452	846	4,558	5,393	5,616
NP attr. to owners of the parent	1,488	1,549	1,424	818	4,450	5,278	5,501

Source: Company data, Mirae Asset Securities Research

## Shinhan Financial Group (055550 KS)

## Income statement

(Wbn)	2024	2025F	2026F	2027F
Net operating revenue	14,674	15,371	16,037	16,431
Interest income	11,402	11,644	12,271	12,799
Bank	6,665	6,916	7,337	7,921
Non-bank	4,737	4,729	4,934	4,878
Non-interest income	3,272	3,726	3,766	3,632
SG&A expenses	6,116	6,186	6,408	6,563
PPOP	8,558	9,185	9,629	9,868
Provisioning	2,099	2,056	2,048	1,903
OP	6,459	7,129	7,582	7,965
Non-OP	-430	49	49	49
Pretax profit	6,029	7,178	7,631	8,014
Taxes	1,471	1,785	2,014	2,116
NP	4,558	5,393	5,616	5,898
Attr. to owners of the parent	4,450	5,278	5,501	5,783
Minority interests	108	114	115	115

Growth (%)	2024	2025F	2026F	2027F
Net operating revenue	3.0	4.7	4.3	2.5
Interest income	5.4	2.1	5.4	4.3
Bank	3.7	3.8	6.1	8.0
Non-bank	7.9	-0.2	4.4	-1.2
Non-interest income	-4.6	13.9	1.1	-3.6
SG&A expenses	3.7	1.1	3.6	2.4
PPOP	2.5	7.3	4.8	2.5
Provisioning	-6.7	-2.1	-0.4	-7.0
OP	5.9	10.4	6.3	5.1
Non-OP	216.1	-111.4	0.0	0.0
Pretax profit	1.1	19.1	6.3	5.0
Taxes	-1.1	21.4	12.8	5.0
NP	1.8	18.3	4.1	5.0
Attr. to owners of the parent	1.9	18.6	4.2	5.1
Minority interests	-1.8	5.7	0.4	0.0

## Performance indicators

(%, Wbn)	2024	2025F	2026F	2027F
NIM	1.58	1.55	1.59	1.64
NIS	1.87	1.75	1.78	1.82
Cost-to-income ratio	41.7	40.2	40.0	39.9
Credit cost ratio	0.49	0.47	0.44	0.39
Asset growth	6.9	6.9	4.6	4.6
Equity growth (attr. to owners)	4.3	3.6	4.7	4.4
BIS capital	53,903	56,257	58,976	61,660
Tier 1 capital	50,387	53,397	56,117	58,800
CET1 capital	44,562	47,424	50,144	52,827
Tier 2 capital	3,517	2,860	2,860	2,860
Risk-weighted assets	342,375	351,545	367,630	384,451
BIS capital adequacy ratio	15.7	16.0	16.0	16.0
Tier 1 capital	14.7	15.2	15.3	15.3
CET1 capital	13.0	13.5	13.6	13.7
Tier 2 capital	1.0	0.8	0.8	0.7

Source: Company data, Mirae Asset Securities Research estimates

## Balance sheet

(Wbn)	2024	2025F	2026F	2027F
Assets	739,741	790,770	826,952	864,789
Cash/cash equivalents	40,561	47,730	49,914	52,198
Securities	197,353	209,090	218,657	228,662
Loans	451,175	465,351	486,643	508,910
Won-denominated bank loans	320,223	334,794	350,113	366,133
Tangible assets	4,158	3,979	3,979	3,979
Other	46,494	64,619	67,758	71,041
Liabilities	680,943	729,967	763,430	798,584
Deposits	422,781	442,259	462,495	483,657
Won-denominated bank deposits	326,961	339,697	355,241	371,495
Borrowings	143,686	145,163	151,817	158,808
Other	114,476	142,546	149,118	156,119
Equity	58,821	60,802	63,522	66,206
Attr. to owners of the parent	56,054	58,095	60,815	63,499
Capital stock	2,970	2,970	2,970	2,970
Capital surplus	12,095	12,102	12,102	12,102
Capital adj.	-807	-843	-843	-843
AOCI	-1,824	-2,723	-2,723	-2,723
Retained earnings	39,021	41,840	44,560	47,243
Other	4,600	4,750	4,750	4,750
Minority interests	2,767	2,707	2,707	2,707

## Investment indicators

(x, %, W)	2024	2025F	2026F	2027F
Valuation				
P/E	5.4	6.7	6.5	6.2
P/B	0.42	0.59	0.56	0.54
Dividend yield	4.5	3.1	4.1	4.5
Per-share indicators				
EPS	8,800	10,785	11,697	12,915
BPS	112,364	121,714	132,723	145,739
DPS	2,160	2,280	2,980	3,280
Growth				
EPS	3.8	22.6	8.5	10.4
BPS	7.2	8.3	9.0	9.8
Profitability				
ROE	8.1	9.2	9.3	9.3
ROA	0.62	0.69	0.68	0.68
PPOP margin	58.3	59.8	60.0	60.1
OP margin	44.0	46.4	47.3	48.5
Pretax margin	41.1	46.7	47.6	48.8
Net margin	30.3	34.3	34.3	35.2

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

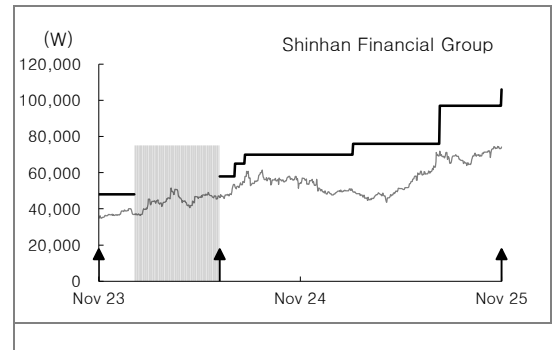
('000, %)	2024	2025F	2026F	2027F
Issued shares (year-end)	503,445	481,102	462,002	439,492
Common	503,445	481,102	462,002	439,492
Preferred	0	0	0	0
Dividend payout ratio	24.4	20.8	25.1	25.1
Common	24.4	20.8	25.1	25.1
Preferred	0.0	0.0	0.0	0.0

# Appendix 1

## Important disclosures and disclaimers

### Two-year rating and TP history

Company	Date	Rating	TP (W)
Shinhan Financial Group (055550)	11/03/25	Buy	106,000
	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



### 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	78.61%	1.73%	19.08%	0.58%
Investment banking services	84.62%	0%	15.38%	0%

\* Based on recommendations in the last 12-months (as of September 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](mailto: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 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

---