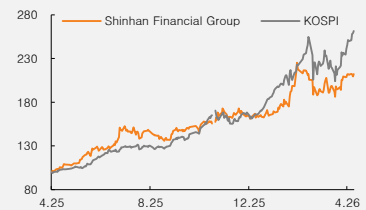


(Maintain)	Buy
Target price	W131,000
Current price (4/23/26)	W99,900
Upside	31.1%

NP (26F, Wbn)	5,342
Consensus NP (26F, Wbn)	5,420
EPS growth (26F, %)	10.6
Market EPS growth (26F, %)	188.0
P/E (26F, x)	8.9
Market P/E (26F, x)	8.1
KOSPI	6,417.93

Market cap (Wbn)	47,418
Shares outstanding (mn)	475
Free float (%)	80.5
Foreign ownership (%)	61.3
Beta (12M)	0.42
52-week low (W)	48,450
52-week high (W)	106,000

(%)	1M	6M	12M
Absolute	11.1	36.3	104.3
Relative	-7.2	-19.1	-20.3



Mirae Asset Securities Co., Ltd.

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Shinhan Financial Group

Committed to enhancing ROE

Maintain Buy and TP of W131,000

We maintain our Buy rating on Shinhan Financial Group (SFG) with a target price of W131,000, which is based on a P/B of 1.0x and our 2026F BPS. On its earnings call, the group announced a new corporate value enhancement plan that we believe will support continued ROE improvement and shareholder return expansion. With our target price implying 31.1% upside, we reiterate our Buy call.

1Q26 review: In line with estimates

For 1Q26, SFG posted net profit attributable to owners of the parent of W1.62tr, meeting our estimate (W1.59tr) and the consensus (W1.55tr). Bank interest income rose 2.6% QoQ, supported by a 2bp improvement in NIM, while non-interest income climbed roughly 107% YoY, exceeding our estimate. The credit cost ratio was 45bps, remaining in the 40bp range. Meanwhile, the CET1 ratio declined to 13.19%, affected by FX movements and regulatory changes, but was still in line with our estimate (13.18%); we expect the ratio to recover going forward, supported by recent regulatory easing.

2026 corporate value enhancement plan

Under its new corporate value enhancement plan, SFG presented the following targets: 1) an ROE of 10% or higher; 2) a shareholder return ratio of 50% or higher; and 3) a CET1 ratio maintained at 13% or above. In principle, when group-wide ROE falls below COE, SFG intends to increase the shareholder return ratio YoY. For cash dividends, it plans to prioritize tax-exempt dividends for a three-year period, while also ensuring at least a 10% YoY increase to meet the requirements for separate taxation. Beyond dividends, shareholder returns are likely to be implemented through share buybacks and cancellations.

The annual shareholder return ratio will be calculated using the following formula: $1 - [(growth\ rate \pm\ buffer)/target\ ROE] + \alpha$. The annual growth target is around 4-5%. For example, assuming growth (in capital or risk-weighted assets) of 4.75% and a target ROE of 10%, and excluding any buffer or + α adjustment, the implied shareholder return ratio for 2026 would be 52.5%.

(Dec.)	2024	2025	2026F	2027F	2028F
Net operating revenue (Wbn)	14,674	15,439	16,451	16,974	16,526
OP (Wbn)	6,459	7,023	7,550	8,103	7,742
NP (Wbn)	4,450	4,972	5,342	5,704	5,443
EPS (W)	8,800	10,243	11,334	12,514	12,319
BPS (W)	112,364	121,468	131,137	141,487	151,372
P/E (x)	5.4	7.5	8.9	8.3	8.7
P/B (x)	0.42	0.63	0.75	0.72	0.70
ROE (%)	8.1	8.7	9.0	9.2	8.4
Shareholder return yield (%)	3.7	5.3	6.1	7.0	7.3
CET1 ratio (%)	13.0	13.4	13.2	13.3	13.3

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: 1Q26 review

(Wbn, %)

	Mirae Asset	1Q26	Notes
Net operating revenue	4,149	4,212	
Interest income	3,092	3,024	Group NIM +2bps QoQ, bank NIM +2bps QoQ
Bank	1,871	1,878	
Non-bank	1,220	1,147	
Non-interest income	1,058	1,188	Fee/commission income: +38.7% YoY, +31.9% QoQ
SG&A expenses	1,535	1,545	SG&A ratio: 36.7% (-0.6%p YoY, -18.4%p QoQ)
PPOP	2,614	2,667	
Provisioning	450	513	Credit cost ratio: 45bps (+5bps YoY, -1bps QoQ)
OP	2,165	2,154	
Non-OP	61	67	
Pretax profit	2,226	2,221	
Taxes	612	572	
Consolidated NP	1,614	1,649	
NP attr. to owners of the parent	1,586	1,623	

Source: Company data, Mirae Asset Securities Research

Table 2. SFG: Earnings and forecasts

(Wbn, %)

	1Q26	2Q26F	3Q26F	4Q26F	2025	2026F	2027F
Net operating revenue	4,212	4,323	4,098	3,818	15,439	16,451	16,974
Interest income	3,024	3,043	3,086	3,119	11,694	12,272	12,876
Bank	1,878	1,904	1,950	1,982	6,993	7,713	8,360
Non-bank	1,147	1,139	1,136	1,137	4,701	4,559	4,516
Non-interest income	1,188	1,280	1,012	699	3,744	4,179	4,098
SG&A expenses	1,545	1,599	1,516	2,100	6,402	6,761	6,997
PPOP	2,667	2,723	2,582	1,718	9,036	9,690	9,977
Provisioning	513	518	523	587	2,013	2,140	1,874
OP	2,154	2,206	2,059	1,131	7,023	7,550	8,103
Non-OP	67	58	-4	-210	-94	-89	-89
Pretax profit	2,221	2,264	2,055	922	6,929	7,462	8,014
Taxes	572	622	565	253	1,844	2,013	2,204
Consolidated NP	1,649	1,641	1,490	668	5,085	5,448	5,810
NP attr. to owners of the parent	1,623	1,615	1,463	642	4,972	5,342	5,704

Source: Company data, Mirae Asset Securities Research

Shinhan Financial Group (055550 KS)

Income statement

(Wbn)	2025	2026F	2027F	2028F
Net operating revenue	15,439	16,451	16,974	16,526
Interest income	11,694	12,272	12,876	13,176
Bank	6,993	7,713	8,360	8,704
Non-bank	4,701	4,559	4,516	4,472
Non-interest income	3,744	4,179	4,098	3,350
SG&A expenses	6,402	6,761	6,997	6,830
PPOP	9,036	9,690	9,977	9,696
Provisioning	2,013	2,140	1,874	1,954
OP	7,023	7,550	8,103	7,742
Non-OP	-94	-89	-89	-89
Pretax profit	6,929	7,462	8,014	7,653
Taxes	1,844	2,013	2,204	2,105
NP	5,085	5,448	5,810	5,549
Attr. to owners of the parent	4,972	5,342	5,704	5,443
Minority interests	113	106	106	106

Growth (%)	2025	2026F	2027F	2028F
Net operating revenue	5.2	6.6	3.2	-2.6
Interest income	2.6	4.9	4.9	2.3
Bank	4.9	10.3	8.4	4.1
Non-bank	-0.8	-3.0	-0.9	-1.0
Non-interest income	14.4	11.6	-1.9	-18.2
SG&A expenses	4.7	5.6	3.5	-2.4
PPOP	5.6	7.2	3.0	-2.8
Provisioning	-4.1	6.3	-12.4	4.3
OP	8.7	7.5	7.3	-4.5
Non-OP	-78.0	-5.9	0.0	0.0
Pretax profit	14.9	7.7	7.4	-4.5
Taxes	25.4	9.2	9.5	-4.5
NP	11.5	7.2	6.6	-4.5
Attr. to owners of the parent	11.7	7.5	6.8	-4.6
Minority interests	4.6	-6.0	0.0	0.0

Performance indicators

(%, Wbn)	2025	2026F	2027F	2028F
NIM	1.55	1.62	1.68	1.68
NIS	1.76	1.83	1.88	1.87
Cost-to-income ratio	41.5	41.1	41.2	41.3
Credit cost ratio	0.45	0.46	0.38	0.38
Asset growth	6.3	7.4	4.5	4.3
Equity growth (attr. to owners)	3.4	4.8	4.3	3.6
BIS capital	56,261	59,037	61,633	63,934
Tier 1 capital	53,006	55,697	58,293	60,593
CET1 capital	47,115	49,816	52,412	54,713
Tier 2 capital	3,254	3,340	3,340	3,340
Risk-weighted assets	352,908	377,179	394,048	410,860
BIS capital adequacy ratio	15.9	15.7	15.6	15.6
Tier 1 capital	15.0	14.8	14.8	14.7
CET1 capital	13.4	13.2	13.3	13.3
Tier 2 capital	0.9	0.9	0.8	0.8

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet

(Wbn)	2025	2026F	2027F	2028F
Assets	786,013	843,958	881,705	919,322
Cash/cash equivalents	39,783	41,581	43,441	45,294
Securities	211,759	219,621	229,444	239,233
Loans	466,189	495,675	517,845	539,938
Won-denominated bank loans	334,216	350,126	365,786	381,392
Tangible assets	4,153	4,174	4,174	4,174
Other	64,129	82,907	86,801	90,683
Liabilities	725,641	780,810	815,961	851,277
Deposits	447,649	477,437	498,791	520,072
Won-denominated bank deposits	339,093	362,215	378,415	394,560
Borrowings	148,386	148,654	155,346	162,070
Other	129,606	154,719	161,823	169,136
Equity	60,372	63,148	65,744	68,045
Attr. to owners of the parent	57,959	60,733	63,329	65,630
Capital stock	2,970	2,970	2,970	2,970
Capital surplus	12,099	2,233	2,233	2,233
Capital adj.	-1,180	-773	-773	-773
AOCI	-2,475	-2,107	-2,107	-2,107
Retained earnings	41,796	53,690	56,286	58,587
Other	4,750	4,720	4,720	4,720
Minority interests	2,413	2,415	2,415	2,415

Investment indicators

(x, %, W)	2025	2026F	2027F	2028F
Valuation				
P/E	7.5	8.9	8.3	8.7
P/B	0.63	0.75	0.72	0.70
Dividend yield	3.4	3.0	3.5	4.0
Per-share indicators				
EPS	10,243	11,333	12,513	12,318
BPS	121,468	131,133	141,478	151,357
DPS	2,590	3,020	3,480	4,020
Growth				
EPS	16.4	10.6	10.4	-1.6
BPS	8.1	8.0	7.9	7.0
Profitability				
ROE	8.7	9.0	9.2	8.4
ROA	0.65	0.66	0.66	0.60
PPOP margin	58.5	58.9	58.8	58.7
OP margin	45.5	45.9	47.7	46.8
Pretax margin	44.9	45.4	47.2	46.3
Net margin	32.2	32.5	33.6	32.9

No. of shares & dividend payout ratio

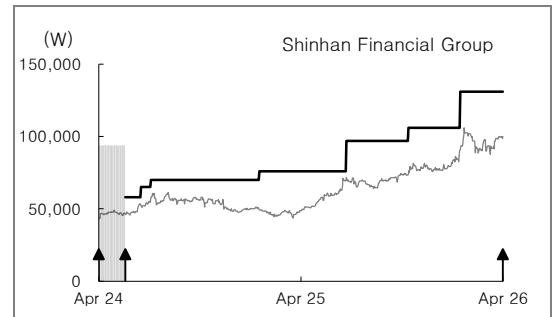
('000, %)	2025	2026F	2027F	2028F
Issued shares (year-end)	485,495	471,463	455,932	441,904
Common	485,495	471,463	455,932	441,904
Preferred	0	0	0	0
Dividend payout ratio				
Common	25.1	26.2	27.3	32.0
Preferred	0.0	0.0	0.0	0.0

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	80.84%	0%	18.56%	0.6%
Investment banking services	86.67%	0%	13.33%	0%

* Based on recommendations in the last 12-months (as of March 31, 2026)

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