316140 KS · Financials

Woori Financial Group

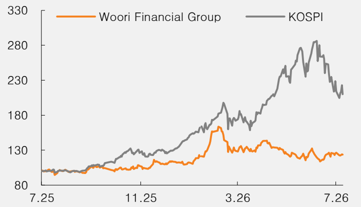
Effective shareholder return ratio expected to exceed 50%

hanEquity Research
July 27, 2026

(Maintain)	**Buy**
Target price	**W43,000**
Current price (7/24/26)	W30,850
Upside	39.4%

NP (26F, Wbn)	3,136
Consensus NP (26F, Wbn)	3,162
EPS growth (26F, %)	-0.1
Market EPS growth (26F, %)	260.0
P/E (26F, x)	7.2
Market P/E (26F, x)	6.9
KOSPI	6,690.62
Market cap (Wbn)	22,462
Shares outstanding (mn)	737
Free float (%)	88.1
Foreign ownership (%)	45.9
Beta (12M)	0.25
52-week low (W)	23,600
52-week high (W)	40,800

(%)	1M	6M	12M
Absolute	5.5	4.4	21.5
Relative	33.5	-22.1	-42.1



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Maintain Buy and TP of W43,000

We maintain our Buy rating and target price of W43,000 for Woori Financial Group, applying a target P/B of 0.80x (unchanged) to our 2026F BPS. Alongside its earnings release, the group announced a W150bn share buyback and cancellation program for 2H26. Accordingly, we expect the shareholder return ratio to rise to 46.4% in 2026. Given that all dividends currently being paid are tax-exempt, we expect the effective shareholder return ratio to exceed 50%. With our target price implying 39.4% upside, we reiterate our Buy rating.

2Q26 review: Above consensus

For 2Q26, Woori Financial Group reported net profit attributable to owners of the parent of W1,004.6bn, exceeding our estimate (W923.1bn) and the consensus (W932.2bn). While pretax profit was in line with our estimate, a sharp decline in tax expenses resulted in better-than-expected net profit. Interest income, non-interest income, and credit costs were all broadly in line with our expectations, while the sharp improvement in the credit cost ratio was positive.

Board approves Tongyang Life share exchange

Meanwhile, the group's board approved a share exchange agreement to make Tongyang Life a wholly owned subsidiary. The share exchange is scheduled to take place on Aug. 11, with the new Woori Financial Group shares scheduled to be listed on Aug. 31. The exchange ratio was set at 0.2521056 Woori Financial Group shares for each Tongyang Life share, based on reference prices of W34,589 for Woori Financial Group and W8,720 for Tongyang Life. Woori Financial Group will issue a total of 8,696,875 new shares, equivalent to 1.19% of its existing shares outstanding.

(Dec.)	2024	2025	2026F	2027F	2028F
Net operating revenue (Wbn)	10,440	10,957	11,679	12,154	12,429
OP (Wbn)	4,255	3,675	4,310	4,566	4,505
NP (Wbn)	3,086	3,124	3,136	3,225	3,181
EPS (W)	4,157	4,253	4,248	4,438	4,446
BPS (W)	45,919	49,068	53,721	56,872	59,916
P/E (x)	3.7	6.6	7.2	7.0	7.1
P/B (x)	0.33	0.57	0.54	0.52	0.50
ROE (%)	9.4	8.9	8.3	8.0	7.6
Shareholder return yield (%)	9.0	5.6	6.4	7.0	7.6
CET1 ratio (%)	12.1	12.9	13.7	13.7	13.7

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. Woori Financial Group: 2Q26 review (Wbn, %)

	Mirae Asset	2Q26	Notes
Net operating revenue	2,989	2,965	
Interest income	2,354	2,336	Group NIM -1bp QoQ, bank NIM flat QoQ
Bank	1,579	1,573	
Non-bank	775	763	
Non-interest income	635	629	Fee/commission income: +34.4% YoY, +21.7% QoQ
SG&A expenses	1,196	1,210	SG&A ratio: 40.8% (-1.2% YoY, -10.8%p QoQ)
PPOP	1,793	1,755	
Provisioning	465	439	Credit cost ratio: 42bps (-11bps YoY, -10bps QoQ)
OP	1,328	1,316	
Non-OP	-6	3	
Pretax profit	1,322	1,318	
Tax	363	292	
Consolidated NP	958	1,027	
NP attr. to owners of the parent	923	1,005	

Source: Company data, Mirae Asset Securities Research

Table 2. Woori Financial Group: Earnings and forecasts (Wbn)

	1Q26	2Q26	3Q26F	4Q26F	2025	2026F	2027F
Net operating revenue	2,758	2,965	2,969	2,988	10,957	11,679	12,154
Interest income	2,324	2,336	2,359	2,405	9,031	9,424	9,926
Bank	1,570	1,573	1,606	1,655	5,894	6,404	6,989
Non-bank	754	763	753	750	3,136	3,020	2,936
Non-interest income	434	629	610	583	1,926	2,256	2,228
SG&A expenses	1,423	1,210	1,277	1,494	5,180	5,403	5,461
PPOP	1,335	1,755	1,692	1,494	5,778	6,276	6,693
Provisioning	527	439	419	582	2,103	1,967	2,127
OP	808	1,316	1,273	912	3,675	4,310	4,566
Non-OP	40	3	24	-43	415	23	3
Pretax profit	848	1,318	1,297	869	4,090	4,333	4,570
Tax	209	292	357	239	863	1,096	1,257
Consolidated NP	639	1,027	940	630	3,228	3,237	3,313
NP attr. to owners of the parent	604	1,005	919	608	3,124	3,136	3,225

Source: Company data, Mirae Asset Securities Research

Woori Financial Group (316140 KS)

Income statement

(Wbn)	2025	2026F	2027F	2028F
Net operating revenue	10,957	11,679	12,154	12,429
Interest income	9,031	9,424	9,926	10,089
Bank	5,894	6,404	6,989	7,223
Non-bank	3,136	3,020	2,936	2,867
Non-interest income	1,926	2,256	2,228	2,340
SG&A expenses	5,180	5,403	5,461	5,586
PPOP	5,778	6,276	6,693	6,843
Provisioning	2,103	1,967	2,127	2,339
OP	3,675	4,310	4,566	4,505
Non-OP	415	23	3	3
Pretax profit	4,090	4,333	4,570	4,508
Tax	863	1,096	1,257	1,240
NP	3,228	3,237	3,313	3,268
Attr. to owners of the parent	3,124	3,136	3,225	3,181
Minority interests	103	101	88	88

Growth (%)	2025	2026F	2027F	2028F
Net operating revenue	4.9	6.6	4.1	2.3
Interest income	1.6	4.4	5.3	1.6
Bank	3.9	8.6	9.1	3.3
Non-bank	-2.5	-3.7	-2.8	-2.4
Non-interest income	24.0	17.1	-1.2	5.0
SG&A expenses	15.9	4.3	1.1	2.3
PPOP	-3.2	8.6	6.6	2.2
Provisioning	22.5	-6.5	8.1	10.0
OP	-13.6	17.3	6.0	-1.3
Non-OP	-1,384.2	-94.4	-85.6	0.0
Pretax profit	-3.1	5.9	5.5	-1.3
Taxes	-17.9	27.1	14.6	-1.3
NP	1.8	0.3	2.4	-1.3
Attr. to owners of the parent	1.2	0.4	2.9	-1.4
Minority interests	20.7	-2.3	-13.1	0.0

Performance indicators

(%, Wbn)	2025	2026F	2027F	2028F
NIM	1.44	1.54	1.60	1.58
NIS	1.45	1.51	1.58	1.56
Cost-to-income ratio	47.3	46.3	44.9	44.9
Credit cost ratio	0.53	0.46	0.48	0.51
Asset growth	14.4	7.7	4.6	4.6
Equity growth (attr. to owners)	5.6	9.6	4.2	3.7
BIS capital	37,800	41,086	42,757	44,279
Tier 1 capital	34,779	38,440	40,111	41,633
CET1 capital	30,223	34,166	35,837	37,359
Tier 2 capital	3,021	2,646	2,646	2,646
Risk-weighted assets	234,542	249,792	261,221	273,174
BIS capital adequacy ratio	16.1	16.4	16.4	16.2
Tier 1 capital	14.8	15.4	15.4	15.2
CET1 capital	12.9	13.7	13.7	13.7
Tier 2 capital	1.3	1.1	1.0	1.0

Balance sheet

(Wbn)	2025	2026F	2027F	2028F
Assets	601,457	647,949	677,596	708,600
Cash/cash equivalents	38,500	39,032	40,818	42,686
Securities	136,452	145,310	151,959	158,912
Loans	412,496	447,257	467,721	489,122
Won-denominated bank loans	300,759	314,722	329,122	344,181
Tangible assets	11,929	14,171	14,171	14,171
Other	2,080	2,179	2,927	3,709
Liabilities	563,598	606,475	634,452	663,933
Deposits	376,581	385,688	403,336	421,791
Won-denominated bank deposits	320,160	330,258	345,370	361,172
Borrowings	89,767	101,226	105,895	110,816
Other	97,251	119,561	125,221	131,326
Equity	37,859	41,474	43,144	44,667
Attr. to owners of the parent	36,017	39,478	41,148	42,671
Capital stock	3,803	3,803	3,803	3,803
Capital surplus	933	933	933	933
Capital adj.	-436	-636	-636	-636
AOCI	-783	1,870	1,870	1,870
Retained earnings	28,790	29,997	31,667	33,191
Other	3,710	3,511	3,511	3,511
Minority interests	1,842	1,995	1,995	1,995

Investment indicators

(x, %, W)	2025	2026F	2027F	2028F
Valuation				
P/E	6.6	7.3	7.0	6.9
P/B	0.57	0.57	0.54	0.51
Dividend yield	4.9	4.9	5.4	6.0
Per-share indicators				
EPS	4,253	4,248	4,438	4,446
BPS	49,068	53,721	56,872	59,916
DPS	1,360	1,510	1,670	1,840
Growth				
EPS	6.9	9.5	5.9	5.4
BPS	6.9	9.5	5.9	5.4
Profitability				
ROE	8.9	8.3	8.0	7.6
ROA	0.55	0.50	0.49	0.46
PPOP margin	52.7	53.7	55.1	55.1
OP margin	33.5	36.9	37.6	36.2
Pretax margin	37.3	37.1	37.6	36.3
Net margin	28.5	26.8	26.5	25.6

No. of shares & dividend payout ratio

('000, %)	2025	2026F	2027F	2028F
Issued shares (year-end)	734,076	737,913	726,568	715,223
Common	734,076	737,913	726,568	715,223
Preferred	0	0	0	0
Dividend payout ratio	32.0	35.2	37.4	41.1
Common	32.0	35.2	37.4	41.1
Preferred	0.0	0.0	0.0	0.0

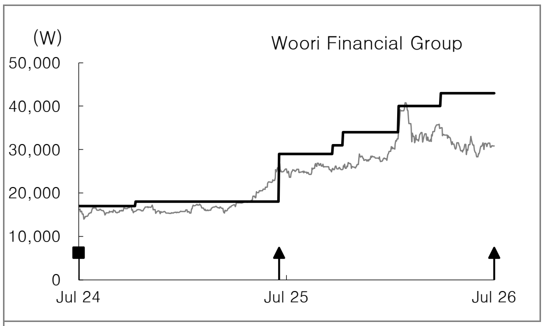
Source: Company data, Mirae Asset Securities Research estimates

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Woori Financial Group (316140)	04/24/26	Buy	43,000
	02/09/26	Buy	40,000
	11/03/25	Buy	34,000
	10/16/25	Buy	31,000
	07/14/25	Buy	29,000
	11/04/24	Trading Buy	18,000
	06/10/24	Trading Buy	17,000



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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