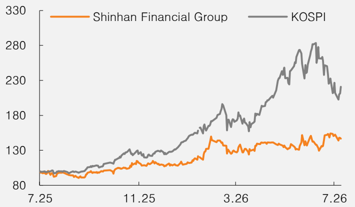
MIRAE ASSET Securities

Equity Research
July 24, 2026

(Maintain)	Buy
Target price	W131,000
Current price (7/23/26)	W103,800
Upside	26.2%

NP (26F, Wbn)	5,776
Consensus NP (26F, Wbn)	5,701
EPS growth (26F, %)	8.6
Market EPS growth (26F, %)	260.0
P/E (26F, x)	8.4
Market P/E (26F, x)	7.3
KOSPI	7,096.89
Market cap (Wbn)	49,269
Shares outstanding (mn)	469
Free float (%)	79.5
Foreign ownership (%)	61.6
Beta (12M)	0.15
52-week low (W)	64,000
52-week high (W)	109,200

(%)	1M	6M	12M
Absolute	6.2	23.7	52.4
Relative	22.8	-13.0	-31.6



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055550 KS · Financials

Shinhan Financial Group

Another shareholder return catalyst ahead

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 plans to repurchase and cancel W700bn worth of shares over the next three months and indicated that it would announce an additional share buyback and cancellation program with its 3Q26 results. We project the additional amount at W200bn, which would bring total share buybacks and cancellations for the year to W1.6tr. With our target price implying 26.2% upside, we reiterate our Buy call.

2Q26 review: Above consensus

For 2Q26, SFG posted net profit attributable to owners of the parent of W1.82tr, meeting our estimate (W1.81tr) and exceeding the consensus (W1.69tr). NIM showed limited improvement due in part to higher funding costs, but fee income increased sharply amid favorable stock market conditions. The credit cost ratio also improved to below 40bps. Major one-off items included an W83.7bn reversal of provisions for ELS-related penalties, although this was largely offset by additional loan-loss provisions and losses related to JoongAng Group and Homeplus.

2026 shareholder return ratio projected at 52.0%

Under the new corporate value enhancement plan announced last quarter, SFG presented the following formula for calculating its annual shareholder return ratio: 1 - [(growth rate ± buffer)/target ROE] + α. Management stated that it would assume normalized annual growth of around 4-5%, taking both risk-weighted assets and capital into account, and apply a target ROE of 10%. Based on these assumptions, management estimated that the maximum shareholder return ratio for this year would be around 53%. We forecast 2026 ROE at 9.7% and the shareholder return ratio at 52.0%.

(Dec.)	2024	2025	2026F	2027F	2028F
Net operating revenue (Wbn)	14,674	15,439	17,041	17,035	16,241
OP (Wbn)	6,459	7,023	7,888	7,685	6,947
NP (Wbn)	4,450	4,972	5,776	5,530	4,995
EPS (W)	8,800	10,243	12,355	12,192	11,274
BPS (W)	112,364	121,468	131,932	141,697	150,107
P/E (x)	5.4	7.5	8.4	8.5	9.2
P/B (x)	0.42	0.63	0.79	0.73	0.69
ROE (%)	8.1	8.7	9.7	8.9	7.8
Shareholder return yield (%)	7.7	6.8	6.3	6.5	6.2
CET1 ratio (%)	13.0	13.4	13.4	13.5	13.4

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

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Table 1. SFG: 2Q26 review (Wbn, %)

	Mirae Asset	1Q26	Notes
Net operating revenue	4,594	4,584	
Interest income	3,109	3,134	Group NIM flat, bank NIM +1bp QoQ
Bank	1,898	1,935	
Non-bank	1,212	1,200	
Non-interest income	1,484	1,450	Fee/commission income: +56.0% YoY, +26.4% QoQ
SG&A expenses	1,608	1,671	SG&A ratio: 36.4% (+0.4%p YoY, -0.3%p QoQ)
PPOP	2,986	2,914	
Provisioning	514	437	Credit cost ratio: 38bps (-21bps YoY, -7bps QoQ)
OP	2,473	2,476	
Non-OP	58	40	
Pretax profit	2,530	2,516	
Tax	696	669	
Consolidated NP	1,835	1,847	
NP attr. to owners of the parent	1,808	1,820	

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	4,584	4,270	3,974	15,439	17,041	17,035
Interest income	3,024	3,134	3,172	3,232	11,694	12,563	13,328
Bank	1,878	1,935	1,988	2,054	6,993	7,853	8,711
Non-bank	1,147	1,200	1,184	1,179	4,701	4,709	4,617
Non-interest income	1,188	1,450	1,098	742	3,744	4,478	3,707
SG&A expenses	1,545	1,671	1,580	2,186	6,402	6,982	7,008
PPOP	2,667	2,914	2,690	1,788	9,036	10,059	10,027
Provisioning	513	437	578	643	2,013	2,171	2,343
OP	2,154	2,476	2,112	1,146	7,023	7,888	7,685
Non-OP	67	40	-4	38	-94	140	90
Pretax profit	2,221	2,516	2,108	1,183	6,929	8,028	7,774
Tax	572	669	580	325	1,844	2,147	2,138
Consolidated NP	1,649	1,847	1,528	858	5,085	5,882	5,636
NP attr. to owners of the parent	1,623	1,820	1,502	831	4,972	5,776	5,530

Source: Company data, Mirae Asset Securities Research

Shinhan Financial Group (055550 KS)

Income statement

(Wbn)	2025	2026F	2027F	2028F
Net operating revenue	15,439	17,041	17,035	16,241
Interest income	11,694	12,563	13,328	13,512
Bank	6,993	7,853	8,711	9,004
Non-bank	4,701	4,709	4,617	4,508
Non-interest income	3,744	4,478	3,707	2,730
SG&A expenses	6,402	6,982	7,008	6,726
PPOP	9,036	10,059	10,027	9,515
Provisioning	2,013	2,171	2,343	2,568
OP	7,023	7,888	7,685	6,947
Non-OP	-94	140	90	90
Pretax profit	6,929	8,028	7,774	7,036
Tax	1,844	2,147	2,138	1,935
NP	5,085	5,882	5,636	5,101
Attr. to owners of the parent	4,972	5,776	5,530	4,995
Minority interests	113	106	106	106

Growth (%)	2025	2026F	2027F	2028F
Net operating revenue	5.2	10.4	0.0	-4.7
Interest income	2.6	7.4	6.1	1.4
Bank	4.9	12.3	10.9	3.4
Non-bank	-0.8	0.2	-2.0	-2.4
Non-interest income	14.4	19.6	-17.2	-26.4
SG&A expenses	4.7	9.0	0.4	-4.0
PPOP	5.6	11.3	-0.3	-5.1
Provisioning	-4.1	7.9	7.9	9.6
OP	8.7	12.3	-2.6	-9.6
Non-OP	-78.0	-248.6	-36.1	0.0
Pretax profit	14.9	15.9	-3.2	-9.5
Tax	25.4	16.4	-0.4	-9.5
NP	11.5	15.7	-4.2	-9.5
Attr. to owners of the parent	11.7	16.2	-4.2	-9.7
Minority interests	4.6	-6.1	0.0	0.0

Performance indicators

(%, Wbn)	2025	2026F	2027F	2028F
NIM	1.55	1.64	1.74	1.72
NIS	1.76	1.83	1.91	1.89
Cost-to-income ratio	41.5	41.0	41.1	41.4
Credit cost ratio	0.45	0.46	0.48	0.51
Asset growth	6.3	9.1	4.3	4.3
Equity growth (attr. to owners)	3.4	4.9	4.2	3.4
BIS capital	56,261	58,598	61,134	63,314
Tier 1 capital	53,006	55,369	57,905	60,086
CET1 capital	47,115	50,087	52,623	54,803
Tier 2 capital	3,254	3,228	3,228	3,228
Risk-weighted assets	352,908	374,985	390,983	407,664
BIS capital adequacy ratio	15.9	15.6	15.6	15.5
Tier 1 capital	15.0	14.8	14.8	14.7
CET1 capital	13.4	13.4	13.5	13.4
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	857,796	894,394	932,553
Cash/cash equivalents	39,783	48,229	50,286	52,432
Securities	211,759	227,947	237,672	247,813
Loans	466,189	492,528	513,542	535,452
Won-denominated bank loans	334,216	347,181	361,993	377,437
Tangible assets	4,153	4,077	4,077	4,077
Other	64,129	85,015	88,816	92,780
Liabilities	725,641	794,551	828,612	864,591
Deposits	447,649	485,052	505,746	527,324
Won-denominated bank deposits	339,093	362,037	377,483	393,588
Borrowings	148,386	155,308	161,966	168,999
Other	129,606	154,191	160,900	168,269
Equity	60,372	63,245	65,781	67,962
Attr. to owners of the parent	57,959	60,826	63,362	65,543
Capital stock	2,970	2,970	2,970	2,970
Capital surplus	12,099	2,233	2,233	2,233
Capital adj.	-1,180	-1,208	-1,208	-1,208
AOCI	-2,475	-1,506	-1,506	-1,506
Retained earnings	41,796	54,174	56,710	58,891
Other	4,750	4,164	4,164	4,164
Minority interests	2,413	2,419	2,419	2,419

Investment indicators

(x, %, W)	2025	2026F	2027F	2028F
Valuation				
P/E	7.5	8.4	8.5	9.2
P/B	0.63	0.79	0.73	0.69
Dividend yield	3.4	2.9	3.3	3.8
Per-share indicators				
EPS	10,243	12,355	12,192	11,274
BPS	121,468	131,932	141,697	150,107
DPS	2,590	3,020	3,440	3,920
Growth				
EPS	8.1	8.6	7.4	5.9
BPS	8.1	8.6	7.4	5.9
Profitability				
ROE	8.7	9.7	8.9	7.8
ROA	0.65	0.70	0.63	0.55
PPOP margin	58.5	59.0	58.9	58.6
OP margin	45.5	46.3	45.1	42.8
Pretax margin	44.9	47.1	45.6	43.3
Net margin	32.2	33.9	32.5	30.8

No. of shares & dividend payout ratio

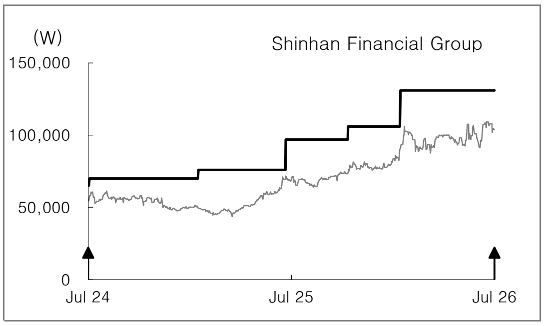
('000, %)	2025	2026F	2027F	2028F
Issued shares (year-end)	485,495	463,214	449,338	438,812
Common	485,495	463,214	449,338	438,812
Preferred	0	0	0	0
Dividend payout ratio	25.1	24.3	27.9	34.3
Common	25.1	24.3	27.9	34.3
Preferred	0.0	0.0	0.0	0.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Shinhan Financial Group (055550)	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



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	83.02%	0%	16.35%	0.63%
Investment banking services	86.67%	0%	13.33%	0%

* Based on recommendations in the last 12-months (as of June 30, 2026)

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