005940 KS · Securities

NH Investment & Securities

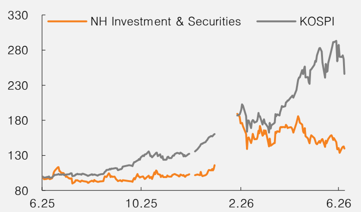
High dividend appeal back in focus

Equity Research
July 3, 2026

(Maintain)	**Buy**
Target price	**W44,000**
Current price (7/2/26)	W28,950
Upside	52.0%

OP (26F, Wbn)	2,343
Consensus OP (26F, Wbn)	2,106
EPS growth (26F, %)	54.9
Market EPS growth (26F, %)	254.0
P/E (26F, x)	6.5
Market P/E (26F, x)	8.0
KOSPI	7,648.09
Market cap (Wbn)	10,316
Shares outstanding (mn)	369
Free float (%)	36.8
Foreign ownership (%)	13.6
Beta (12M)	0.77
52-week low (W)	18,660
52-week high (W)	39,200

(%)	1M	6M	12M
Absolute	-5.5	35.9	44.0
Relative	8.7	-23.4	-42.1



Mirae Asset Securities Co., Ltd.

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Maintain Buy and TP of W44,000

We maintain our Buy rating and target price of W44,000 for NH Investment & Securities (NH I&S). Our target price implies a 2026F P/E of 10x, which we believe is warranted given the firm's consistently high dividend payout ratio of close to 50%. With our target price implying 52% upside, we reiterate our Buy rating.

2Q26 net profit likely to beat consensus by 20.3%

For 2Q26, we forecast net profit attributable to owners of the parent at W479.5bn, 20.3% above the consensus of W398.6bn. We estimate brokerage income increased significantly, driven by: 1) a 35.1% QoQ increase in average daily trading value (to W90tr); and 2) an 8% QoQ rise in average client credit balances (e.g., margin loans).

That said, we estimate net profit remained largely flat QoQ, as trading/financial product income likely declined due to higher interest rates. For bonds, the decline in valuation gains was likely limited, as the company had already substantially reduced its bond portfolio's interest rate sensitivity. Meanwhile, valuation gains on consolidated non-marketable assets likely declined modestly.

2026 dividend yield estimated at 7.3%

NH I&S's share price declined 0.7% in 2Q26 amid recent stock market weakness. However, given our expectations for solid earnings and a continued high payout ratio, we forecast 2026 dividend yield at 7.3% (based on the current share price).

As the company pays dividends annually, its high dividend yield may not attract immediate attention. However, as seen early this year, we believe the stock has ample potential to deliver differentiated upside as the dividend record date approaches.

(Dec.)	2024	2025	2026F	2027F	2028F
Net operating revenue (Wbn)	2,012	2,676	3,991	3,065	2,810
OP (Wbn)	901	1,421	2,343	1,760	1,611
NP (Wbn)	687	1,032	1,672	1,246	1,137
EPS (W)	1,960	2,877	4,458	3,321	3,031
BPS (W)	23,474	25,187	27,685	29,409	30,992
P/E (x)	7.1	7.3	6.5	8.7	9.6
P/B (x)	0.59	0.84	1.05	0.98	0.93
ROE (%)	8.7	11.8	16.9	11.7	10.1
Shareholder return yield (%)	7.9	6.8	7.3	5.5	5.0
Equity (Wbn)	8,119	9,438	10,374	11,020	11,613

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

Table 1. NH I&S: Earnings and forecasts (consolidated) (Wbn, %)

	1Q26	2Q26F	3Q26F	4Q26F	2025	2026F	2027F
Net operating revenue	1,051	1,085	953	901	2,676	3,991	3,065
Net fee/commission income	515	578	491	449	1,212	2,033	1,444
Interest income	266	274	282	269	954	1,091	1,145
Trading/financial products	182	157	126	108	197	573	197
Other	88	62	54	75	314	280	280
SG&A expenses	414	426	371	437	1,256	1,648	1,304
OP	637	659	583	464	1,421	2,343	1,760
Pretax profit	650	661	564	426	1,348	2,301	1,718
Tax	174	182	155	117	316	628	472
Consolidated NP	476	479	409	309	1,032	1,672	1,246
NP attr. to owners of the parent	476	479	409	309	1,032	1,672	1,246

Source: Company data, Mirae Asset Securities Research

Table 2. NH I&S: Earnings and forecasts (standalone) (Wbn, %)

	1Q26	2Q26F	3Q26F	4Q26F	2025	2026F	2027F
Net operating revenue	967	1,007	866	824	2,441	3,664	2,852
Net fee/commission income	493	557	470	427	1,160	1,947	1,357
Fees/commissions	619	727	615	556	1,511	2,517	1,763
Brokerage	386	518	414	360	720	1,678	949
WM	55	52	37	41	125	186	155
IB/other	178	157	164	155	666	653	659
Fee/commission expenses	126	170	145	129	351	570	405
Interest income	240	252	261	247	843	1,000	1,053
Trading/financial products	141	142	98	93	199	473	198
Other	93	57	37	57	239	244	244
SG&A expenses	388	403	347	412	1,167	1,549	1,206
OP	579	604	520	412	1,274	2,115	1,646
Pretax profit	567	601	503	376	1,205	2,047	1,577
Tax	153	165	138	103	296	560	434
Consolidated NP	414	435	365	273	908	1,487	1,143

Source: Company data, Mirae Asset Securities Research

NH Investment & Securities (005940 KS)

Income statement (standalone)

(Wbn)	2025	2026F	2027F	2028F
Net operating revenue	2,441	3,664	2,852	2,597
Net fee/commission income	1,160	1,947	1,357	1,046
Fees/commissions	1,511	2,517	1,763	1,359
Brokerage	720	1,678	949	518
WM	125	186	155	155
IB/other	666	653	659	686
Fee/commission expenses	351	570	405	313
Interest income	843	1,000	1,053	1,100
Trading/financial products	199	473	198	208
Other	239	244	244	244
SG&A expenses	1,167	1,549	1,206	1,102
OP	1,274	2,115	1,646	1,495
Non-OP	27	24	24	24
Non-operating expenses	97	93	93	93
Pretax profit	1,205	2,047	1,577	1,426
Taxes	296	560	434	392
NP	908	1,487	1,143	1,034

Financial statement (consolidated)

(Wbn)	2025	2026F	2027F	2028F
Net operating revenue	2,676	3,991	3,065	2,810
Net fee/commission income	1,212	2,033	1,444	1,132
Interest income	954	1,091	1,145	1,193
Trading/financial products	197	573	197	206
Other	314	280	280	280
SG&A expenses	1,256	1,648	1,304	1,200
OP	1,421	2,343	1,760	1,611
Non-OP	84	101	101	101
Non-operating expenses	157	143	143	143
Pretax profit	1,348	2,301	1,718	1,569
Taxes	316	628	472	431
NP	1,032	1,672	1,246	1,137
Attr. to owners of the parent	1,032	1,672	1,246	1,137
Minority interests	0	0	0	0
Assets	83,385	102,395	108,901	114,895
Liabilities	73,947	92,021	97,881	103,283
Equity	9,438	10,374	11,020	11,613

Balance sheet (standalone)

(Wbn)	2025	2026F	2027F	2028F
Assets	**79,820**	**98,542**	**104,918**	**110,781**
Cash/deposits	9,123	11,095	11,812	12,473
Securities	46,180	52,115	55,487	58,588
Loans	11,845	14,182	15,011	15,759
Tangible assets	106	102	108	114
Intangible assets	53	54	58	61
Investment properties	54	60	64	68
Other	12,459	20,935	22,378	23,720
Liabilities	**71,207**	**89,253**	**95,085**	**100,459**
Deposits	12,314	14,359	15,266	16,103
Borrowings/debentures	47,159	52,103	55,539	58,703
Provisions for other est. liabilities	62	56	59	63
Deferred tax liabilities	254	251	267	282
Other	11,418	22,486	23,955	25,309
Equity	**8,613**	**9,289**	**9,832**	**10,322**
Capital stock	1,944	1,944	1,944	1,944
Capital surplus	2,373	2,373	2,373	2,373
Retained earnings	4,016	4,227	4,770	5,260
Other	280	745	745	745

Investment indicators

(x, %, W)	2025	2026F	2027F	2028F
Valuation				
P/B	0.84	1.05	0.98	0.93
P/E	7.3	6.5	8.7	9.6
Dividend yield	6.2	7.3	5.5	5.0
Per-share indicators				
BPS	25,187	27,685	29,409	30,992
EPS	2,877	4,458	3,321	3,031
DPS	1,300	2,100	1,600	1,450
Growth				
BPS	7.3	9.9	6.2	5.4
EPS	46.8	54.9	-25.5	-8.7
Profitability				
ROE	11.8	16.9	11.7	10.1
ROA	1.41	1.80	1.18	1.02
Cost-to-income ratio	47.8	42.3	42.3	42.4
OP margin	53.1	58.7	57.4	57.3
Pretax margin	50.4	57.6	56.1	55.8
Net margin	38.5	41.9	40.6	40.5
Financial leverage (standalone)	8.2	9.5	9.5	9.5

ROA breakdown (standalone)

(%)	2025	2026F	2027F	2028F
Net operating revenue				
Net fee/commission income	47.5	53.1	47.6	40.3
Fees/commissions	61.9	68.7	61.8	52.3
Brokerage	29.5	45.8	33.3	20.0
WM	5.1	5.1	5.4	6.0
IB/other	27.3	17.8	23.1	26.4
Interest income	34.5	27.3	36.9	42.3
Trading/financial products	8.1	12.9	6.9	8.0
Other	9.8	6.7	8.6	9.4
Asset turnover ratio				
Net fee/commission income	1.45	1.98	1.29	0.94
Fees/commissions	1.89	2.55	1.68	1.23
Brokerage	0.90	1.70	0.90	0.47
WM	0.16	0.19	0.15	0.14
IB/other	0.83	0.66	0.63	0.62
Interest income	1.06	1.02	1.00	0.99
Trading/financial products	0.25	0.48	0.19	0.19
Other	0.30	0.25	0.23	0.22

ROA breakdown (consolidated)

(%)	2025	2026F	2027F	2028F
Net operating revenue				
Net fee/commission income	45.3	51.0	47.1	40.3
Interest income	35.6	27.3	37.4	42.4
Trading/financial products	7.4	14.4	6.4	7.3
Other	11.7	7.0	9.1	10.0
Asset turnover ratio				
Net fee/commission income	1.45	1.99	1.33	0.99
Interest income	1.14	1.07	1.05	1.04
Trading/financial products	0.24	0.56	0.18	0.18
Other	0.38	0.27	0.26	0.24

No. of shares & dividend payout ratio

('000, %)	2025	2026F	2027F	2028F
Issued shares (year-end)	375,215	375,215	375,215	375,215
Common	356,344	356,344	356,344	356,344
Preferred	18,871	18,871	18,871	18,871
Dividend payout ratio	47.3	47.1	48.2	47.8
Common	44.8	44.7	45.7	45.3
Preferred	2.5	2.4	2.5	2.5

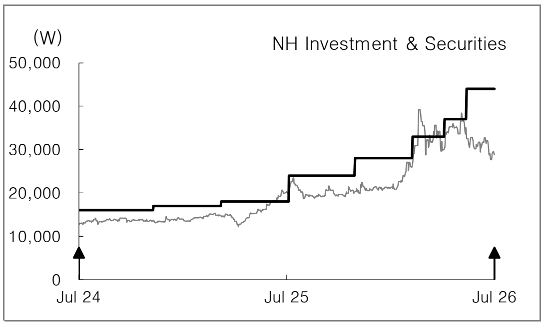
Source: Company data, Mirae Asset Securities Research estimates

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
NH Investment & Securities (005940)	05/15/26	Buy	44,000
	04/06/26	Buy	37,000
	02/09/26	Buy	33,000
	10/31/25	Buy	28,000
	07/07/25	Buy	24,000
	03/10/25	Buy	18,000
	11/11/24	Buy	17,000
	07/03/24	Buy	16,000
	06/10/24	Buy	15,000



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	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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