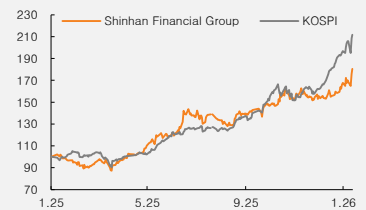


(Maintain)	Buy
Target price	▲ W131,000
Current price (2/4/26)	W90,300
Upside	45.1%

NP (25, Wbn)	4,972
Consensus NP (25F, Wbn)	4,986
EPS growth (25, %)	17.2
Market EPS growth (25F, %)	36.0
P/E (2F, x)	7.5
Market P/E (25F, x)	18.4
KOSPI	5,371.10

Market cap (Wbn)	43,840
Shares outstanding (mn)	475
Free float (%)	78.9
Foreign ownership (%)	60.3
Beta (12M)	0.50
52-week low (W)	43,600
52-week high (W)	90,300

(%)	1M	6M	12M
Absolute	17.9	37.0	77.1
Relative	-5.4	-19.7	-18.2



Mirae Asset Securities Co., Ltd.

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Shinhan Financial Group

A new era

Maintain Buy rating and raise TP to W131,000

We maintain our Buy rating on Shinhan Financial Group (SFG) and raise our target price to W131,000 (from W106,000), which we derived by applying a target P/B of 1.0x to our 2026F BPS. We raised our target multiple from 0.8x to 1.0x, as the group successfully achieved its 50% shareholder return ratio target ahead of schedule in 2025. Consequently, we expect management to announce a new "value-up" plan in the near term. With our target price implying 45.1% upside, we reiterate our Buy call.

4Q25 results meet consensus

For 4Q25, SFG posted net profit attributable to owners of the parent of W510.6bn, meeting our estimate (W510.6bn) and the consensus (W503.5bn). Interest income rose 2.7% QoQ, supported by a 2bp improvement in bank NIM, while non-interest income surged approximately 130% YoY to exceed our estimates. The credit cost ratio improved to 46bps (-20bps YoY), demonstrating robust asset quality, and the CET1 ratio remained stable at 13.33%, in line with the company's target.

Regarding shareholder returns, SFG declared a DPS of W880 for 4Q25, achieving a 25% payout ratio for the full year and meeting the criteria for separate taxation on dividend income. Furthermore, the board resolved to implement a dividend from capital surplus, which will be proposed at the upcoming general shareholder meeting. The group also announced W500bn in share buybacks/cancellations for 1H26. Including the W200bn repurchased in January, total buybacks through July are expected to reach W700bn.

2026 net profit growth expected to come in around 12%

In 2026, we forecast net profit attributable to owners of the parent to grow 11.9% YoY, supported by a 7.6% YoY increase in interest income, a 9.2% YoY rise in non-interest income, and a 2bp decline in the credit cost ratio. With concerns over won depreciation and potential regulatory fines likely to subside, we project the CET1 ratio to remain stable in the mid-13% range. Under the new "value-up" plan, we expect the shareholder return ratio to exceed 50%, implying a shareholder return yield of 7.0%.

(Dec.)	2023	2024	2025	2026F	2027F
Net operating revenue (Wbn)	14,247	14,674	15,439	16,675	16,584
OP (Wbn)	6,101	6,459	7,023	7,800	7,896
NP (Wbn)	4,368	4,450	4,972	5,562	5,632
EPS (W)	8,478	8,800	10,315	11,952	12,614
BPS (W)	104,769	112,364	121,297	131,454	142,733
P/E (x)	4.7	5.4	7.5	7.9	7.8
P/B (x)	0.38	0.42	0.63	0.70	0.67
ROE (%)	8.4	8.1	8.7	9.4	9.1
Shareholder return yield (%)	7.6	4.0	5.9	7.0	7.9
CET1 ratio (%)	13.2	13.0	13.3	13.5	13.5

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

Mirae Asset Securities Research AI translation

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Table 1. SFG: 4Q25 review

(Wbn, %)

	Mirae Asset	4Q25	Notes
Net operating revenue	3,474	3,603	
Interest income	2,983	3,028	Group NIM +1bps, bank NIM +2bps QoQ
Bank	1,757	1,830	
Non-bank	1,226	1,198	
Non-interest income	490	575	Fee/commission income: +17.9% YoY, -7.2% QoQ
SG&A expenses	1,771	1,984	SG&A ratio: 55.1% (-1.4%p YoY, +16.3%p QoQ)
PPOP	1,702	1,619	
Provisioning	553	509	Credit cost ratio: 46bps (-20bps YoY, +6bps QoQ)
OP	1,149	1,110	
Non-OP	-416	-210	
Pretax profit	733	901	
Taxes	193	363	
Consolidated NP	539	538	
NP attr. to owners of the parent	511	511	

Source: Company data, Mirae Asset Securities Research

Table 2. SFG: Earnings and forecasts

(Wbn)

	1Q25	2Q25	3Q25	4Q25	2024	2025	2026F
Net operating revenue	3,794	4,129	3,912	3,603	14,674	15,439	16,675
Interest income	2,855	2,864	2,948	3,028	11,402	11,694	12,586
Bank	1,703	1,711	1,748	1,830	6,665	6,993	7,685
Non-bank	1,152	1,153	1,199	1,198	4,737	4,701	4,900
Non-interest income	939	1,265	965	575	3,272	3,744	4,090
SG&A expenses	1,414	1,486	1,518	1,984	6,116	6,402	6,867
PPOP	2,380	2,643	2,394	1,619	8,558	9,036	9,808
Provisioning	436	629	440	509	2,099	2,013	2,008
OP	1,944	2,014	1,955	1,110	6,459	7,023	7,800
Non-OP	61	58	-4	-210	-430	-94	-94
Pretax profit	2,006	2,072	1,951	901	6,029	6,929	7,706
Taxes	489	495	498	363	1,471	1,844	2,034
Consolidated NP	1,517	1,577	1,452	538	4,558	5,085	5,671
NP attr. to owners of the parent	1,488	1,549	1,424	511	4,450	4,972	5,562

Source: Company data, Mirae Asset Securities Research

Table 3. SFG: TP calculation

(W, x, %)

	Value	Notes
Previous 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.
Revised TP	131,000	
2026F ROE	9.4	Mirae Asset Securities est.
Adj. discount rate	9.4	
Target P/B	1.00	
2026F BPS	131,454	Mirae Asset Securities est.
Current price	90,300	
Upside	45.1	
Rating	Buy	

Source: Company data, Mirae Asset Securities Research

Shinhan Financial Group (055550 KS)

Income statement

(Wbn)	2024	2025	2026F	2027F
Net operating revenue	14,674	15,439	16,675	16,584
Interest income	11,402	11,694	12,586	13,118
Bank	6,665	6,993	7,685	8,348
Non-bank	4,737	4,701	4,900	4,771
Non-interest income	3,272	3,744	4,090	3,465
SG&A expenses	6,116	6,402	6,867	6,827
PPOP	8,558	9,036	9,808	9,756
Provisioning	2,099	2,013	2,008	1,860
OP	6,459	7,023	7,800	7,896
Non-OP	-430	-94	-94	-94
Pretax profit	6,029	6,929	7,706	7,802
Taxes	1,471	1,844	2,034	2,060
NP	4,558	5,085	5,671	5,742
Attr. to owners of the parent	4,450	4,972	5,562	5,632
Minority interests	108	113	110	110

Growth (%)	2024	2025	2026F	2027F
Net operating revenue	3.0	5.2	8.0	-0.5
Interest income	5.4	2.6	7.6	4.2
Bank	3.7	4.9	9.9	8.6
Non-bank	7.9	-0.8	4.2	-2.6
Non-interest income	-4.6	14.4	9.2	-15.3
SG&A expenses	3.7	4.7	7.3	-0.6
PPOP	2.5	5.6	8.5	-0.5
Provisioning	-6.7	-4.1	-0.2	-7.4
OP	5.9	8.7	11.1	1.2
Non-OP	216.1	-78.0	0.0	0.0
Pretax profit	1.1	14.9	11.2	1.2
Taxes	-1.1	25.4	10.3	1.2
NP	1.8	11.5	11.5	1.2
Attr. to owners of the parent	1.9	11.7	11.9	1.3
Minority interests	-1.8	4.6	-2.9	0.0

Performance indicators

(%, Wbn)	2024	2025	2026F	2027F
NIM	1.58	1.55	1.62	1.68
NIS	1.87	1.76	1.79	1.83
Cost-to-income ratio	41.7	41.5	41.2	41.2
Credit cost ratio	0.49	0.45	0.43	0.38
Asset growth	6.9	6.3	4.6	4.6
Equity growth (attr. to owners)	4.3	3.4	4.6	4.1
BIS capital	53,903	56,267	58,936	61,451
Tier 1 capital	50,387	53,008	55,678	58,193
CET1 capital	44,562	47,115	49,785	52,300
Tier 2 capital	3,517	3,258	3,258	3,258
Risk-weighted assets	342,375	353,335	369,502	386,409
BIS capital adequacy ratio	15.7	15.9	16.0	15.9
Tier 1 capital	14.7	15.0	15.1	15.1
CET1 capital	13.0	13.3	13.5	13.5
Tier 2 capital	1.0	0.9	0.9	0.8

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet

(Wbn)	2024	2025	2026F	2027F
Assets	739,741	786,013	821,978	859,588
Cash/cash equivalents	40,561	39,783	41,604	43,507
Securities	197,353	211,759	221,448	231,580
Loans	451,175	466,189	487,520	509,827
Won-denominated bank loans	320,223	334,216	349,508	365,500
Tangible assets	4,158	4,153	4,153	4,153
Other	46,494	64,129	67,253	70,521
Liabilities	680,943	725,641	758,936	794,031
Deposits	422,781	447,649	468,131	489,551
Won-denominated bank deposits	326,961	339,093	354,608	370,834
Borrowings	143,686	148,386	155,195	162,371
Other	114,476	129,606	135,610	142,109
Equity	58,821	60,372	63,042	65,557
Attr. to owners of the parent	56,054	57,959	60,629	63,144
Capital stock	2,970	2,970	2,970	2,970
Capital surplus	12,095	12,099	12,099	12,099
Capital adj.	-807	-1,180	-1,180	-1,180
AOCI	-1,824	-2,475	-2,475	-2,475
Retained earnings	39,021	41,796	44,466	46,981
Other	4,600	4,750	4,750	4,750
Minority interests	2,767	2,413	2,413	2,413

Investment indicators

(x, %, W)	2024	2025	2026F	2027F
Valuation				
P/E	5.4	7.5	7.9	7.8
P/B	0.42	0.63	0.70	0.67
Dividend yield	4.5	3.4	3.3	3.5
Per-share indicators				
EPS	8,800	10,315	11,952	12,614
BPS	112,364	121,297	131,454	142,733
DPS	2,160	2,590	3,020	3,200
Growth				
EPS	3.8	17.2	15.9	5.5
BPS	7.2	7.9	8.4	8.6
Profitability				
ROE	8.1	8.7	9.4	9.1
ROA	0.62	0.65	0.69	0.67
PPOP margin	58.3	58.5	58.8	58.8
OP margin	44.0	45.5	46.8	47.6
Pretax margin	41.1	44.9	46.2	47.0
Net margin	30.3	32.2	33.4	34.0

No. of shares & dividend payout ratio

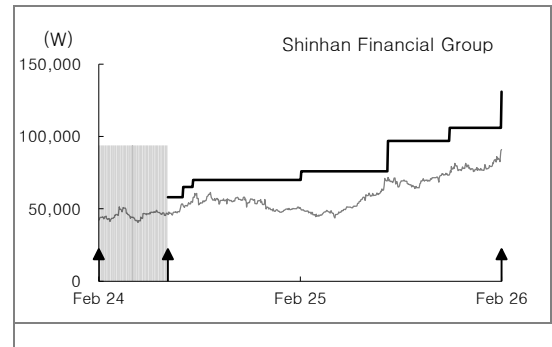
('000, %)	2024	2025	2026F	2027F
Issued shares (year-end)	503,445	481,929	465,318	446,492
Common	503,445	481,929	465,318	446,492
Preferred	0	0	0	0
Dividend payout ratio	24.4	25.1	25.0	25.2
Common	24.4	25.1	25.0	25.2
Preferred	0.0	0.0	0.0	0.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (₩)
Shinhan Financial Group (055550)	02/05/26	Buy	131,000
	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	



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	79.76%	1.19%	19.05%	0%
Investment banking services	83.33%	0%	16.67%	0%

* Based on recommendations in the last 12-months (as of December 31, 2025)

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