SECTOR
UPDATE

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Finance/Consumer Goods Team

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▶ AT A GLANCE

| | | |
|---|---|---|
| **KB Financial Group** | (105560 KS, 157,400) | |
| Target price | KRW200,000 | 27.1% |
| **BUY** | | |
| **Shinhan Financial Group** | (055550 KS, 99,700) | |
| Target price | KRW128,000 | 28.4% |
| **BUY** | | |
| **Hana Financial Group** | (086790 KS, 124,000) | |
| Target price | KRW157,000 | 26.6% |
| **BUY** | | |
| **Korea Investment Holdings** | (071050 KS, 260,500) | |
| Target price | KRW270,000 | 3.6% |
| **BUY** | | |
| **Kiwoom Securities** | (039490 KS, 453,000) | |
| Target price | KRW520,000 | 14.8% |
| **BUY** | | |

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# Financials

## Capital flows; firms with strong WM skills

- In the near term, the easing of geopolitical risks should prove to be the most critical for shares in the financial sector. Over the longer term, however, the Kospi's potential to rerate further will depend on whether capital flows (money moves) into the stock market.
- We believe capital flows into the stock market will continue, driven by: 1) changing household asset allocations; 2) changes in retirement plan composition (*eg*, increased equity allocation in DC and IRP plans); 3) improved foreign institutional and retail investors' access to K-stocks; and 4) rising corporate cash reserves.
- Investors should focus on: 1) securities companies, as they are set to enjoy earnings growth; 2) financial institutions with strong wealth management capabilities; and 3) firms with the potential to succeed as financial platforms.

### WHAT'S THE STORY?

**Longer-term attention on sustainability of money movements:** Heighted geopolitical risks and the Kospi's sharp rally have created near-term headwinds. Yet, investor interest in the sustainability of capital flows is also high. Investors are paying keen attention to the long-term sustainability of these money moves, given: 1) the Korean government's continuous efforts to reduce the Korea discount; 2) the Kospi's attractive valuation; and 3) lessons learned from Japan's re-rating.

**Capital flows into stock market to continue:** There are four reasons why we expect more capital to be injected into the stock market. First, as equity returns continue to outpace real-estate yields, households are likely to reduce their property exposure and rebalance their portfolios towards stocks. Second, new opportunities are expected to emerge from retirement pension funds, which have historically been managed conservatively. Third, if foreign retail investors gain greater access to Korean stocks, additional capital inflows are likely. Fourth, rising cash reserves held by corporations are likely to create a virtuous capital cycle.

**'Banks lose, brokers win'—an outdated idea:** The money moves are more multifaceted than in the past. Due to a blurring of boundaries within the financial industry, financial groups have grown rapidly. The benefits of money moves are likely to center on financial firms that can meet diverse customer needs.

*(Continued on the next page)*

**Investment idea 1. Focus on securities brokers for earnings improvement momentum:** While there are concerns that the rally for securities stocks has been excessive, we suggest focusing on the potential for y-y earnings growth driven by higher S&T income and interest revenue. A selective approach is warranted, as competitiveness in retirement pension services serves as a key differentiator.

**Investment idea 2. Prioritize financial institutions with strong WM capabilities:** Growth of financial investment assets is increasing demand for wealth management (WM) services. As in the case of Morgan Stanley, strengthening WM offerings (targeting the mass affluent segment) should be critical for securities companies' future success. Therefore, a selective approach is advised, prioritizing large securities companies with proven WM capabilities beyond mere product sales. Meanwhile, among bank-centric financial groups, attention should be directed towards the performance and strength of their non-banking subsidiaries.

**Investment idea 3. Expansion of investment assets available to individual investors fueling growth of financial investment platforms:** Financial platforms that demonstrate genuine differentiation—Robinhood (US) and Moomoo Trading (under Futu Holdings; Asia)—are trading at valuations far exceeding those of traditional financial institutions. Korea's platform landscape is evolving too. Given the winner-takes-most nature of the market, close monitoring of key contenders is essential.

# WHY SHOULD
# YOU READ THIS REPORT

At the start of this year, capital flows were the most talked-about phrase in Korea's equity market. After all, retail investors propelled the Kospi from 3,000 to 6,000 in just eight months.

Lately, it is increasingly felt that geopolitical risks should ease before: 1) the market recovers; and 2) the valuations of financial stocks rebound. As a result, money moves are now mentioned less frequently. However, there remains strong interest in the long-term sustainability of these capital flows. The Korean government is set to implement a series of policies aimed at reducing the Korea discount, while the Kospi's valuation remains deeply attractive vs other major global markets. Additionally, if Korea acts on the lessons learned from Japan's re-rating, the Kospi could follow a similar path.

We believe there are four reasons why capital flows into the stock market will continue. First, real estate still accounts for 65% of Korean household assets, but individual investors are likely to invest more in stocks—offering greater liquidity and higher potential returns. Second, retirement pension funds, which have historically been managed conservatively, are now undergoing a structural shift towards higher-yielding investment strategies. Third, amid a high need for global capital flows into the domestic stock market, regulatory changes have been introduced to enable foreign retail investors to buy Korean stocks via their smartphones (foreign institutional investors can already trade stocks in Korea). Fourth, rising corporate cash reserves (especially among semiconductor firms) should be deployed not just for share buybacks but also for investments, elevating corporate value and creating a virtuous cycle.

Investors traditionally approached the financial sector with the idea that 'banks lose, brokers win' from money flows into stocks. However, as evidenced by developments in the early 2020s, this no longer holds true. We believe investors now need a more sophisticated and nuanced approach.

Primarily, securities companies deserve attention for their earnings growth. From a longer-term perspective, the emphasis must shift towards their WM capabilities. While most domestic financial institutions still rely heavily on product sales rather than on true asset management services, leading securities companies and select banking financial groups are already beginning to differentiate themselves through enhanced WM offerings. A targeted investment approach towards these innovators appears to be essential.

With a greater range of investment assets now available to retail, the platforms enabling these trades warrant investors' attention. Robinhood and Moomoo Trading (under Futu Holdings) have built strong fintech foundations, enjoy robust earnings growth, and command premium valuations. It is essential to actively identify potential winners in Korea's financial platform market.

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# Capital flows: In search of higher returns

## How Korea's stock market re-rating is reshaping capital landscape

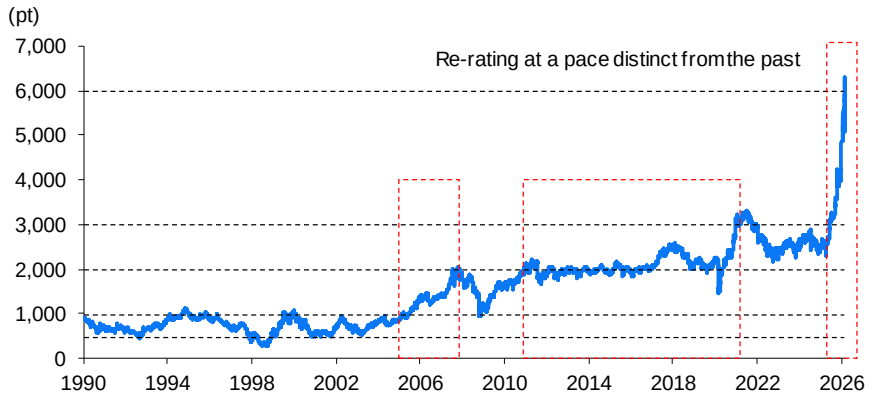
**Unprecedented stock-price gains and index levels—expectations for transformative shift in Korea's capital market landscape**

In 2026, the Kospi reached a high of 6,307. This represents a 139.8% gain over the past year, and the Kospi is 175% higher than it was at its 2025 low (reached on Apr 9).

In particular, the speed of the Kospi's accent is unprecedented. It took 28 months for the Kospi to rise from 1,000 to 2,000, and 121 months to go from 2,000 to 3,000. By contrast, it took just 8 months for the index to double from 3,000 to 6,000.

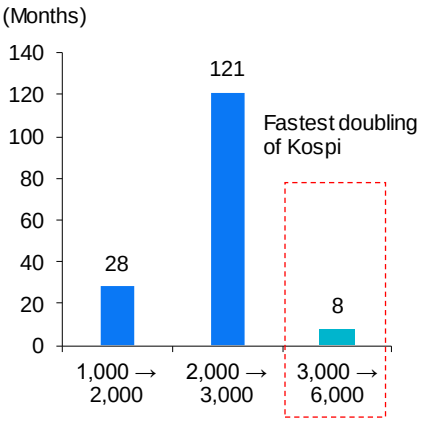
Of course, recent increases in geopolitical risks triggered a sharp correction in the Kospi. Some have raised concerns that the domestic stock market may be overvalued relative to its fundamentals, or questioned the sustainability of this re-rating. But we believe this rapid market re-rating has ignited a transformative shift in Korea's capital market landscape.

**Kospi Index trend**




Source: QuantiWise, Samsung Securities

**Time required to reach peaks in Kospi**




Note: 1,000 → 2,000 refers to Jun 2005 - Oct 2007;
2,000 → 3,000 refers to Dec 2010 - Jan 2021;
3,000 → 6,000 refers to Jun 2025 - Feb 2026
Source: QuantiWise, Samsung Securities

### Surge in capital flows into stock market

First, the amount of capital flowing into the stock market has risen to a new level (vs that see just one year ago). 1) brokerage customer deposits reached KRW132t as of early March (more than double the KRW54t recorded at end-2024); and 2) the margin loan balance increased to KRW33t, a 107.3% rise over the same period.

Importantly, concerns that retail investors are using debt to fuel buying have been overstated. The growth in margin lending has significantly lagged behind the rise in customer deposits—not only in pace but also in scale. The reasons for this slow pace of margin lending growth: 1) securities brokers were already near their credit-lending limits; and 2) strong government policies to curb household debt restricted access to financing from other financial institutions.

### Capital flows do about-turn and head into domestic stock market

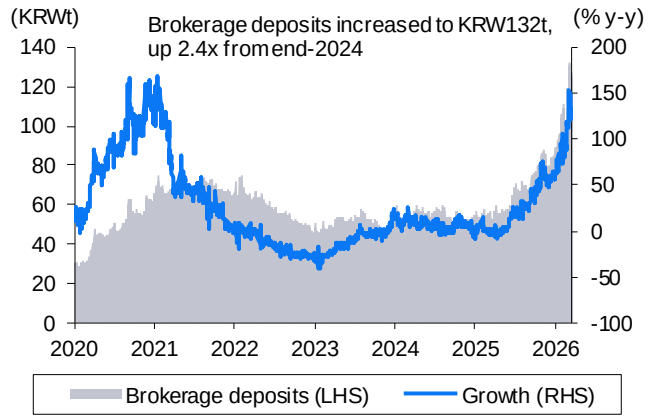
Just a few months ago, Korean retail investors were aggressively buying overseas stocks, dubbed the Seohak Ant Movement. But now, these investors are bringing capital back into the domestic market. Their net buying of US-listed stocks peaked in September and has since weakened rapidly, precisely as the Kospi broke out of its long-standing range. The Korean index surpassed its previous all-time high to reach 3,424.6 at end-September before starting its sustained upwards trend.

This shift is also reflected in the surge of active trading accounts for domestic stocks. According to the Korea Financial Investment Association, on Feb 20 this year—when the Kospi neared 6,000—the number of active domestic equity trading accounts reached 101.5m. This is double Korea's population and represents a 150% increase since 2021 (40.55m accounts), when the Kospi rallied to 3,000 driven by the Donghak Ant Movement (Korean retail investors aggressively bought domestic stocks).

### Capital polarization—no middle ground

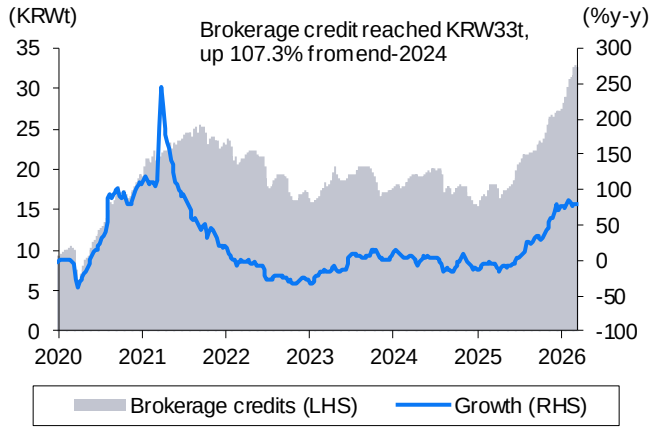
Investor capital is becoming increasingly polarized. Those chasing higher returns are shifting towards equities—and within the equity market, towards leveraged products that offer amplified gains. Meanwhile, medium-risk, medium-return instruments are drawing little attention. This trend is evident in the data: Over July-February, the AUM of Kospi leveraged ETFs surged 146.5%, while ELS (medium-risk, medium-return products) saw a 37.6% decline in issuance volume.

### Brokerage deposits vs growth



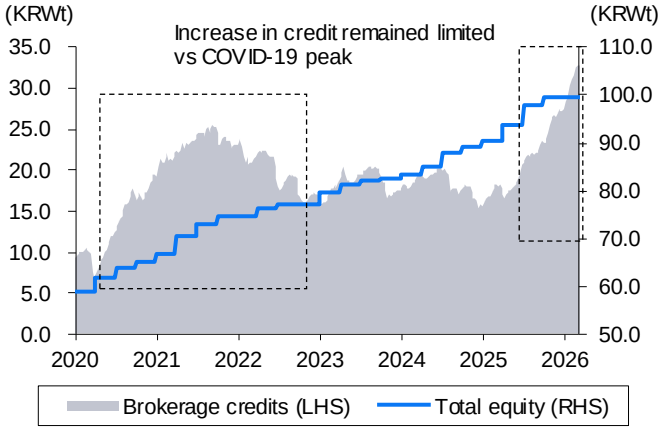

Source: KOFIA, Samsung Securities

### Brokerage credit provision vs growth



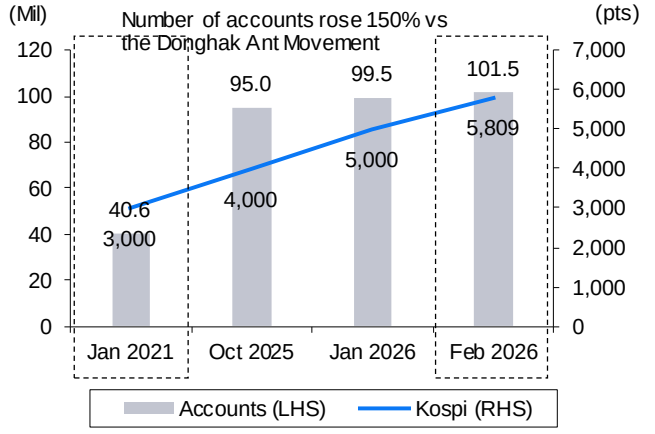

Source: KOFIA, Samsung Securities

### Brokerage total equity vs credit provision



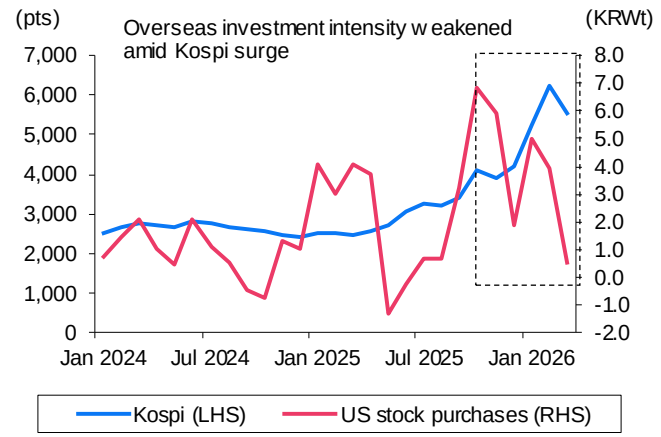

Source: KOFIA, FISIS, Samsung Securities

### Active stock trading accounts trend



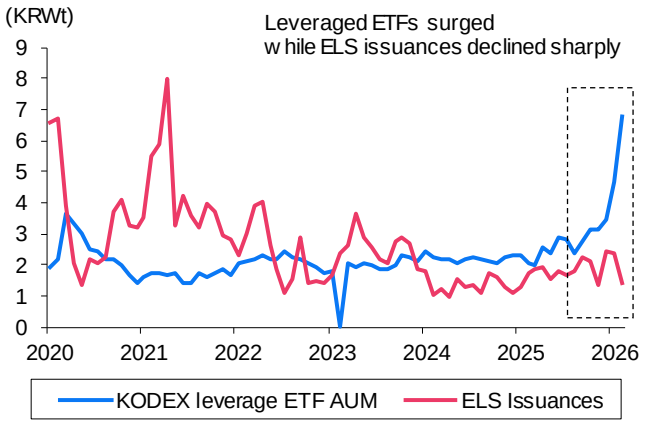

Source: KOFIA, Samsung Securities

### Net purchases of US-listed stocks by domestic investors




Source: KSD, Samsung Securities

### Kospi leveraged ETF AUM vs ELS issuance volume




Source: KSD, KOFIA, Samsung Securities

## Current capital flows different from those seen in the past

Of course, this is not the first time Korea's capital markets have seen capital move swiftly into the stock market. There have been three such periods: 1) the Buy Korea wave drove the Kospi to 1,000 in 1999; 2) the boom in equity mutual funds propelled the index to 2,000 over 2004-2007; and 3) the Donghak Ant Movement during the pandemic pushed the Kospi to 3,000.

But the ongoing money movement differs from past ones in several aspects.

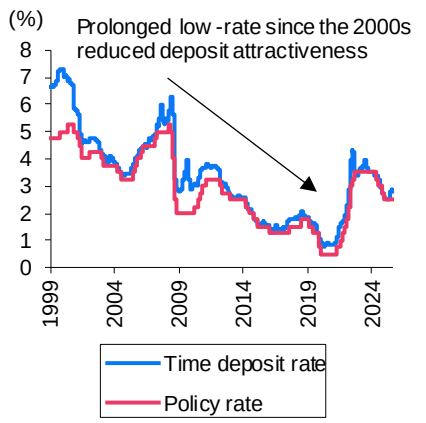
### Money leaving bank deposits? Bank deposits are rising too!

During past capital moves, the hallmark was declines in bank deposits as households shifted funds into stocks. Back in early 1998, one-year time deposit rates averaged 17.9%, making bank savings the primary tool for wealth accumulation through compounding. But as interest rates fell rapidly through the 2000s, households began seeking higher-yielding alternatives. A re-rating of the stock market in the mid-2000s spurred the rise of new investment options, accelerating capital flows out of traditional savings products. During the Kospi's sharp rallies (2004-2007; 2019-2020), bank time deposits either dipped temporarily or grew at a much slower pace than overall liquidity growth.

This time, however, there has been no clear decline in bank deposits. Although bank deposits fell by KRW50.8t m-m in January, this was largely due to seasonal factors, such as: 1) the outflow of corporate capital (which had been temporarily deposited at year-end); and 2) corporate VAT payments. In fact, bank deposits: 1) dropped KRW28.8t m-m in Jan 2024 and KRW33.3t m-m in Jan 2025; but 2) jumped KRW47.3t m-m in Feb 2026 when the Kospi rose above 6,000.

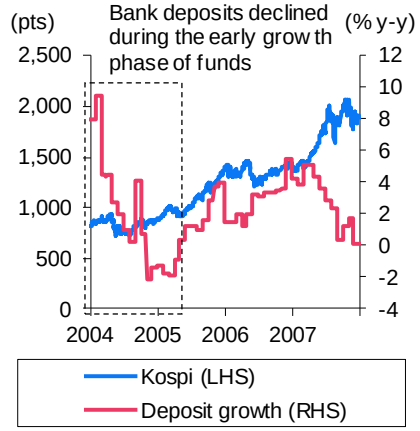
This pattern contradicts the popular narrative that the Kospi's rally was fueled by massive outflows of savings from banks.

**Bank time deposit rates vs policy rate**



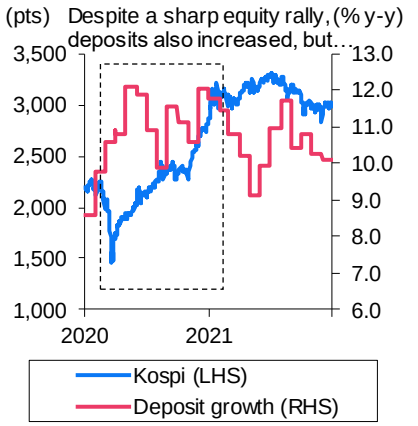

Source: BOK, Samsung Securities

**Kospi vs deposit growth rate (2004-2007)**



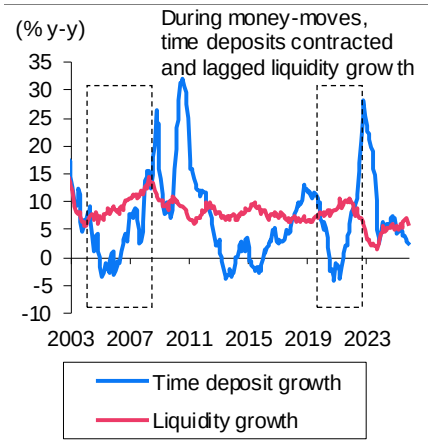

Source: BOK, QuantiWise, Samsung Securities

**Kospi vs deposit growth rate (COVID-19)**



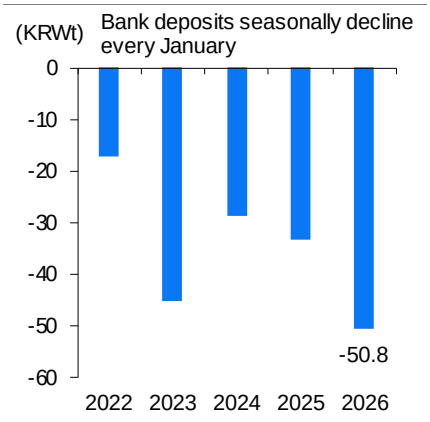

Source: BOK, QuantiWise, Samsung Securities

**Time deposit growth vs liquidity growth**



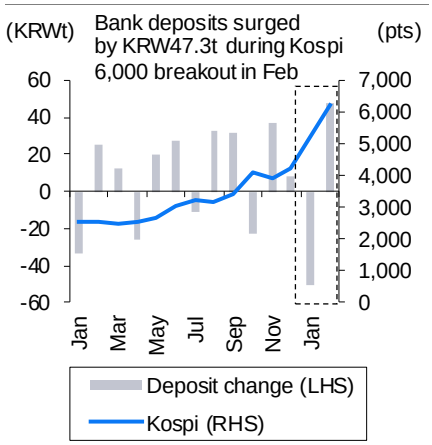

Source: BOK, Samsung Securities

**Changes in bank deposits in January, by year**




Source: BOK, Samsung Securities

**Monthly change in bank deposits vs Kospi**




Source: BOK, QuantiWise, Samsung Securities

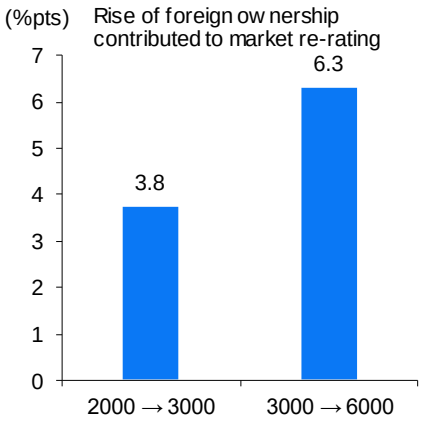
**Rising foreign investor participation reflects optimism of structural upgrade in Korea's market**

In the past, Kospi re-ratings were accompanied by rising foreign investments in Korean equities. In addition to capital reallocation among domestic assets, inflows of capital from abroad also served as a driver of stock-market gains. Indeed, during the Kospi's breakouts (above 3,000 and above 6,000), foreign ownership increased 3.8%pts and 6.3%pts, respectively.

In particular, as the Kospi surpassed 6,000, it is believed that foreign investors bet more on the re-rating of Korea's equity market rather than on sector-specific rallies—foreign ownership grew across most sectors. This shift likely reflects confidence that reforms like the Commercial Code amendments will elevate Korea's market valuation, alongside lessons learned from Japan's equity re-rating.

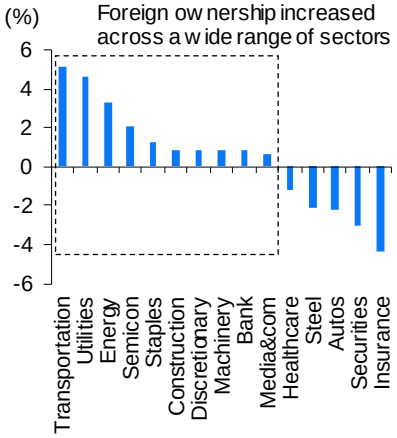
That said, as will be discussed further, expanding capital flows from foreign investors should prove essential to sustaining Korea's stock market re-rating. In recent months, as the index surpassed 6,000, foreign investors increased their net selling, dampening upwards momentum for Korean equities. This highlights a critical point: For Korea's market to sustain its rapid re-rating, it needs capital inflows not only from Korea (domestic capital reallocation) but also from abroad (inflows of global capital).

**Foreign ownership changes at Kospi peaks**



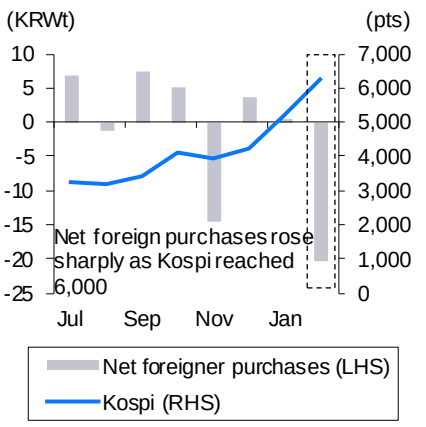

Note: 2000 → 3000 refers to Dec 2010 - Jan 2021;
3000 → 6000 refers to Jun 2025 - Feb 2026
Source: QuantiWise, Samsung Securities

**Foreign ownership changes by sector as Kospi reaches 6,000**




Source: QuantiWise, Samsung Securities

**Monthly net foreign purchases while Kospi reaching 6,000**



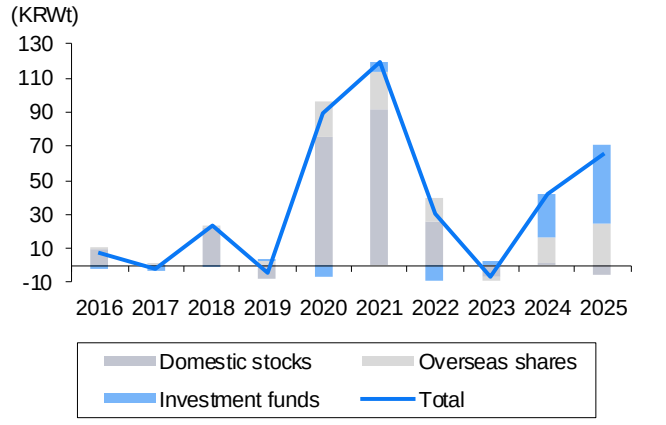

Source: FISIS, Samsung Securities

**ETFs take off — a shift from direct stock investing to indirect exposure**

The Kospi's rise to 3,000 shortly after the pandemic was driven by the Donghak Ant Movement—retail investors aggressively bought domestic stocks. Over 2020-2022, of the KRW34.3t increase in Korean households' financial assets, 97.1% or KRW33.3t came from direct investments in domestic equities.

But such direct equity investments were minimal during the Kospi's re-rating over 2024-2025. Of the KRW71.4t net increase in households' financial assets, 60.3% or KRW4.31t flowed into investment funds (primarily ETFs). (For reference, 37.4% or KRW26.7t went into overseas equities.) This signals a shift in retail investor behavior: The focus moved away from direct investments in individual stocks towards ETF-centric investments. Indeed, among the top-10 most purchased stocks by retail investors last year, five were ETFs—a stark departure from 2021.

**Households' equity holdings and investment funds**




Source: BOK, Samsung Securities

**Top-10 stocks/ETFs by retail investors' net purchases (2021 vs 2025)**

| Rank | 2021 | 2025 |
|---|---|---|
| 1 | Dongwha Pharm | SK Hynix |
| 2 | KR Motors | Naver |
| 3 | HiteJinro Holdings | **TIGER US S&P 500** |
| 4 | Mirai Semiconductors | **KODEX 200 Futures Inverse 2X** |
| 5 | Kyungbang | Samsung SDI |
| 6 | **TIGER NIKKEI225** | **KODEX US S&P 500** |
| 7 | Samyang Holdings | Hanwha Ocean |
| 8 | HiteJinro | **KODEX US Nasdaq 100** |
| 9 | Mobase | Doosan Enerbility |
| 10 | HiteJinro 2nd Preferred Stock (B) | **KODEX 200** |

Source: KRX, Samsung Securities

# Capital flows into stock market to continue

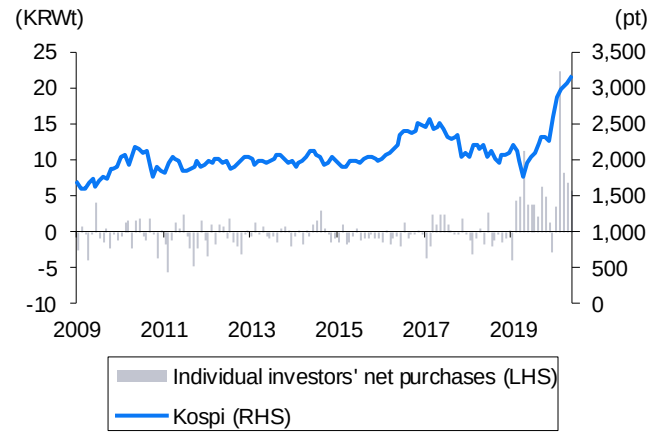
## Some investors focusing on the sustainability of capitals flows

The recent Kospi's re-rating has been fueled by a surge in retail investors. Just as individual investors spearheaded the Donghak Ant Movement (2020-2022; Korean retail investors pumped money into domestic shares right after the COVID-19 market crash) to push the Kospi higher, they have again played a leading role in this rally. Indeed, between Nov 2025 and Feb 2026, when the Kospi broke above 4,000, net purchases by retail investors and financial investment institutions combined reached KRW36.6t. During the recent rally, retail investors have favored ETFs over individual stocks, resulting in a sharper rise in financial institutions' net buying (vs retail's net buying).

Of course, near-term headwinds remain. Geopolitical risks stemming from the Iran war could weigh on investor sentiment. Concerns are mounting over persistently high oil prices, a weak won, rising interest rates, and persistent inflationary pressure. Some experts have even revised down their forecasts for Korea's 2026 economic growth.

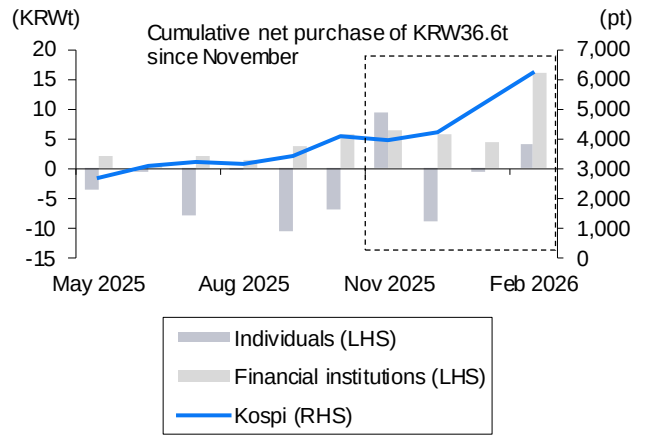
Yet, when viewed from a longer-term perspective (beyond these short-term risks), confidence in the sustainability of the money movements remains strong. If this wave of retail participation reflects not just a temporary surge, but a lasting shift in investor behavior, the potential for a further Kospi re-rating remains substantial.

**Monthly net purchases by individual investors before Kospi reached 3,000**




Source: FISIS, Samsung Securities

**Monthly net purchases by individual investors before Kospi reached 6,000**



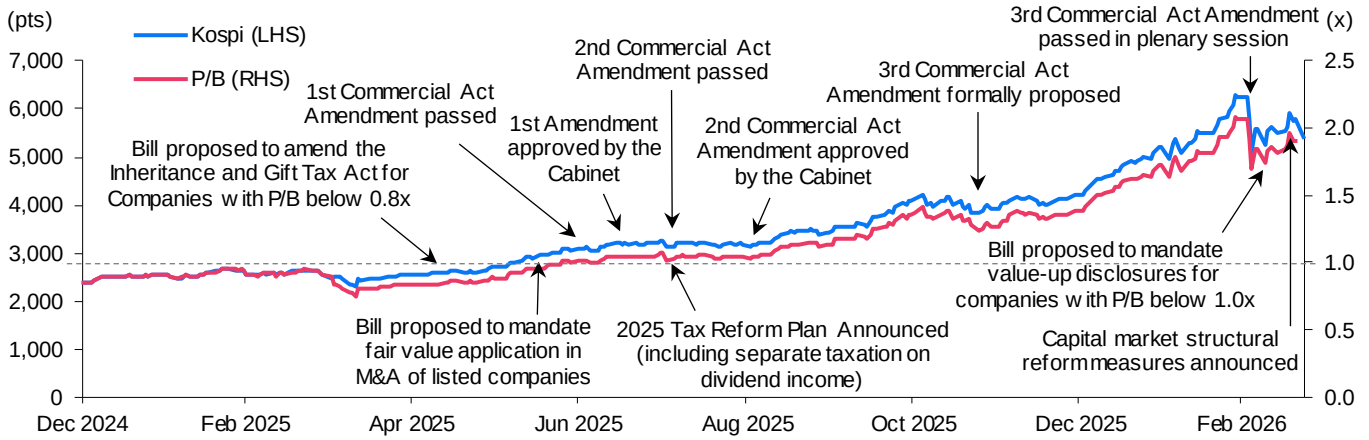

Source: FISIS, Samsung Securities

## Basis for market optimism—government efforts to narrow Korea discount

### Government efforts to reduce the Korea discount show no signs of abating

After the geopolitical risks subside, a significant portion of market participants are expected to remain bullish towards the sustainability of capital flows and the potential for further gains in Korea's stock market—the government is expected to make persistent efforts to reduce the Korea discount. Three key developments underscore this commitment: 1) the initial phase of the Kospi's re-rating aligned closely with the government's aggressive push to address the long-standing Korea discount; 2) concrete policy measures (*eg*, revisions to the Commercial Act) have reinforced investor confidence and supported the re-rating; and 3) more reforms aimed at strengthening Korea's capital markets are expected.

**Kospi index vs P/B**




Source: WiseFn, Samsung Securities

**Summary of Commercial Act Amendments and capital market reforms**

| Status | Category | Key Item | Timeline | Details |
|---|---|---|---|---|
| Completed | Commercial Act Amendment | 1st | Jul 2026 | Strengthened duty of loyalty; 3% rule reinforced; e-voting introduced |
| | | 2nd | Sep 2026 | Expanded number of outside directors for spin-offs; cumulative voting mandated |
| | | 3rd | Mar 2026 | Mandatory treasury share cancellation |
| | Tax Reform | Separate taxation on dividend income | From 2025 dividends | Applied to: 1) Firms with payout ratio ≥ 40%, or 2) Firms with payout ratio ≥ 25% with dividend growth ≥ 10% y-y |
| In progress | Inheritance & Gift Tax Act revision | Inheritance & Gift Tax Act | TBD | Minimum valuation floor of P/B 0.8x applied to listed stocks for inheritance/gift |
| | Capital market reform | Exit of underperforming firms | Apr-Sep 2026 | Stricter delisting rules; promote restructuring and exit via M&A |
| | | Ban on dual listing | Jun 2026 | Prohibit KRX dual listing in principle; impose shareholder protection duty on boards in case of subsidiary listing; applied to overseas listings as well |
| | | Preventing low valuation | 2026 | Mandatory fair value in M&A |
| | | | Jul 2026 | Induce value-up for low-P/B firms (trading system improvements) |
| | | | Sep 2026 | Introduce revaluation of existing assets (K-IFRS revision) |
| | | Internalization of Stewardship Code | 2H26 | Strengthen institutional investor monitoring system and fiduciary responsibility |
| | | Enhancing KOSDAQ's competitiveness | 2H26 | Expand special listing for innovative technologies |
| | | | 1H26 | Improve VC recovery channels for IPO investments |
| | | | 2H26 | Introduce tiered market structure (Premium/Standard/General) |
| | | Foundation for long-term domestic investment | TBD | Launch RIA, personalized pensions, single-stock/leverage ETFs, etc. |
| | | | TBD | Advance FX and securities market systems to attract foreign investment |

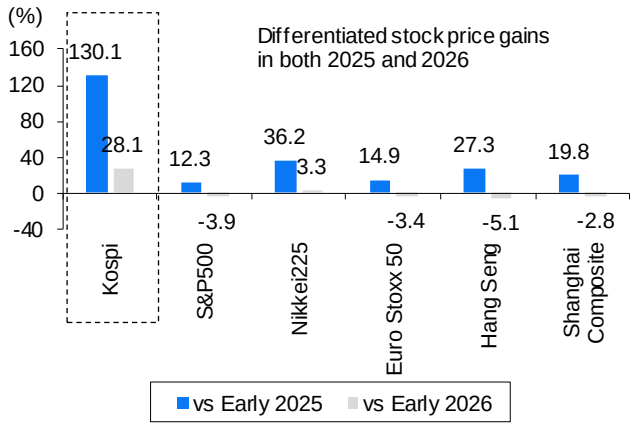
Source: Bill Information System, FSC, Samsung Securities

### Is Kospi's valuation too high? Its relative valuation remains attractive

Some observers have raised concerns that the Kospi's valuation is demanding following the rapid rally. Valid concerns include: 1) its outsized short-term outperformance (vs its global peers); 2) its elevated volatility (vs that in other markets, especially amid the recent geopolitical uncertainty); and 3) the outsized weighting of Samsung Electronics and SK Hynix (which together make up 40.6% of the Kospi, leaving it highly exposed to the semiconductor cycle).

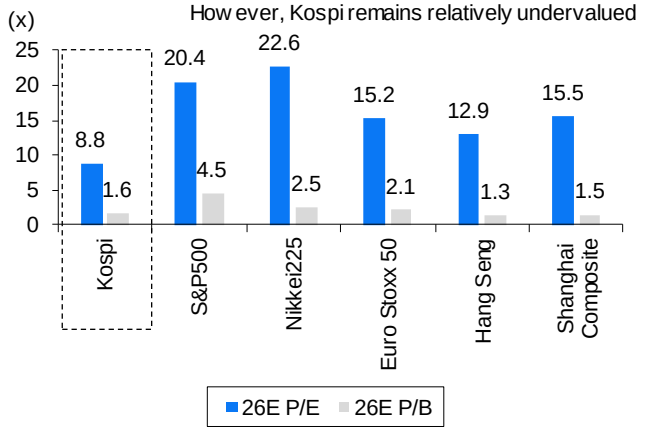
However, the more important takeaway is that the Kospi's valuation remains deeply attractive: 1) for 2026, it trades at a P/B of 1.6x and a P/E of 8.8x, still well below global averages; 2) excluding Samsung Electronics and SK Hynix, its P/B is just 1.2x; and 3) a remarkable 67.4% of all Kospi constituents trade below a P/B of 1x.

**Stock price performance, by market index**



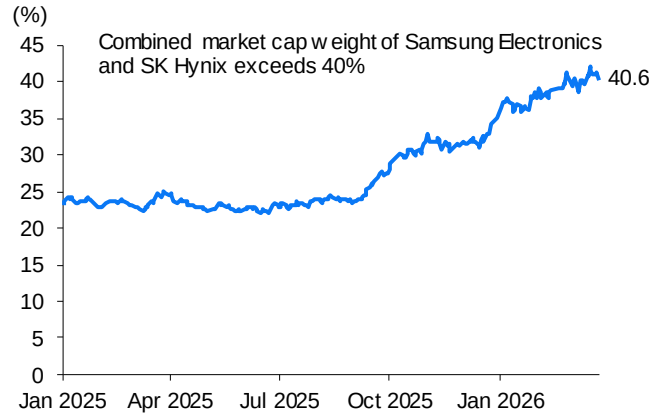

Source: Bloomberg, Samsung Securities

**2026 valuation, by market index**



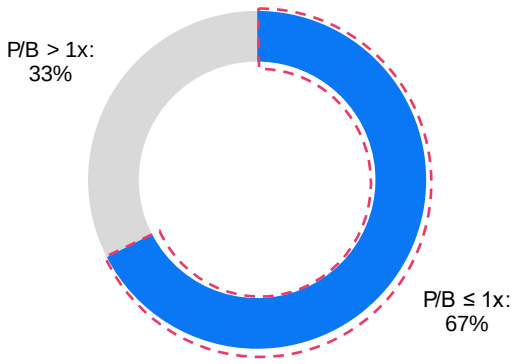

Source: Bloomberg, Samsung Securities

**Market cap weight of Samsung Electronics + SK Hynix vs Kospi**




Source: QuantiWise, Samsung Securities

**Share of Kospi stocks trading above and below 1x P/B**



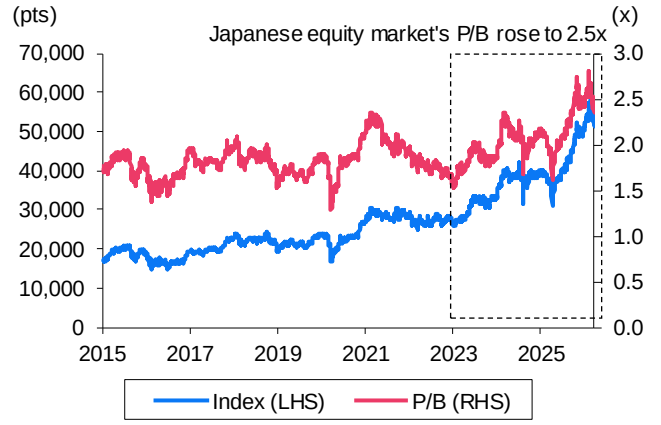

Note: As of Mar 25
Source: Bloomberg, Samsung Securities

### Lessons from Japan's ongoing re-rating

The Japanese market's re-rating, which began years before Korea's, is still underway. A decade ago, the Nikkei 225 was trading at a P/B of 1.5x. Today, it trades at 2.5x, and in 2025 alone, it gained 36.2%.

This trajectory offers a powerful precedent. If Korea continues its structural reforms, it could follow a similar path. Crucially, global institutional investors, many of whom have successfully navigated Japan's transformation, are now viewing Korea with renewed interest. Their perception is shifting from one of skepticism to renewed optimism.

**Nikkei 225 Index vs P/B**




Source: Bloomberg, Samsung Securities

**Japan government's corporate value enhancement policy**

| Timeline | Details |
|---|---|
| 2014 | Stewardship Code introduced: Institutional investors' fiduciary duty |
| 2015 | Companies Act revised: Disclosure of reasons for not appointing outside directors; stricter requirements |
| 2016 | Corporate Governance Code introduced: Disclosure of the purpose and rationality of shares held by policy |
| 2017 | Stewardship Code revised: Mandatory disclosure of voting results by agenda |
| 2018 | Corporate Governance Code revised |
| 2019 | Companies Act revised: Mandatory appointment of at least one outside director |
| 2020 | Stewardship Code revised (2nd revision) |
| 2021 | Governance Code revised: ≥2 outside directors required |
| 2022 | iDeCo reform: Eligibility expanded |
| 2023 | New NISA introduced |
| 2024 | iDeCo reform: Contribution limits increased |

Source: Media reports, Samsung Securities

## Flight to yield—from real estate to financial assets

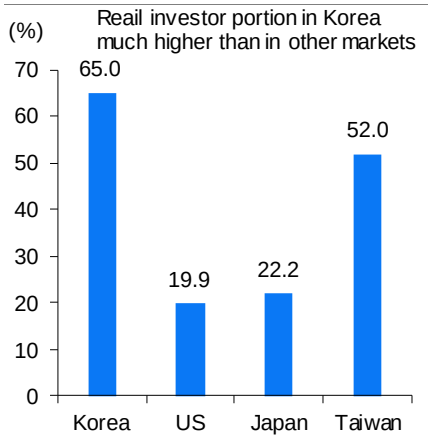
### Real estate still dominates household portfolios, but the tide is turning

We expect liquidity to continue flowing into Korean stock markets, driven by a fundamental realignment of household portfolios. While Korea's household asset allocation has been gradually shifting towards higher-yielding financial assets since 2012, the dominance of real estate remains overwhelming. As of 2024, real estate still accounted for 64.5% of household assets, while financial assets made up just 35.5% and equities representing only 8.5%. This extreme concentration in low-yielding, illiquid assets underscores a massive, untapped potential for capital to flow into the stock market as households seek better returns.

### Korean retail investors are very aggressive

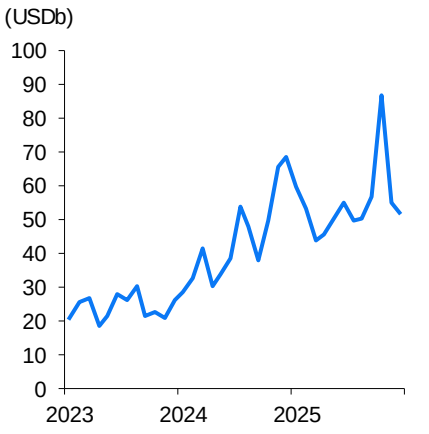
It is hard to find a country where individual investors are as aggressive as Koreans (retail) as they: 1) account for 65% of the Kospi's trading volume (2025 basis), the highest retail share among major economies; 2) invested USD660b in overseas stocks last year; and 3) single handedly lifted crypto exchange's Upbit's 2025 trading volume to USD1t (ninth globally; virtually no institutional participation in the exchange).

**Retail trading value share, by country**



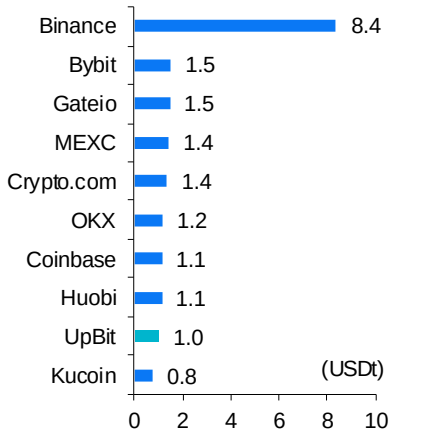

Source: KRX, Bloomberg, JPX, TWSE, Samsung Securities

**Overseas equity investments, by Korean retail investors**




Source: KSD, Samsung Securities

**Top-10 global crypto exchange trading volumes**



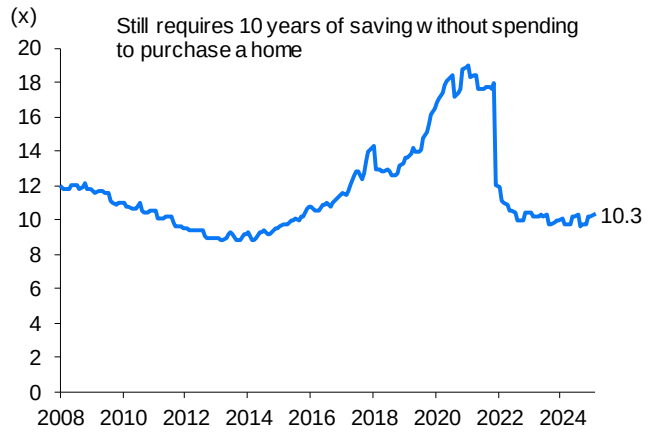

Note: Based on full-year 2025
Source: Newhedge, Samsung Securities

### Low interest rates and aging population are forcing investors to hunt for yields

With Korea's population aging faster than the population in almost any other DM, securing reliable post-retirement income has become the top financial concern. For older generations, real estate was the go-to retirement asset. But for today's younger households, homeownership is increasingly out of reach, not just due to regulation, but because prices have risen far beyond income growth. As a result, the growing need to find alternative sources of income has never been greater.

At the same time, Korea's structural low-interest-rate environment makes traditional safe assets (*eg*, 1-year KTBs yielding 3%) inadequate. With inflation expected to stand at around 2.1%, real returns are negligible. For many savers, the choice is clear: Accept more risk to generate meaningful income. We believe this shift in investor behavior will persist.

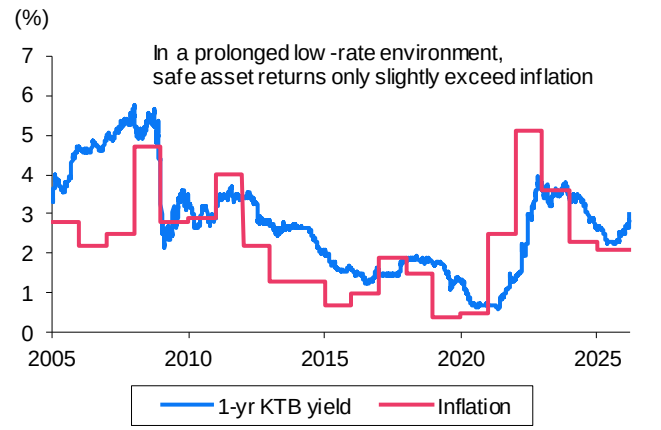
**Seoul price-to-income ratio (PIR) trend**




Note: Both household annual income and average housing prices are based on the 3rd income quintile

Source: REB, Samsung Securities

**1-yr KTB yield vs inflation**



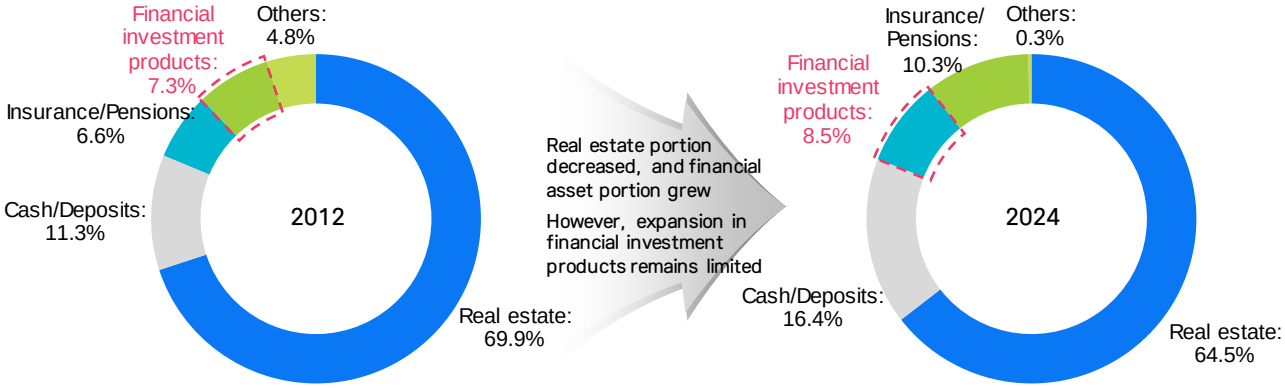

Source: KOFIA, MoDS, Samsung Securities

**Government policy is actively redirecting capital towards productive assets**

The government's position on real estate is unambiguous: 1) stabilize real estate prices to ease household burdens and improve living standards; 2) restrict leverage to dampen speculation and reduce real estate's expected returns; 3) redirect capital towards productive sectors to drive sustainable growth; and 4) ensure households benefit directly from this growth via better investment outcomes.

Leading this transition are 'productive finance' initiatives (launched by the country's five major financial groups this year) and the National Growth Fund. Together, these programs should deploy around KRW540t over the next five years—KRW440t from the big five financial groups for productive finance and KRW150t for the National Growth Fund (excluding KRW50t from the five groups in overlapping investments). That is equivalent to 3.3% of Korea's annual GDP and 12.1% of the national budget. The programs are aimed at generating higher returns and creating jobs in productive sectors, making financial assets a more compelling alternative to real estate.

**Household asset allocation change**




Source: BOK, Samsung Securities

**Productive finance: Overview**

| (KRWt) | KBFG 93 | SFG 93-98 | HFG 84 | WFG 73 | NHFG 93 |
|---|---|---|---|---|---|
| Equity investment | 15 | 10-15 | 10 | 7 | 15 |
| Corporate loan | 68 | 73 | 64 | 56 | 68 |
| National Growth Fund | 10 | 10 | 10 | 10 | 10 |

Productive finance (KRW436t-KRW441t)

National Growth Fund (KRW150t)
- Advanced Strategic Industry Fund: KRW75t
- Private: KRW25t
- Big 5 FHGs: KRW50t

Source: Samsung Securities

**The bottom line: Real estate returns are declining**

There is, of course, debate over whether housing prices will fall. Some argue that tighter regulations and reduced liquidity will trigger a decline. Others cling to the belief that real estate never loses value.

But from an investor's standpoint, the direction of returns is unmistakable: 1) demographics and price-to-income ratios suggest limited upside for house prices; 2) leverage—once a key multiplier of returns—is now tightly constrained; and 3) the Kospi is re-rating, and the range of investable assets is expanding.

**Flight to yield: The key question is whether the shift away from real estate is sustainable**

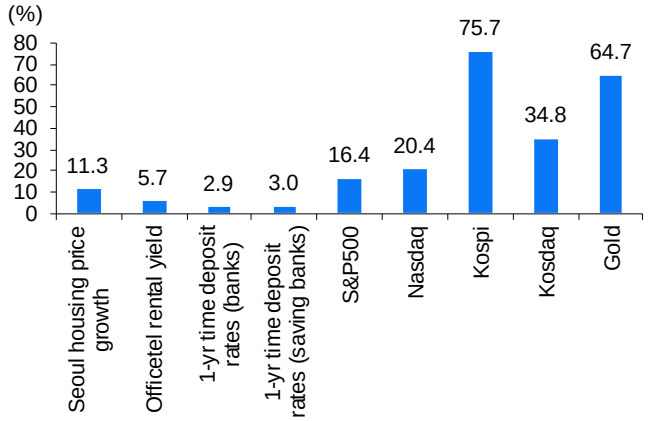
The message is clear: Real estate can no longer be assumed as the default investment as financial alternatives offer higher, more accessible yields. If this trend persists—and given the nature of capital seeking higher yields—we believe capital will continue to migrate away from real estate.

**Real estate regulations (current)**

| Category | Details |
|---|---|
| Regulated areas (Speculation / Overheating zones) | - Mortgage LTV: 40% for no-homeowners, 0% for multi-homeowners; loan cap ≤ KRW600m<br>- Jeonse loans: Single-homeowner cap unified at KRW200m; conditional Jeonse loans prohibited<br>- Credit loans: Borrowers with > KRW100m restricted from buying homes in regulated areas (for 1 year)<br>- Heavy tax on multi-homeowners; pre-sale rights resale restricted for 3 years |
| Land transaction permit zones | - Prior approval required<br>- Mandatory occupancy ≥2 years<br>- Rental/speculative purchases prohibited<br>- Non-residential mortgage LTV: 40% |
| Strengthened loan regulations | - Tiered mortgage caps:<br>~KRW1.5b: KRW600m<br>KRW1.5-2.5b: KRW400m<br>≥KRW2.5b: KRW200m<br>- Stress DSR floor raised from 1.5% → 3%<br>- Jeonse loan interest included in DSR |

Source: Media reports, Samsung Securities

**Yields & returns of asset classes (2025)**



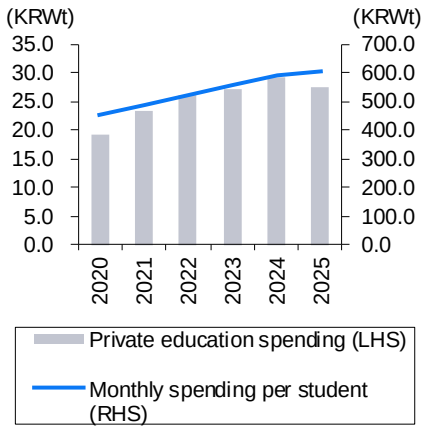

Source: REB, QuantiWise, Samsung Securities

## Retirement pension accounts still managed conservatively, but change has already begun

### Households' investment capacity is limited

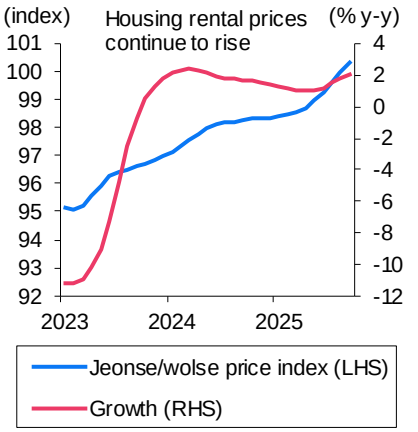
While retail investors continue to fuel Korea's stock-market rally, their ability to channel additional savings into financial assets is severely constrained, especially among working-age households. Two structural pressures are in play: 1) rising costs of education and childcare; and 2) soaring housing expenses. Recent trends have only deepened the strain: Monthly rent (*wolse*) has climbed sharply, and property owners have been rapidly switching their properties from *jeonse* (lump-sum deposits) to *wolse*, significantly increasing the financial burden on households. For many families, this has left little to no room for discretionary investing, effectively capping the potential for further capital flows into the stock market.

**Private education spending vs monthly spending per student**



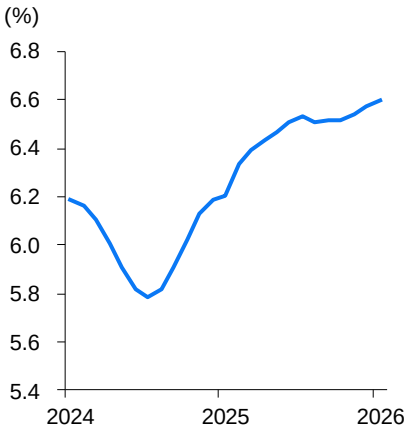

Source: MoDS, Samsung Securities

***Jeonse/wolse* price index vs growth**




Note: Indexed: Jan 2026 = 100
Source: REB, Samsung Securities

**Pace at which rent moving from *jeonse* to *wolse***




Source: REB, Samsung Securities

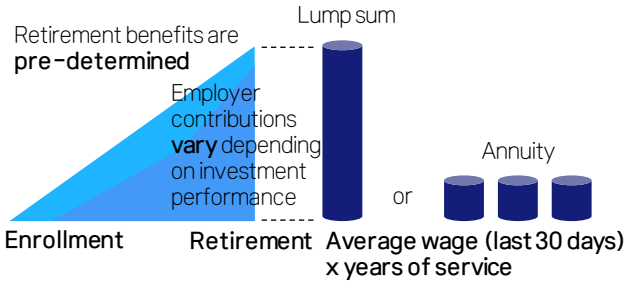
### Why focus on DC and IRP retirement pension plans? Employee-led fund management and tax advantages

Among household disposable investment funds, defined contribution (DC) and individual retirement pension (IRP) plans are attracting attention. In contrast to defined benefit (DB) pension plans—where retirees receive a predetermined benefit calculated as the average monthly wage over 30 days multiplied by years of service, with employers solely responsible for contributions and fund management—DC and IRP plans empower employees to directly manage their own funds. Under the DC model, employers contribute 1/12 of the employee's annual gross salary into a pension account, which the employee then manages directly. Upon retirement, the individual receives the accumulated contributions plus investment returns as a lump-sum or annuity payment. The IRP system allows employees to consolidate their severance payment or transferred pension assets into a dedicated retirement account upon job change or retirement, enabling personalized investment control.

From the employee's perspective, DC and IRP plans offer significant advantages—1) regular, automatic contributions ensure consistent savings; 2) early withdrawal is restricted until age 55, encouraging

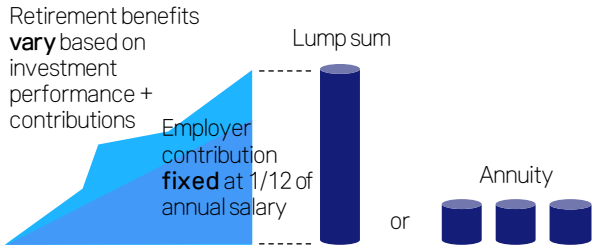
long-term investment discipline; and 3) tax benefits are substantial—contributions and investment gains are tax-deferred, and only pension payouts are taxed at preferential income tax rates upon receipt.

### Defined Benefit (DB) pension plan



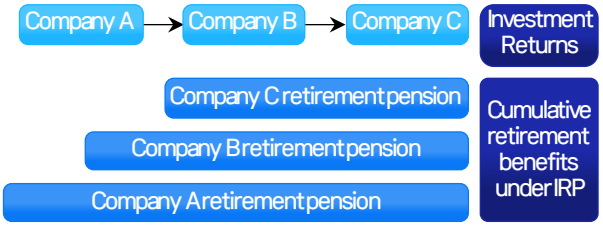

Source: MOEL, Samsung Securities

### Defined Contribution (DC) pension plan




Source: MOEL, Samsung Securities

### Individual Retirement Pension (IRP) plan




Source: MOEL, Samsung Securities

### Tax benefits of retirement pensions

| Stage | Highlights | Tax benefits | Limits & tax rates |
|---|---|---|---|
| Contribution | DC + IRP: Additional contributions allowed | Tax credit applicable | Max contribution: KRW18m |
| | Partial tax credit on personal contributions | Tax refund on contributions | - Up to KRW7m: 15% (max KRW1.05m)<br>- Total income > KRW55m: 12% (max KRW0.84m) |
| | Employer contributions (DC plan) | Tax deferred | Taxed upon withdrawal; tax benefits are limited for low-income individuals |
| Investment | Interest/dividend income | Tax deferred | No immediate taxation |
| | | Compounding effect | Reinvestment without tax |
| Withdrawal | Employer contributions | Taxed as retirement income | Lower tax burden compared to general taxation |
| | Personal contributions + returns | Taxed as pension income | 3.3-5.5% |
| | Received in form of annuity | Annuity | Reduces tax burden compared to lump sum |
| | Withdrawn outside of pension form | Subject to other income tax | Relatively higher tax rate applied |
| | Including pension savings | Separate taxation allowed | Up to KRW12m/year |

Source: Samsung Securities

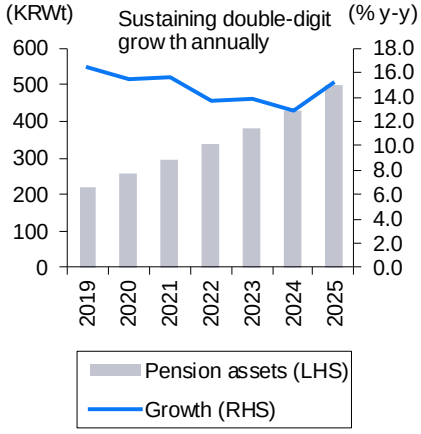
**Sustained rapid growth with rising share of DC and IRP plans**

The growing interest in retirement pensions stems not only from their current scale but also from their accelerating growth. As of end-2025, total retirement pension assets reached KRW496.8t. Over the past five years, assets have grown at an average annual rate of KRW48.3t (14.2%). According to Korea Capital Market Institute (KCMI), assets are projected to reach KRW1,000t by 2030.

Notably, the growth rate of DC and IRP plans—critical due to their emphasis on individually managed assets—has outpaced overall pension plan growth. Over the past five years, DC and IRP assets grew at average annual rates of 15.7% and 29.9%, respectively, surpassing the overall pension plan growth rate. Consequently, their combined share of total pension assets rose from 39.8% in 2020 to 53.9% by end-2025 (up 14.2%pts).

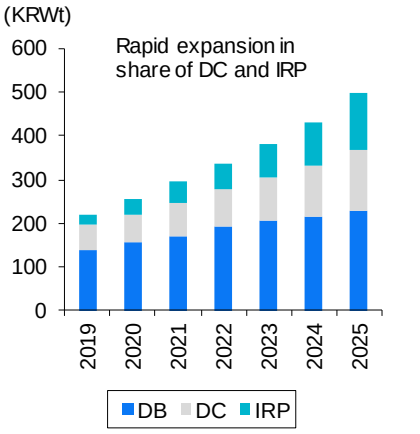
This trend towards DC- and IRP-led growth should continue for the following four reasons: 1) employers face lower financial burdens under DC/IRP systems compared to DB plans; 2) for employees, rising wage stagnation and the adoption of wage-peak systems are diminishing the perceived value of DB payouts; 3) as salary structures increasingly shift towards performance- and role-based pay—mirroring trends in the US and Japan—the seniority-based logic underpinning DB plans is weakening; and 4) while DC and IRP plans carry the risk of principal loss, their potential for higher returns becomes increasingly attractive in a persistently low-interest-rate environment.

**Pension assets vs growth**



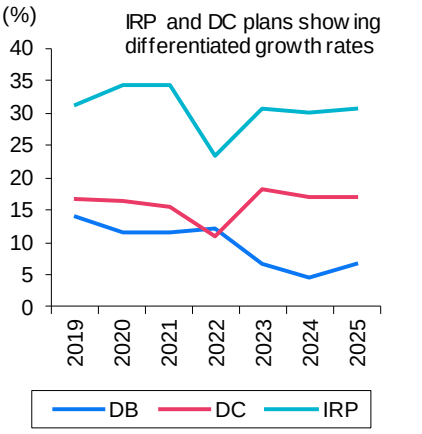

Source: FISIS, Samsung Securities

**Pension assets, by type**



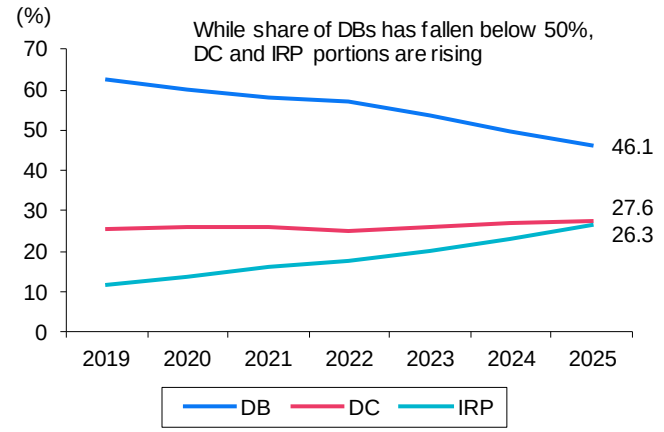

Source: FISIS, Samsung Securities

**Pension growth, by type**



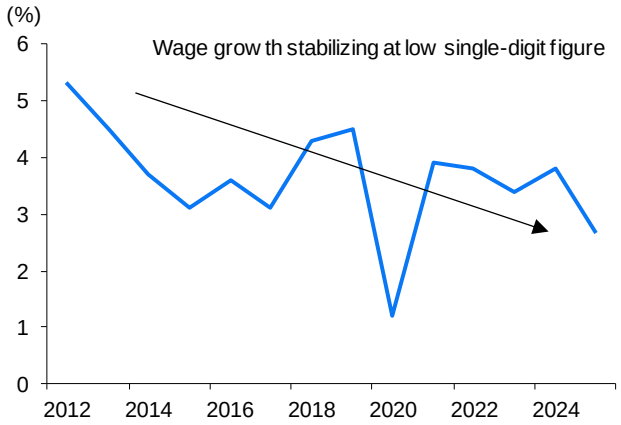

Source: FISIS, Samsung Securities

**Pension allocation, by type**




Source: FISIS, Samsung Securities

**Growth in average monthly wages**



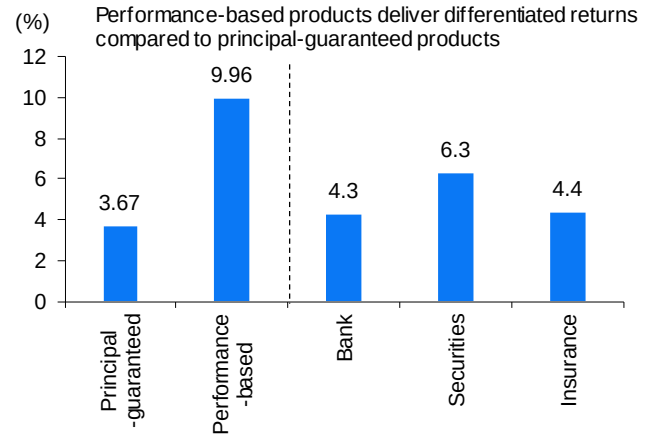

Source: MoDS, Samsung Securities

**Increasingly aggressive use of retirement pension funds**

Despite the rising prominence of DC and IRP plans, their allocation to risk assets (*eg*, equities) remains limited. As of 2025, performance-linked products accounted for 34% of DC and 44.3% of IRP portfolios. However, within these categories, bond-based principal-guaranteed products still dominate, while equity exposure remains low. According to Korea Capital Market Institute (KCMI), equity allocation was only 7.3% for DC and 11% for IRP in 2023.

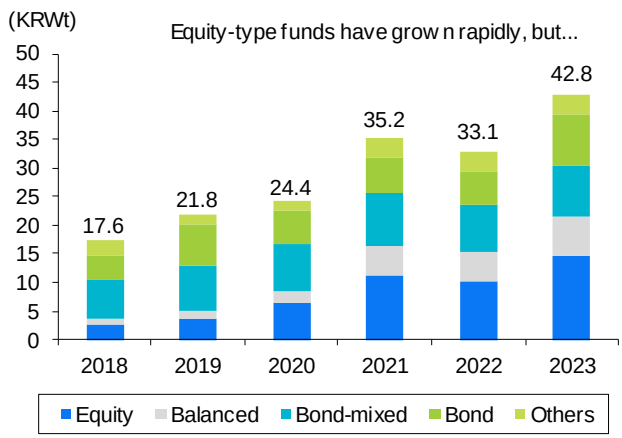
Yet, equity allocation in retirement pension plans is poised for rapid growth, due to: 1) domestic investors' rapidly growing trading experience in overseas equities; 2) rising investment sentiment towards domestic equities following the recent market re-rating; and 3) a sustained decline in market interest rates during the same period. As a result, pension-plan returns over the past two years have diverged sharply based on equity exposure—those with higher equity allocations earned significantly higher absolute returns. This performance gap has likely intensified among high-balance participants, fueling fear of missing out (FOMO) and pressuring others to reallocate their portfolios.

**Pension returns, by type**



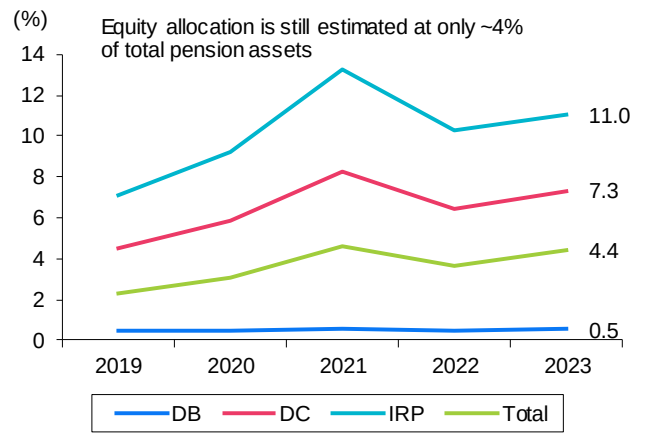

Note: As of 2024
Source: MoDS, Samsung Securities

**Changes in pension fund composition**



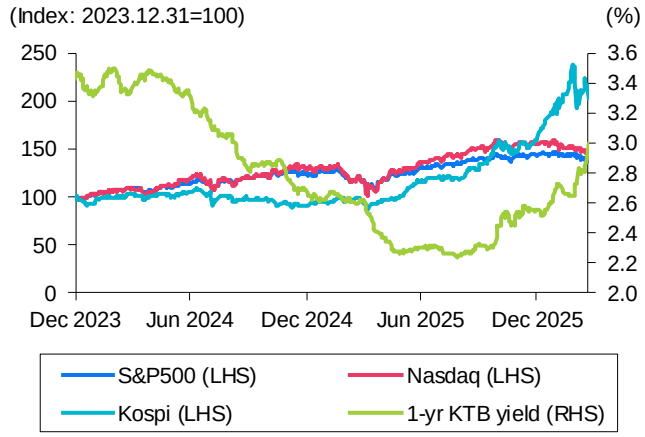

Source: KCMI, Samsung Securities

**Estimated equity allocation in pension assets**




Source: KCMI, Samsung Securities

**Global equity indices vs 1-yr KTB yield**




Source: QuantiWise, Samsung Securities

Indeed, an analysis of 2025 annual returns by product type reveals that: 1) higher equity exposure correlated strongly with higher pension returns; and 2) greater allocation to domestic equities led to even more extreme return differentials.

Such aggressive portfolio structures may be unrealistic, given their inherently high risks—especially considering the Kospi's high volatility—and the fact that retirement pensions must also prioritize capital preservation.

Nevertheless, the stark performance divergence between asset classes has likely awakened a growing awareness among those with pension plans—relying solely on low-yield, safe assets is insufficient to meet long-term retirement goals. The strong equity market performance in 2025 has likely prompted many to reconsider their portfolio strategies.

**Estimated pension returns, by portfolio composition**

| | | | | | | |
|---|---|---|---|---|---|---|
| End-2024 pension assets assumption (KRW) | 100,000,000 | | | | | |
| Returns assumption by asset class | | | | | | |
| Asset class | Deposits | S&P500 | Kospi | | | |
| 2025 returns | 3% | 16.4% | 75.7% | | | |
| **Portfolio returns** | | | | | | |
| **Assumption** | **1. 100% deposits** | **2. 50% deposits + 50% S&P 500** | **3. 30% deposits + 70% S&P 500** | **4. 30% deposits vs 70% Kospi** | **5. 50% S&P 500 vs 50% Kospi** | **6. 100% Kospi** |
| Returns (%) | 3.00 | 9.70 | 12.38 | 53.89 | 46.05 | 75.70 |

Note: Returns are based on full-year 2025 performance
Source: Samsung Securities estimates

**Pension fund model debate**

The push to transform retirement pensions into a fund-based model stems from the widening gap between asset growth and returns. As of end-2024, total pension assets stood at KRW431.7t, yet the 10-year average annual return was only 2.31%. Compared to the National Pension Fund's long-term average return of 6.82%, this represents an estimated annual opportunity cost of approximately KRW23t. The root cause? Over 82.6% of assets are concentrated in principal-guaranteed products.

On Feb 6, 2026, the tripartite task force—comprising the Ministry of Employment and Labor, the two major labor federations, Korea Enterprises Federation (KEF), and Korea Federation of Small and Medium Business (KBIZ)—issued a joint declaration supporting the introduction of a fund-based retirement pension system and mandatory external asset accumulation. This marked the first time since the pension system's inception in 2005 that labor and management reached consensus on structural reform. The proposed model would introduce fund-based options (*eg*, financial institution open type, multi-employer type, and public institution open type) alongside the existing contract-based system, preserving choice for employers and participants. Currently, three legislative proposals are pending in the National Assembly: Establishing a trustee corporation, creating a public pension fund agency, and designating private asset managers. The Ministry of Employment and Labor plans to finalize its detailed proposal by Jul 2026.

While this agreement signals a clear policy direction, the breadth of actual market impact should depend on the legislative details. Since participation remains voluntary, initial capital reallocation should be modest, and legislative passage may take considerable time to achieve. However, if fund-based expansion coincides with the phased mandatory implementation of retirement pensions (scheduled to happen around 2027-2030), structural shifts in long-term payout patterns are likely. Consequently, market attention should intensify around the Ministry's July announcement, particularly regarding industry-specific strategies and beneficiaries.

From a stock market perspective, the key variable should be the expansion of institutional investor participation. Currently, domestic equity markets are dominated by retail investors, unlike the US and Japan, where institutional investors account for over 60%. The influx of long-term pension fund capital could significantly enhance market stability. In the bond market, estimates suggest that if the fund-based model follows the Blue Seed pension fund's domestic bond allocation (59%), it could generate up to KRW100t in new demand. If a financial institution-open model is adopted, financial institutions with a proven track record in external asset management (OCIO), such as asset management companies or securities brokers, should gain a competitive edge, while traditional banks and insurers, currently dominant in contract-based systems, should face pressure to defend their market share.

**Proposed changes to the retirement pension system**

| Category | Current system | Fund model ① Non-profit entity | Fund model ② Public pension fund | Fund model ③ Designated private managers |
|---|---|---|---|---|
| **Operator** | Individual financial institutions (banks, insurers, brokerages) | Non-profit entity established by employers | Government-affiliated pension fund (newly established) | Private asset managers / brokerages designated by regulators |
| **Eligibility** | All workplaces and employees (status quo) | Focus on large corporates (with capacity to establish entities) | All workplaces and employees (mandatory participation possible) | All workplaces and employees (including existing employers, optional participation) |
| **National Pension linkage** | - | Allows participation of NPS | Separate fund similar to NPS | None (private-led structure) |
| **Expected benefits** | Status quo (limited improvement in returns) | Improved returns for large firms; partial economies of scale | Stable nationwide management; maximized economies of scale; enhanced returns | Maintains competition; improves returns; leverages existing infrastructure |
| **Key concerns** | Persistently low returns (structural issue unresolved) | Exclusion of SMEs; fairness concerns | Government fiscal burden; long setup period; governance concerns | Market concentration among large players; reduced competition for smaller firms |
| **Impact on financial industry** | Banks/insurers/brokerages: status quo maintained | Benefits large asset managers and brokerages; potential decline in bank/insurance share | Shift of funds to public entity; contraction of existing financial institutions unavoidable | Benefits asset managers and brokerages with OCIO capabilities |

Source: Bill Information System, MOEL, Samsung Securities

### Expected impact: Volume of monthly equity market inflows to surge

The rise in equity allocation within retirement pension plans can be analyzed from two dimensions—1) reallocating existing pension balances towards higher-return assets; and 2) channeling new contributions into more aggressive portfolios. Regarding the former, rebalancing DC plans (from safe assets towards equities) and mutual funds could trigger significant equity market inflows. Even a modest increase in equity allocation—from the 2023 estimate of 4.4% to just 20%—would imply KRW82.5t in new capital entering the stock market based on current balances.

However, converting existing balances into risk assets is likely to be limited for two reasons: 1) individual risk tolerance makes large-scale shifts to equities difficult; and 2) mid- to late-career workers, who hold the largest balances, may prioritize capital preservation over maximizing returns.

Therefore, greater attention should be directed towards the latter (*ie*, changes in new contributions). Retirement pension plans are inherently structured as monthly contributions. It is plausible that more participants will adopt a hybrid strategy: Maintaining stable allocations for existing balances while directing new inflows into higher-growth assets. If so, the volume of monthly equity market inflows—currently negligible—could become significant over time.

This trend is already observable. During the recent Kospi re-rating, domestic and overseas ETF assets surged—partly reflecting the structural constraints of retirement pensions, which often limit direct stock purchases.

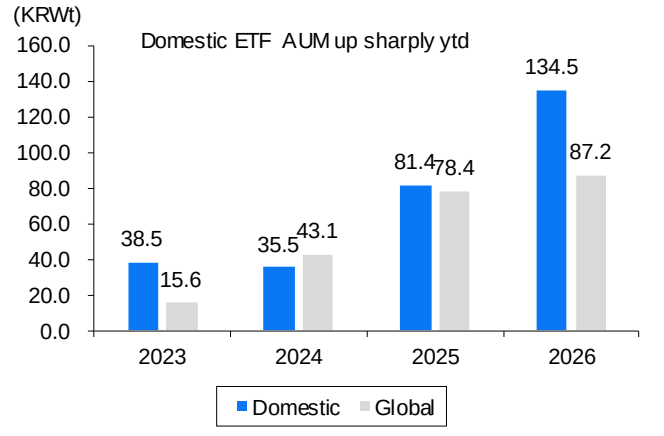
In other words, as equity allocation within retirement portfolios increases, so too will the steady, monthly flow of capital into the stock market. As of end-2025, total pension assets reached KRW496.8t—an increase of KRW114.5t since end-2023. Assuming conservative annual growth of 10%, around KRW50t in new pension contributions will be added each year.

**Estimated equity inflows from pension allocation**

| (KRWt) | Total pension assets | Equity allocation | Equity amount |
|---|---|---|---|
| 2023 | 382.3 | 4.4% | 16.8 |
| 2025 | 496.8 | 20% assumed | 99.4 |
| Estimated flows into equities | | | **82.5** |

Source: Samsung Securities estimates

**Domestic vs global ETF AUM trend**




Note: 2026 is as of Mar 26
Source: KOFIA, Samsung Securities

## Efforts to attract more foreigners—foreigners can now buy Korean stocks via smartphone!

For the domestic stock market to re-rate further, funding from domestic investors alone would be insufficient. The most effective additional source of demand comes from foreign institutional investors. Japan's experience demonstrates that corporate governance improvements and enhanced communication about governance can effectively drive such foreign inflows.

### Re-rating of stock market requires more than domestic capital

While the Korean stock market has risen sharply, with the Kospi surpassing 6,000, sustaining and further increasing valuations would naturally require long term, external capital support. In 2026, domestic retail investors have already net purchased KRW31.6t in equities (or KRW52.2t including ETFs, which are classified as purchases by financial investment institutions), contributing to the market rally. However, this buying power is widely perceived as being vulnerable to short-term volatility. In contrast, major foreign institutional investors (such as global pension funds and passive funds) have a medium- to long term, diversified investment orientation. Their increased participation can simultaneously stabilize market demand and drive valuation re-ratings.

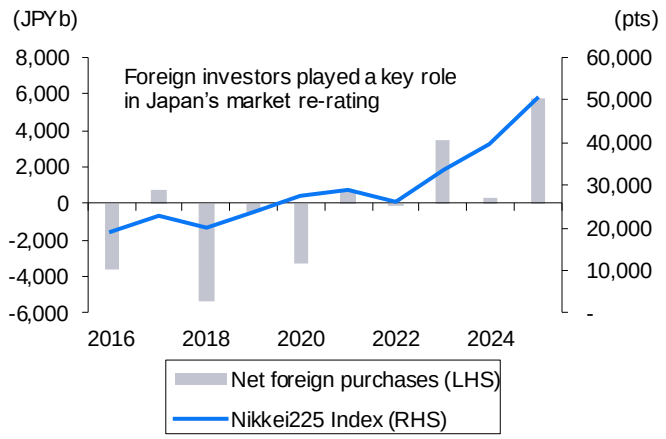
### Japan's stock market resurgence powered by foreign investment growth

Long before Korea began its own reforms, Japan took bold steps to revitalize its markets—the Corporate Governance Code was introduced in 2015, and the Tokyo Stock Exchange in 2023 mandated companies with a P/B below 1x to publicly disclose plans for improving their enterprise value. The results were striking: In 2023, foreign investors poured JPY6.6t (net) into Japanese equities, helping push the Nikkei 225 to its highest level in 34 years. The index climbed from around 28,000 at the end of 2021 to above 50,000 by early 2025. The share of Prime Market companies trading below a P/B of 1x fell from 50% in 2022 to 43% in 2024—not just because of higher stock prices, but also because of structural improvements in firms' fundamentals.

### Initially, capital to flow into domestic equities from foreign institutional investors

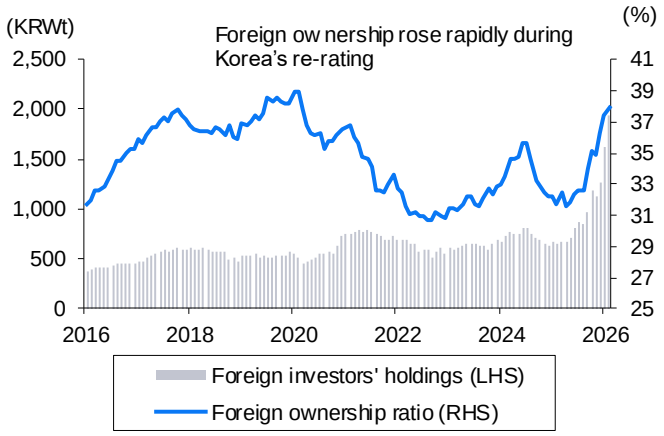
Korea is rapidly building the foundations for stock market reform: It introduced Corporate Value Enhancement Program and launched the Korea Value-up Index in 2024, followed by amendments to the Commercial Code in 2025. Drawing lessons from Japan, if these institutional reforms are paired with concrete actions by companies (such as stronger shareholder returns, improved ROE, and more transparent governance), foreign long-term capital is likely to flow into the Korean stock market gradually, starting with the companies that lead the way on these fronts.

**Nikkei index vs net foreign purchases**




Source: JPX, QuantiWise, Samsung Securities

**Foreign equity holdings value vs ownership ratio**




Source: FISIS, QuantiWise, Samsung Securities

**Capital inflow from foreign retail investors another source of upside**

Unlike institutional investors, foreign retail investors currently have very limited access to the Korean stock market. Except for a few Korean stocks available as ADRs or through ETFs listed overseas, there are almost no practical ways for foreign retail investors to buy and hold individual Korean equities.

However, the first major step forward came in Dec 2023, with the abolition of the Investment Registration Certificate (IRC) system—a regulatory hurdle originally introduced in 1992 to manage foreign ownership limits. Even after foreign ownership caps on general listed companies were lifted in 1998, the IRC requirement remained in place for decades. Its formal elimination in Dec 2023 has significantly simplified the process for foreign retail investors to open brokerage accounts with Korean securities firms.

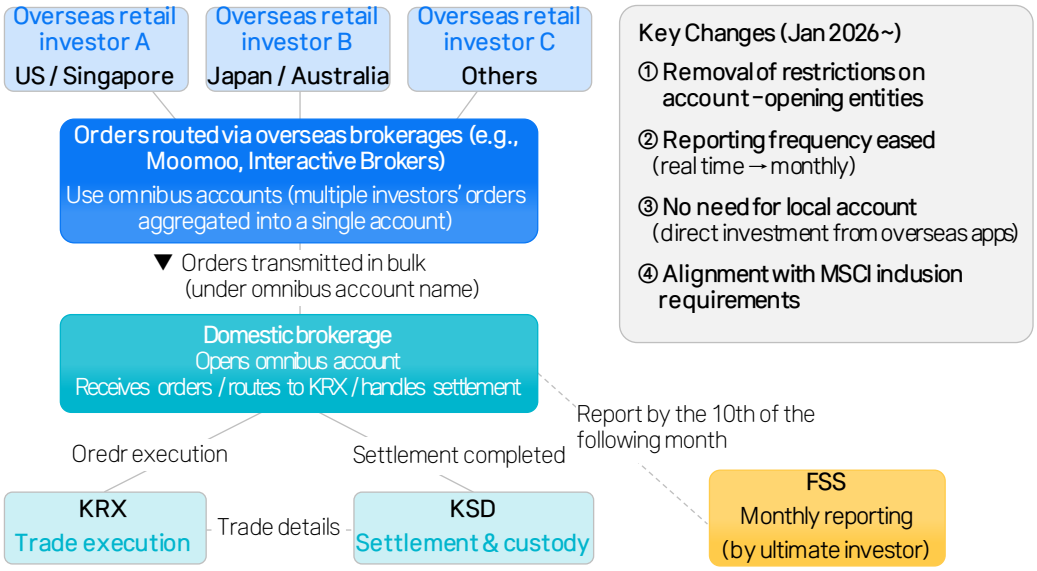
Meanwhile, the removal of restrictions on who can open omnibus accounts—effective as of Jan 2026—should dramatically improve foreign investor access. An omnibus account is a single account held by a foreign securities broker that allows many individual investors from abroad to trade Korean stocks through one consolidated channel—without the investor needing to open a separate account in Korea. As the name suggests, orders from many investors are aggregated into one consolidated account for streamlined processing. Here's how it works: A foreign investor places an order through their local broker, which then routes the order to a Korean securities firm. That Korean firm submits the trade to the exchange and handles settlement and custody through Korea's securities depository.

The foreign broker, acting as the named holder of the omnibus account, routes orders to its Korean counterpart. Individual investor details are reported monthly—via the Korean securities firm—to the Financial Supervisory Service (FSS). When the omnibus account system was first introduced in 2017, investor-level details had to be reported within two business days (T+2), making it practically unusable. But after the rules were relaxed in 2023, the reporting framework became operationally feasible. In Jan 2026, the final restriction has been removed: Previously, only Korean financial investment institutions' major shareholders or affiliates were allowed to open omnibus accounts. With that limitation fully lifted, virtually any global securities broker is eligible to open an omnibus account.

The full opening of omnibus accounts is far more than just a procedural simplification. Until now, foreign individuals who wanted to invest in Korean stocks had to go through the difficult process of

opening a direct account with a Korean securities firm—a process made more difficult by language barriers, complex paperwork, and the need for a bank account in Korea. With omnibus accounts now fully available, foreign investors will soon be able to buy Korean stocks like Samsung Electronics or Hyundai Motor directly through familiar global brokerage apps such as MooMoo, Interactive Brokers, and Webull. In effect, a 'Korean stocks' tab is likely to appear on global trading platforms.

**Omnibus account order flow structure**



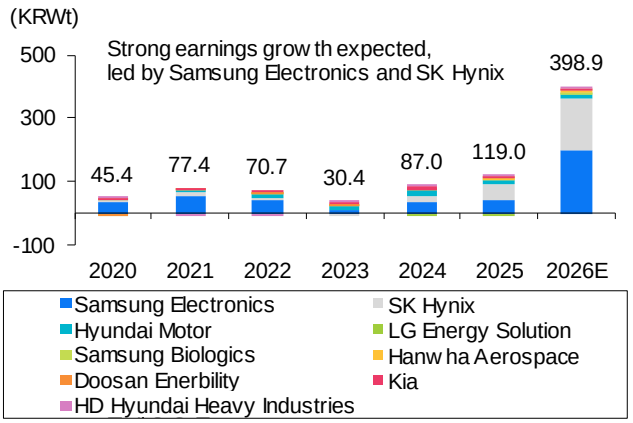

Source: Samsung Securities

## Rise in corporate cash reserves—companies to invest more, reinforcing virtuous cycle

### Rising corporate cash reserves represent another change in stock market

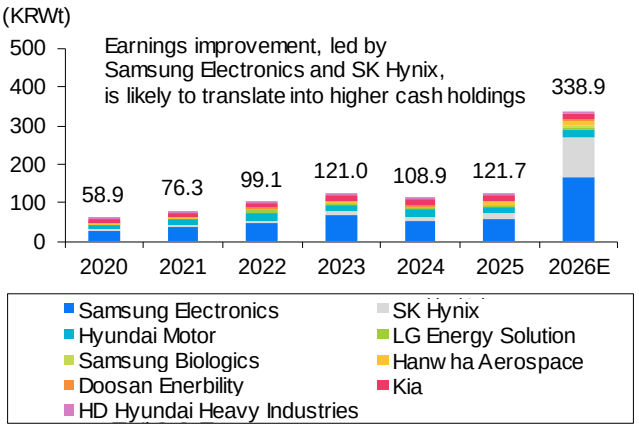
Going forward, capital is likely to flow into Korea's markets not only from institutional and retail investors, but increasingly from corporations themselves given the extraordinary cash generation of Korea's leading semiconductor companies. Fueled by the AI-driven semiconductor supercycle, along with robust sales in the shipbuilding and defense sectors, Korean firms have seen a large uptick in cash inflows. The combined operating profit of the top-nine Korean companies (by market cap) reached KRW119t in 2025 and should reach around KRW400t in 2026, led by SEC at KRW198t and SK Hynix at KRW165t. To put this in perspective: These nine firms are projected to generate 160% of the total operating profit of all non-financial companies listed on the Kospi in 2025.

**Top-9 companies by mkt cap: Operating profit**




Note: *Excluding SK Square from the top 10 companies
Source: WiseFn, Samsung Securities

**Top-9 companies by mkt cap: Cash and cash equivalents**




Note: *Excluding SK Square from the top 10 companies
Source: WiseFn, Samsung Securities

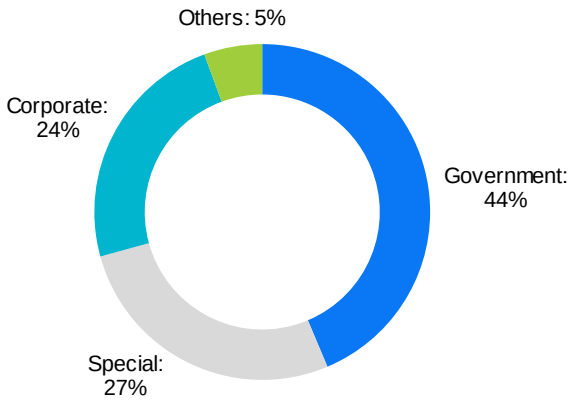
**Limitations in terms of allocating corporate surplus funds to safe assets**

Normally, when companies have extra cash, they put it in bank deposits—this has been the default choice unless there is a special reason to do something else. But recently, banks have reportedly been struggling to accept all of the money coming in from semiconductor companies, because tighter rules on household loans have left banks with fewer lending opportunities.

In response, SEC and SK Hynix are reportedly seeking to deploy their excess cash primarily in safe assets such as bonds. 1) Samsung Electronics has reportedly approached several major asset management firms with requests for bond investment proposals, seeking to allocate at least KRW2t towards a portfolio centered on AAA-rated short-term corporate bonds. This move is seen as its return to the bond market for the first time in 12 years. 2) SK Hynix has also reportedly made a preemptive investment of KRW1 into securities firm-managed bond-focused wrap accounts and trusts.

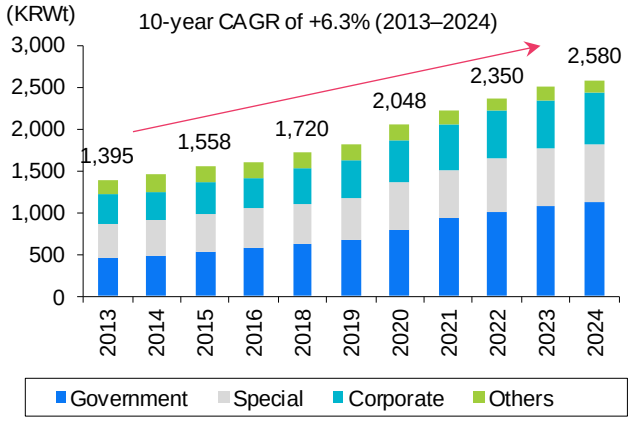
However, bond assets are unlikely to serve as a sufficient alternative, given its limited size. A sudden large-scale inflow of corporate funds into the bond market could potentially distort market interest rates, considering that: 1) as of 2026, the market for short-term corporate bonds (maturity under one year) is just KRW33t; 2) the outstanding volume of Korean bonds increases at an annual average rate of 6.3%; and 3) corporate cash and cash equivalents should reach KRW339t in 2026.

**Domestic bond market structure (2024)**




Source: BOK, Samsung Securities

**Outstanding balance of domestic bond market**




Source: BOK, Samsung Securities

**Expanding share buybacks to enhance corporate value**

One of the primary options companies can consider for utilizing their surplus cash is share buybacks, which should serve as a key foundation for stabilizing supply-demand conditions for their shares. In fact, driven by growing interest in shareholder value enhancements, the amount firms are spending on buyback programs has been rising rapidly. For example, SK Hynix announced alongside its 2025 earnings report that it would fully cancel its entire treasury shares (2.1% of outstanding shares; around KRW12.2t). Total share buybacks and cancellations by all Kospi-listed companies, including SEC, surged from around KRW12t in 2020 to KRW35t in 2025.

The use of treasury shares for employee stock compensation is emerging as a new way for companies to deploy their cash. SEC, for instance, introduced a new policy in 2026 allowing employees to receive 0-50% of overall performance incentive (OPI) in the form of company shares. Similarly, SK Hynix offers an incentive structure whereby employees who choose to receive 10-50% of their profit sharing (PS) bonus in shares are granted an additional 15% bonus if they hold the shares for one year. These initiatives not only align employee incentives with stock-price performance but also contribute to greater market stability by encouraging longer-term shareholding behavior.

**Increasing investments to enhance corporate value—theoretically more positive approach**

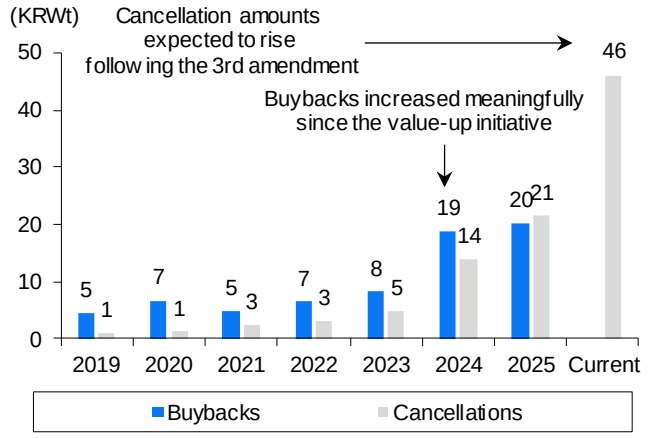
Ultimately, the most powerful way to enhance corporate ROE is through M&As and investments that strengthen business structure. By acquiring high-margin businesses or divesting underperforming assets, companies can improve their capital productivity, which in turn increases capacity for long-term shareholder returns, supporting higher valuation multiples—generating a virtuous cycle.

However, Korea's M&A market is relatively subdued compared to global trends. In 2025, global M&A transaction values and volumes rose 30% and 1%, respectively—although domestic transactions (won basis) increased 20% last year, the number of deals actually declined 6%, signaling weaker momentum relative to global markets. This divergence can be attributed to three factors: 1) the global M&A boom is being driven by US corporations executing mega-deals aimed at acquiring AI-focused advanced technologies and infrastructure; 2) Japanese firms are consistently lifting their ROE through cross-border M&As, leveraging their low capital costs; and 3) international M&As by Korean firms have been constrained by factors such as the weak won.

Notably, though, domestic companies are now preparing to expand investments thanks to substantial surplus funds (as business conditions have improved). For instance, SEC announced on Mar 19 a corporate value enhancement plan that includes an unprecedented capex and R&D investment of KRW110t, while also hinting at the possibility of additional M&As.

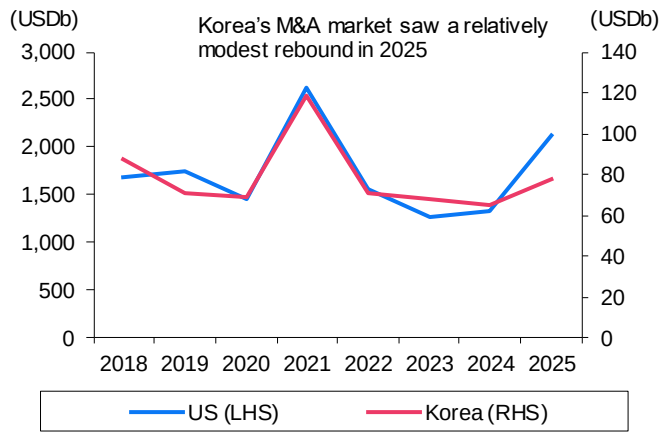
If Korean companies start putting their cash to work—through more investments and M&As—it could spark a virtuous cycle for the domestic stock market. First, M&As let companies adapt faster to change and grow beyond what they can do on their own, which ultimately lifts corporate value. Second, such activity can strengthen the role of the domestic stock market as a secondary market. Third, the incentive for companies to improve their corporate value is heightened.

**Share buybacks and cancellations of listed companies**




Source: KRX, FISIS, Samsung Securities

**M&A deal value trend: US vs Korea**




Source: Refinitiv, PWC, Samsung Securities

# Investment approach towards financial firms needs change—asset management capability key to long-term differentiation

## 'Banks lose, brokers win' is an oversimplified view

There is a common assumption that during capital flows, banks are the losers and securities brokers are the winners. The logic is straightforward: As money flows out of banks and into the stock market, banks face higher funding costs to retain deposits, while securities brokers benefit from increased customer inflows and asset growth, which together lift their earnings.

But this is an oversimplified view.

### Gradually diminishing impact of capital flows—changes in bank deposit structures

The biggest impact of money movements on banks occurred over 2005-2007, when funds began moving rapidly from bank deposits to mutual funds. Back then, banks had little choice but to raise deposit rates to compete for capital. They not only increased time deposit rates but also offered special, high-yield time deposits on large sums of capital. For example, the interest rate on one- to two-year time deposits jumped from 3.68% in 3Q05 to 5.69% in 4Q07—an increase of 2.01%pts over nine quarters. KB's NIM declined as a result (1 quarter later), falling from 3.94% in 4Q05 to 3.08% in 1Q08—a drop of 0.86%pts. As a result, despite strong loan growth, its interest income stalled/decreased.

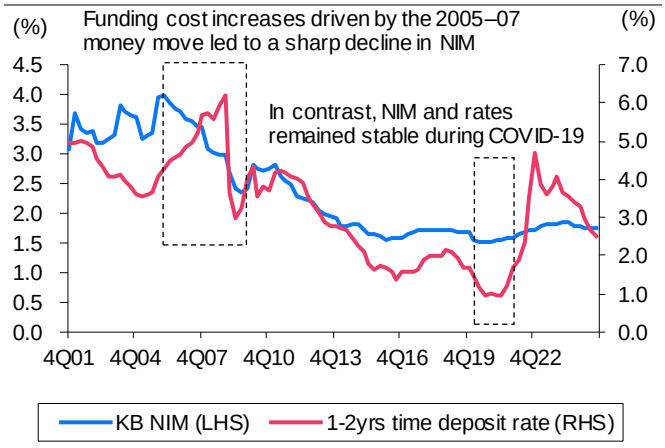
But during the so-called Donghak Ant Movement (where Korean retail investors aggressively bought domestic shares) that emerged following the COVID-19 crash in 2020, banks were able to maintain much more stable funding conditions. Amid rate cuts and money movements during the pandemic, KB's NIM remained steady and its interest income growth actually began to recover.

The impact of capital flows in the 2020s differed from those in the past for several reasons: 1) bank loan growth has gradually stabilized at a lower level, reducing the need for aggressive deposit gathering; 2) household deposits as a portion of total bank deposits has declined; 3) during the pandemic, reduced consumer spending led to higher savings, causing bank deposits to grow faster than liquidity aggregates—both investments and deposits expanded; and 4) over the long term, the volatility of deposit growth has lessened.

One reason household withdrawals from bank deposits have decreased (vs 20 years ago) is demographic change: As the population ages, a larger share of bank depositors are held by older

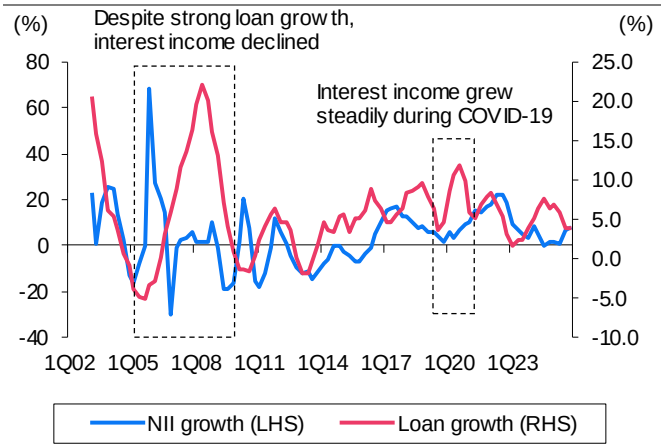
individuals. These customers prioritize capital safety and stable cash flows over higher returns. As a result, they have barely moved their money into stock markets (which markets can be volatile).

**KB Kookmin Bank NIM vs time deposit rates (1–2yr)**



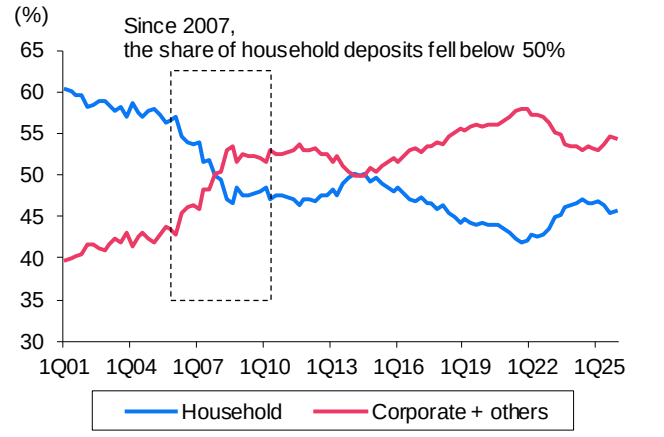

Source: FISIS, BOK, Samsung Securities

**KB interest income vs loan growth**



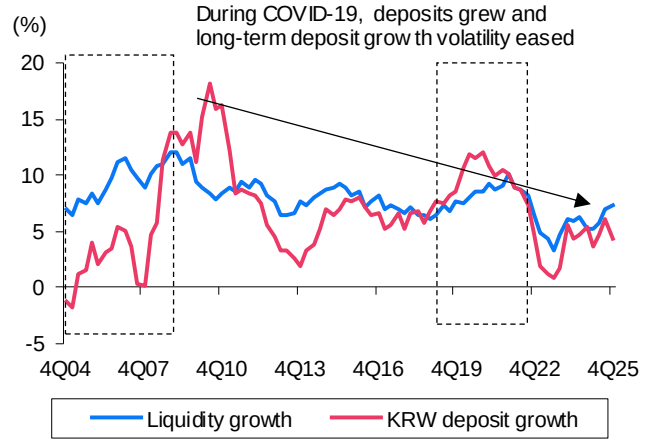

Source: FISIS, BOK, Samsung Securities

**Share of household vs corporate & others in bank deposits**




Source: BOK, Samsung Securities

**Liquidity growth vs KRW deposit growth**




Source: BOK, Samsung Securities

**Blurring of boundaries within financial industry—the rise of financial groups**

The boundaries between different segments of the financial industry are gradually fading. In the mid-2000s, clear distinctions existed between the banking, securities brokerage, and insurance segments. As of 2007, KB was primarily a standalone bank—not the financial group it is today—and bank-centric financial groups generated the vast majority of profits from their banking operations.

However, banks have aggressively expanded their non-banking businesses through M&As and capital investments. As of end-2012, the total capital of KBFG and SFG's respective non-banking subsidiaries stood at KRW4.2t and KRW8.2t. By end-2025, these figures had grown 6x and 3x, respectively, to KRW25t and KRW 24.9t. As a result, the share of profits and capital generated by these non-banking units at these financial groups had risen to 30-40%. These subsidiaries have also climbed to the top ranks within their respective industries, gaining a level of stature that simply did not exist before.

Moreover, bank-centric financial groups are differentiating themselves from standalone financial firms by fostering cross-subsidiary collaboration. Of course, synergies within financial groups are still limited—due in part to the restricted sharing of customer data across subsidiaries. But within the boundaries of regulation, financial groups continue to push hard to unlock value. A prime example is in large-scale project financing, where banks, securities brokers, insurers, and consumer finance firms work together as a team, allowing the financial group to fully leverage its scale. This year, as part of productive finance initiatives, large financial groups will step up their equity investments. In doing so, they are likely to accumulate even greater experience.

**KBFG and SFG: Bank vs non-banking portion of total net profit and total equity (2012 vs 2025)**

| (KRWt) | | Net profit | | | Total equity | | |
|---|---|---|---|---|---|---|---|
| | | 2012 | 2025 | Diff (x, %pts) | 2012 | 2025 | Diff (x, %pts) |
| KBFG | Bank | 1.4 | 3.9 | 2.7 | 20.3 | 39.0 | 1.9 |
| | Non-banking | 0.3 | 2.3 | 6.7 | 4.2 | 25.0 | 6.0 |
| | Total | 1.8 | 6.1 | 3.4 | 24.5 | 64.0 | 2.6 |
| | Non-banking portion (%) | 18.9 | 36.9 | 18.0 | 17.1 | 39.1 | 22.0 |
| SFG | Bank | 2.1 | 3.8 | 1.8 | 19.4 | 38.4 | 2.0 |
| | Non-banking | 1.1 | 1.6 | 1.5 | 8.2 | 24.9 | 3.0 |
| | Total | 3.2 | 5.4 | 1.7 | 27.6 | 63.4 | 2.3 |
| | Non-banking portion (%) | 33.9 | 29.6 | (4.3) | 29.9 | 39.3 | 9.5 |

Source: Company data, Samsung Securities

### Expansion of retail investors' investment spectrum based on overseas stock investment experience—Need to offer diversified investment alternatives

The trend of capital being reallocated (money movements) in pursuit of higher returns should continue. However, financial institutions that fail to meet the increasingly diverse investment demands of retail investors should find it difficult to fully benefit from this trend. Retail no longer feels constrained towards putting their capital into banks (as deposits) and domestic stocks. They now feel comfortable about buying a range of products including overseas equities, domestic and international bonds, cryptocurrencies, and ETFs (which provide exposure to commodities and other asset classes). Moreover, investors have rapidly accumulated hands-on experience in these areas. As a result, investors ought to take a selective approach towards financial institutions, screening for firms that offer differentiated product portfolios or demonstrate superior wealth management (WM) capabilities.

## Focus on securities brokers for their earnings improvement momentum—2026 earnings should be even stronger

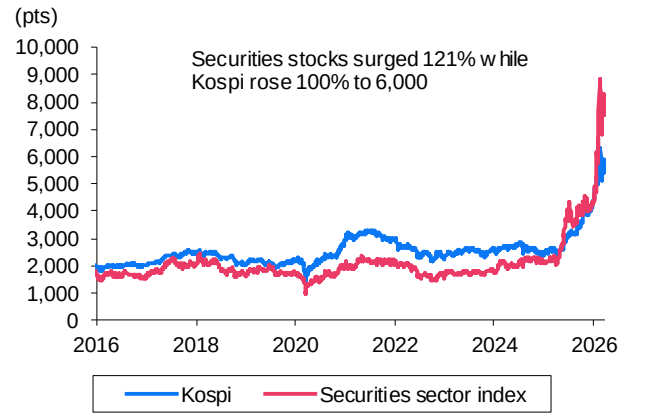
### Contradictory feelings towards securities sector: Beneficiary of rising trading volumes or overvalued?

Securities stocks surged 121% over Jun 2025-Feb 2026 when the Kospi climbed from 3,000 to 6,000. The dramatic rise stems directly from the business model of securities brokers, where brokerage commission is closely tied to trading volume—a pattern that has been repeatedly observed during past market booms. For instance, during the peak of the COVID-19 pandemic, when the daily trading volume surged from KRW10t to KRW40t, securities stocks rose 65%.

However, alongside this rally, concerns over elevated valuations have also intensified. During previous bull markets, securities stocks typically rose 70-100%. This time, however, the securities industry index has increased by 4x from its trough—the largest rally on record.

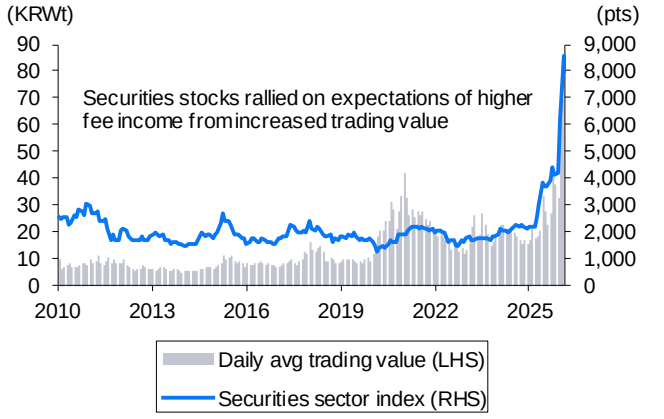
Now, the sector's 12-month forward P/B stands at 1.6x (vs 0.5x in early 2025), surpassing the previous highs of 1.2-1.3x seen during the 2017-2018 and 2020-2021 rallies. Historically, after major market rallies, securities stocks typically correct by an average of 20-30%. Thus, the ongoing concerns about the sector's overvaluation are not without historical precedent.

**Kospi vs KR securities sector index**



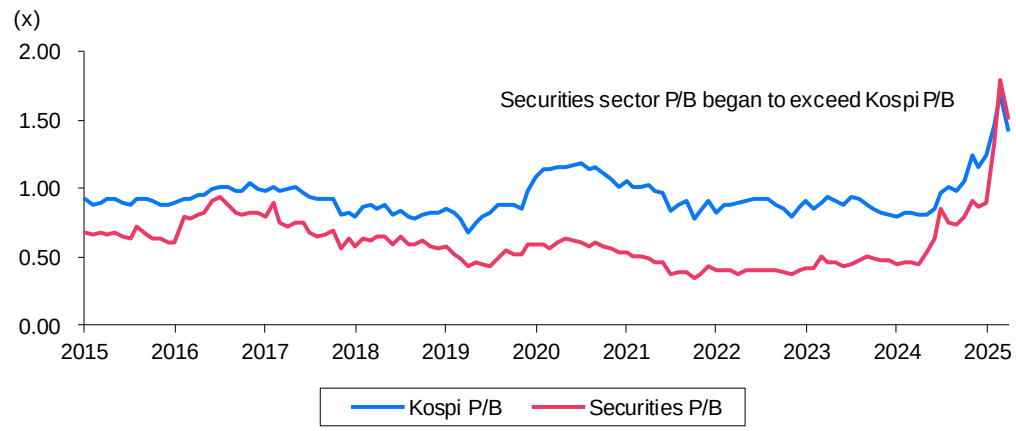

Source: QuantiWise, Samsung Securities

**Daily avg equity trading value vs securities sector index**




Source: QuantiWise, Samsung Securities

**Kospi vs securities sector P/B**




Source: QuantiWise, Samsung Securities

**Noteworthy, however, is that securities companies' earnings are set to be even better this year.**

Despite valuation concerns, securities companies' earnings fundamentals in 2026 are expected to improve y-y. In 1Q26 (Jan 2-Mar 27), the average daily trading value of the KRX and NXT (combined) reached approximately KRW70t—four times higher y-y and nearly double q-q. Consensus for the combined 1Q operating profit of the five major securities firms (Mirae Asset Securities, Korea Investment Holdings, Samsung Securities, NH Investment & Securities, and Kiwoom Securities) stands at KRW3.027t, which would be up 65.9% y-y and represent a significant earnings surprise.

Moreover, this market strength extends beyond simple brokerage commission and includes structural growth across diversified revenue streams:

1. Trading profit: Strong performance continues in proprietary investments (PI) and ETF LP activities.

2. Interest income expansion: Rising market liquidity has expanded the base for interest income.

3. Structural shift in long-term capital allocation: The portion of equities within retirement pensions and IRPs is growing, suggesting that current earnings gains are not merely cyclical but may be sustainable.

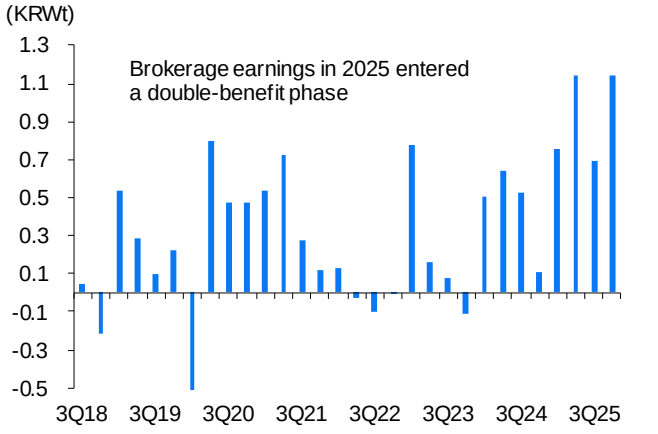
**S&T profits—Beyond base effect**

In 2025, securities companies' S&T operations benefited from the tailwinds of: 1) rising equity prices, which boosted valuation gains in equity and equity-type funds; and 2) declining interest rates (following the Bank of Korea's policy rate cuts in 1H25), which created a favorable environment for bond trading. As a result, the proprietary trading (PI) profits generated by the five major firms improved significantly y-y, becoming one of the key drivers behind their record-breaking earnings.

However, by late 2025, concerns had emerged about the high base potentially acting as a drag on profit at the S&T businesses, particularly amid increased volatility in interest rates and forex rates. These fears led to a correction in securities stock prices at year-end.

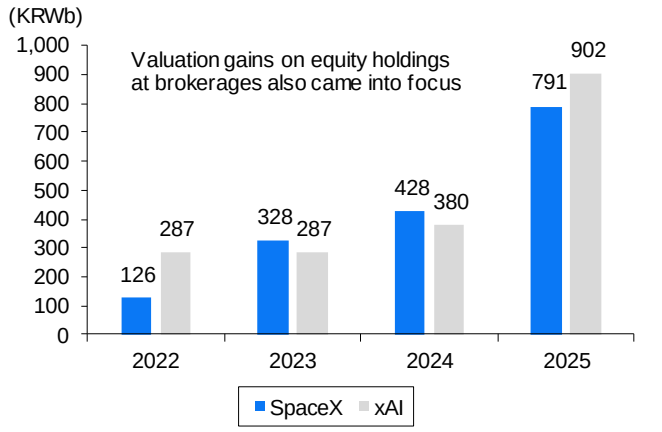
Yet, the Kospi's strong momentum in early 2026 quickly alleviated these concerns. As the Kospi surpassed the 6,000-point mark in Feb 2026, brokers that have high exposure to valuation gains in equity assets (particularly for companies with large holdings in overseas innovation stocks like SpaceX and domestic equities [listed/unlisted]) saw steeper upward revisions in earnings estimates.

**Brokerage firms' investment income**




Source: FISIS, Samsung Securities Brokerage earnings in 2025 benefited from two positives

**Mirae Asset Securities:**
**Valuation balance of SpaceX & xAI investments**




Source: DART, Samsung Securities

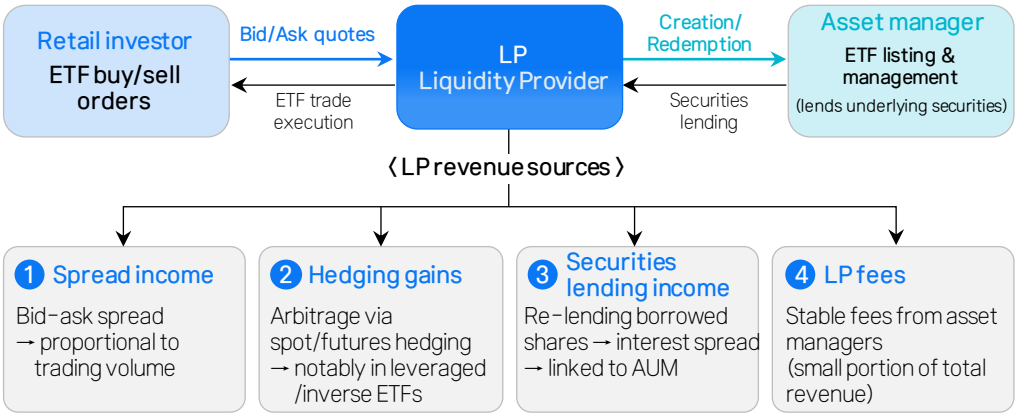
**ETF LP profits—an alpha**

The surge in retail investor participation in ETFs has, along with brokerage commission, become another key revenue channel for securities companies. Korea's ETF AUM reached KRW297t at end-2025, up 71.2% from KRW173t at end-2024, growing at more than double the global average of 31.7%. The average daily ETF trading value rose 57.5% to KRW5.5t in 2025, accounting for 44.3% of total Kospi trading volume. This growth directly benefits securities companies that act as ETF liquidity providers (LPs).

Crucially, ETF LP profits are not limited to simple fee collection. Securities companies generate additional income through: 1) bid-ask spreads generated during LP activities; 2) arbitrage and hedging opportunities with underlying ETF assets; and 3) securities lending revenue—where ITCs lend underlying assets of ETFs to LPs at low rates, and LPs re-lend them at higher rates to borrowers.

ETF LP profits show a strong positive correlation with the trading volume of leveraged and inverse ETFs. In 2020, when the daily trading volume of leveraged/inverse ETFs reached KRW2.8t, LP profits peaked at KRW102.4b. In 2023, when the volume fell to KRW1.3t, profits dropped to KRW29b. In 2026, the daily trading volume of leveraged/inverse ETFs is structurally rising again—*eg*, the AUM of Kospi leveraged ETFs has surged 146.5% since end-2024. Major firms like Kiwoom Securities are believed to generate over KRW100b in profit *pa* from their ETF LP activities.

**Brokerages ETF LP business models**




Source: Samsung Securities

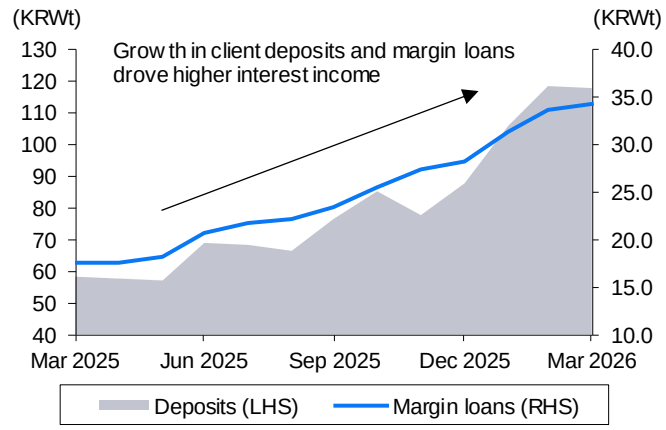
**Interest income—Hike in market liquidity to translate to interest income expansion**

The rapid growth in market liquidity should directly boost securities companies' interest income. As of early March, customer deposits held by securities companies reached KRW132t—2.4x higher than the end-2024 figure (KRW54t). Since these deposits are placed with Korea Securities Finance Corporation (KSFC) and securities brokers earn interest income on them, the increase directly translates into higher interest income at brokers.

Margin loan balances are another key driver. As of early March, margin loan balances reached KRW33t—a 107.3% increase from end-2024. Securities companies lend money to clients for stock purchases at interest rates of 6-9% *pa*. At an average rate of 7.5%, this KRW33t balance implies an annual interest income of around KRW2.5t for the entire industry.

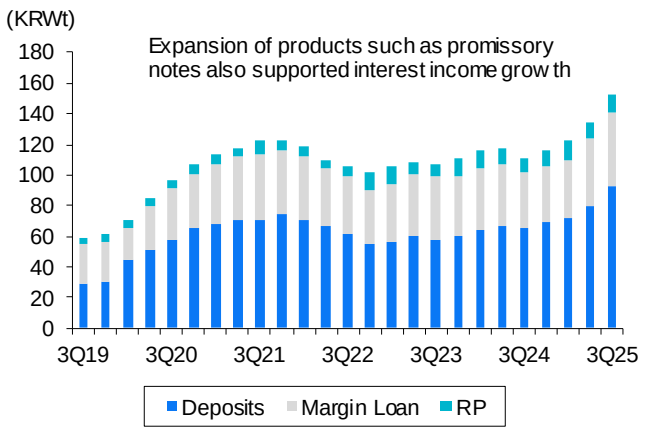
Furthermore, the expansion of financial product sales (*eg*, commercial paper) is structurally broadening interest income bases. Brokers issue CP to raise short-term funds from customers and deploy the proceeds in high-yield activities such as investment banking (IB) and proprietary trading (PI), thus enhancing their net interest margins. Korea Investment Holdings, Mirae Asset Securities, and NH Investment & Securities are rapidly increasing their commercial paper balances. Since the introduction of investment management accounts (IMA), these products have also served as principal-guaranteed alternatives to deposits, further enhancing interest-based income. The securities industry's profit structure should evolve further, transitioning from a commission-heavy model towards a more diversified, interest-driven income base.

**Market liquidity (client deposits, margin loans)**




Source: KOFIA, Samsung Securities

**Interest-earning assets at domestic brokerages**



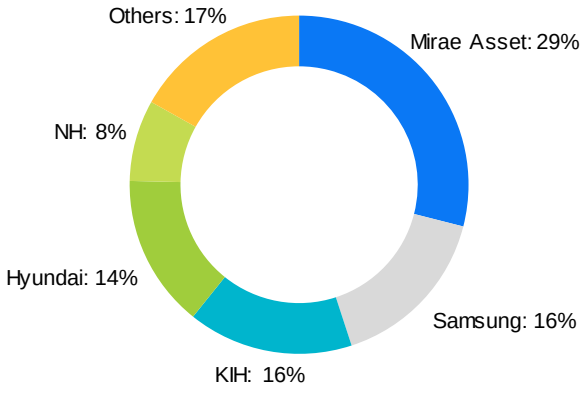

Source: FISIS, Samsung Securities

**Retirement pension plans—Stable, growth-oriented new money**

Given the volatility of brokerage income (as it is tied to market conditions), the ability to attract and retain retirement pension assets offers a critical differentiator. As of end-2025, the retirement pension AUM stood at KRW49.68t, and Korea Capital Market Institute forecasts that it will surpass KRW1000t by 2030. Of note: 1) securities companies' rising share in the retirement pension physical transfer market; and 2) the structural increase in equity allocation within DC plans and IRP accounts position brokers to benefit from the expansion of the retirement pension market.

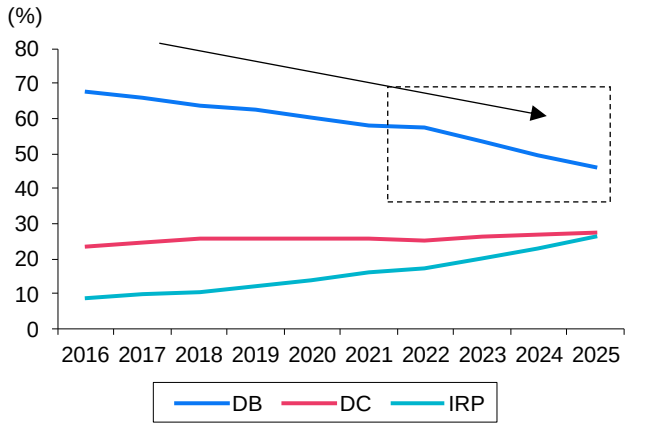
Competitiveness in this space goes beyond asset size. It leads to cross-selling and lower client attrition. Securities companies are building long-term client relationships through cross-selling, tax and succession planning services, and other non-financial advisory offerings. The synergy with upcoming licenses, such as IMA and return to domestic market account (RIA), should further strengthen brokers' position in the long-term capital market.

**Brokerage pension M/S (as of end-2025)**




Source: FISIS, Samsung Securities

**Pension allocation, by investment type**




Source: FISIS, Samsung Securities

## Prioritize WM capabilities—As assets grow, investors increasingly seek lower risk

### Causes of low WM demand when household portfolios are real-estate focused

Under a household asset structure dominated by real estate, demand for WM services is limited, as: 1) for many households, housing serves both as a residence and a long-term investment, with low transaction frequency due to regulatory and practical constraints; and 2) real estate was perceived as having a low risk of principal loss.

### Equity investing perceived to carry higher risk—Strong correlation between risk management needs and investment scale

In contrast, equity investing is widely perceived as carrying a higher risk of principal loss. As a result, as personal investment assets grow, the demand for risk management tends to increase. When investment capital is small, investors prioritize returns over risk control. But once capital reaches a certain threshold, investors tend to treat capital preservation (risk control) as equally important as growth (higher returns).

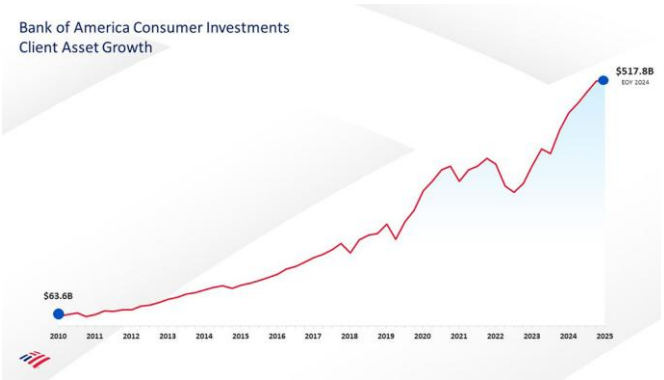
### Rising investment assets = rising demand for WM services

This dynamic has led to a surge in demand for WM services. The post-COVID-19 growth of Merrill Edge, an investment platform run by parent Bank of America, illustrates this trend among the mass affluent segment. In 2019, Merrill Edge launched Merrill Guided Investing, offering both digital and in-person advisory services via call centers and branches. By 2024, it employed 3,000 advisors, and its AUM surged from USD185.9b in 2018 to USD517.8b—a 178.5% increase.

**Account types and fee structure of Merrill Edge**

Source: Merrill Edge

**Merrill Edge AUM trend**




Source: Bank of America

**Strengthening WM for the mass affluent drives earnings differentiation among financial companies—The Morgan Stanley case**

The growth of the mass affluent segment (liquid assets of USD0.1m-1m) has enabled financial firms to differentiate themselves through enhanced WM services. Morgan Stanley is a prime example.

Since the pandemic, Morgan Stanley's WM division has seen explosive growth. As of 2025, its WM division's AUM and pre-tax profit reached USD7.9t and USD2.01b, respectively—up 179.4% and 126% from 2019 levels.

This success stems from its strategy of targeting the mass affluent segment:

1. Its 2020 acquisition of E*TRADE expanded its digital platform and younger customer base;

2. It invested heavily in training advisors and building support systems;

3. It developed services to help employees manage and liquidate company stock holdings, offering workplace financial solutions.

Crucially, this growth was not just quantitative but also qualitative. The pre-tax profit margin of the WM division rose from 27.2% in 2019 to 31% in 2025, reflecting reduced reliance on trading commission (which is volatile) and increased weight of AUM-linked management fees. In 2025 alone, USD99b in assets migrated from online and workplace channels to advisor-led channels—demonstrating the effectiveness of its 'funnel' strategy: Converting low-margin clients into high-margin ones. For every USD1t increase in AUM, the firm's annual fee income rises USD3b-4b, proving that asset scale in and of itself is a powerful engine of sustainable profit growth.

**Morgan Stanley: Profit breakdown**

| (USDb) | | 2025 | 2019 | Growth (%) |
|---|---|---|---|---|
| AUM | Online | 1,667 | 77 | 2,064.9 |
| | Asset management | 5,715 | 2,623 | 117.9 |
| | Workplace | 534 | 133 | 301.5 |
| | Total | 7,916 | 2,833 | 179.4 |
| WM profit (USDm) | | 2,009 | 889 | 126.0 |

Source: Morgan Stanley

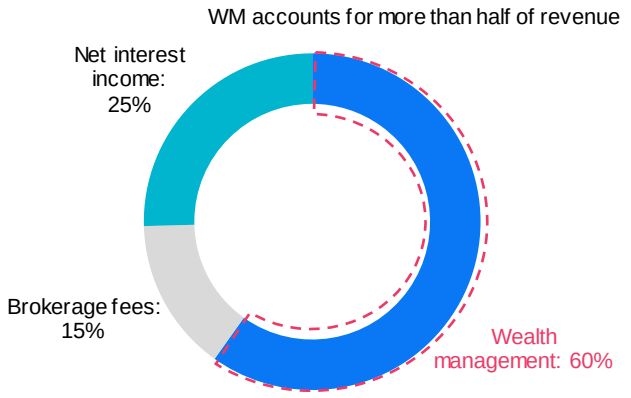
**Domestic financial institutions: The rise of differentiated asset management capabilities**

In Korea, attention should also increasingly shift towards financial institutions that are building truly differentiated asset management capabilities. Many domestic firms still treat wealth management as a product sales function rather than a holistic advisory practice. Firms that can deliver tailored, needs-based solutions to affluent clients are positioned for sustainable, long-term growth.

### Leading securities brokers building unique asset-management capabilities

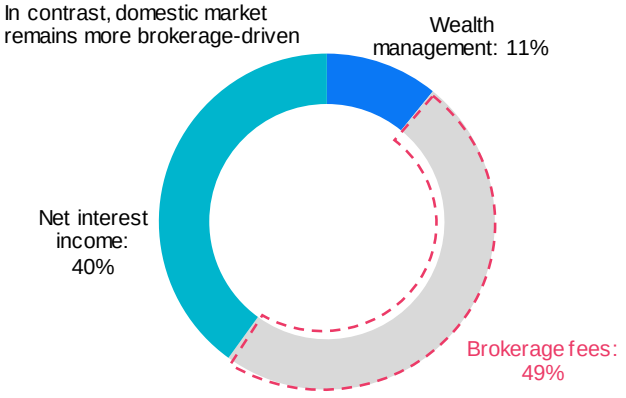
Korea's WM market is poised for growth, fueled largely by capital reallocation (money movements). Yet unlike the US, where roughly 70% of Morgan Stanley's 2024 WM revenue came from fee-based AUM, Korea's WM model remains heavily reliant on transaction and sales commission. Nearly half of domestic securities firms' WM revenue still stems from product turnover—reflecting Korean investors' enduring preference for direct trading. This structure creates a misalignment: Broker incentives are tied to volume, not client outcomes, making it harder to cultivate trust.

**Morgan Stanley: Revenue breakdown**



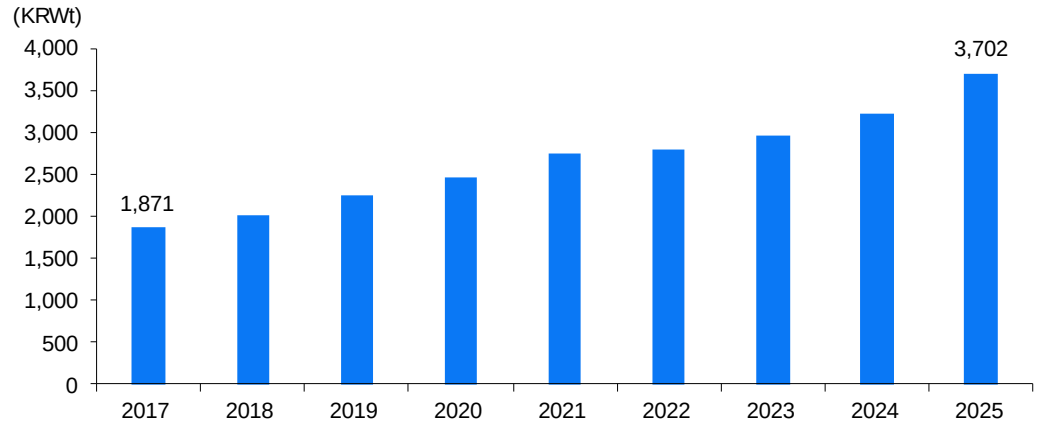

Note: Based on end-2025
Source: Morgan Stanley, Samsung Securities

***Domestic brokerages: Revenue breakdown**




Note: *Brokerages: Samsung, KIH, Mirae Asset, NH, Kiwoom;
NII is based on the entire firm, including non-retail segments
Source: FISIS, Samsung Securities

**Domestic WM market size**




Source: KOFIA, Samsung Securities

In response, top securities brokers are now supplementing their offerings with value-added services—tax planning, real-estate advisory, and business succession consulting. While these services help attract high-net-worth (HNW) clients, they are not durable differentiators. Any well-capitalized firm can replicate them by hiring specialists or partnering with legal and tax advisors.

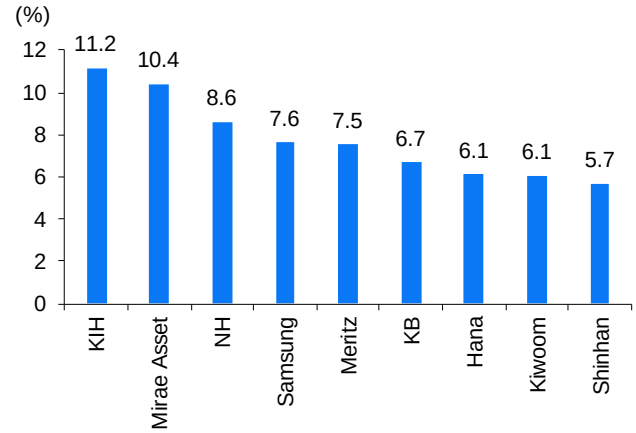
The true long-term differentiator should be access to unique investment opportunities—ones unavailable through conventional channels. This is where the largest, well-capitalized securities firms are now focusing their efforts.

Korea Investment Securities stands out as the most aggressive player in sourcing global products. It actively brings offerings from global asset managers like Goldman Sachs, Carlyle, and J.P. Morgan to its clients. In Jun 2025, it further honed its competitive edge by making a direct equity investment of KRW270b in Cliffwater, a leading US alternative asset manager.

NH Investment & Securities is leveraging its core strength in domestic ECM/DCM deals by building a proprietary pipeline. It plans to channel such deals directly to its family office clients.

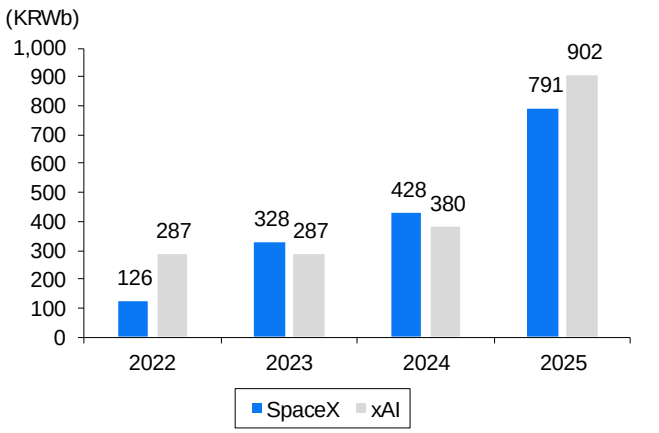
Mirae Asset Securities offers a compelling glimpse into the future. Having built a strong track record investing its own capital in global innovation-driven companies, it is now exploring ways to give its WM clients exclusive access to these deals. This evolution—from product seller to deal hub—could transform Mirae Asset Securities into a 'walk-in deal' house, where high-quality opportunities flow to it naturally, drawn by its reputation and network. This is not just about selling products. It is about becoming a hub in a deal ecosystem. Over time, this could become an unassailable moat for the WM business.

**Total equity of major brokerage as portion of sector's total (2025)**




Source: Company data, Samsung Securities

**Mirae Asset Securities:**
**Value of its SpaceX and xAI holdings**




Source: Mirae Asset Securities, Samsung Securities

The competitive landscape for Korean securities firms' WM businesses is expected to change in three distinct phases.

**Stage 1: Competition for long-term capital base**

Securities brokers are aggressively competing to capture long-term capital through products like Individual Savings Accounts (ISA), retirement pensions, and Reshoring Investment Accounts (RIA). Tactics include waiving fees during pension transfers, offering lifetime discounts on targeted accounts, and providing cash incentives. Price competition is fierce.

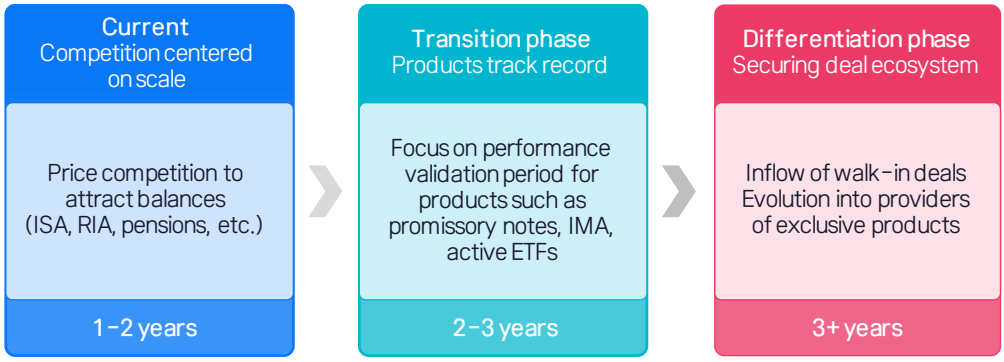
**Stage 2: Client migration based on proven performance**

Within the next two to three years, as performance-based products—particularly Investment Management Account (IMA)—begin to demonstrate consistent returns, clear bifurcation should emerge. Clients should increasingly migrate towards firms with verifiable, consistent returns. Early movers—those who secured the first IMA licenses or who were first approved to issue CP—should hold a strong advantage as this shift accelerates.

**Stage 3: Scale as the engine of differentiation**

In the final stage, scale itself should become the primary competitive moat. Large asset managers and fund providers should prioritize distribution partnerships with firms capable of deploying massive capital efficiently. In turn, clients should gravitate towards securities firms that offer access to these exclusive, high-quality products. This should create a self-reinforcing cycle: Scale attracts better deals → better deals attract more clients → more clients enable greater scale.

**Korean WM market: Competitive landscape outlook**




Source: Samsung Securities

**Financial groups with differentiated non-banking capabilities**

Most major Korean financial groups own securities firms as subsidiaries. The only exception is JBFG, which does not have a securities arm. Even Industrial Bank of Korea (IBK)—a bank and not a financial holding company—runs IBK Securities as a subsidiary.

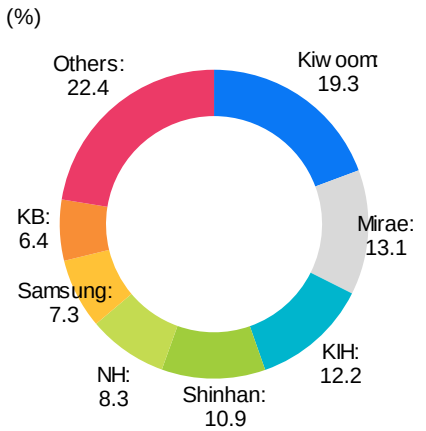
Yet substantial disparities exist among these securities firms. In equity brokerage—currently one of the industry's most competitive frontiers—only KBFG and SFG (among the large financial groups) have established meaningful market shares (both domestically and in cross-border retail equity trading).

Their IB capabilities further reflect this divergence. In the 2025 rankings for ECM and DCM deals, KB Securities stood out with particularly strong performance. Shinhan Securities ranked among the top 10 in both ECM and DCM, while Hana Securities held a top-10 position in DCM.

Furthermore, capital strength is emerging as a decisive factor for future growth. All three—KB Securities, Shinhan Securities, and Hana Securities—have obtained CP licenses. In February, KB Securities completed a KRW0.7t rights offering, bringing its total capital base to KRW7.6t. This brings it within striking distance of the KRW8t threshold typically required to qualify for an IMA license.

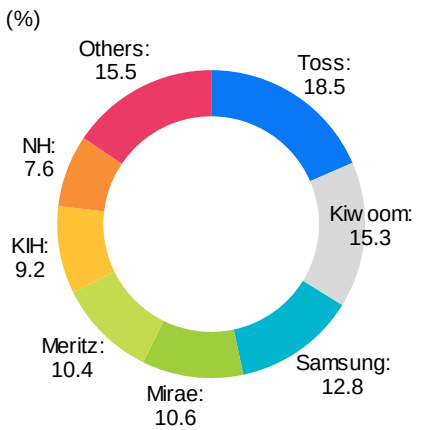
That said, scale alone does not ensure superior asset management capability. As previously noted, financial institutions recognize that asset management activities must evolve beyond mere product sales, and while capital is a necessary condition for this evolution, it is not sufficient on its own. That said, given the growing correlation between securities firms' business scope and their capital base, we believe financial groups with larger, better-capitalized securities firms are better positioned to generate synergies and build enduring asset management capabilities.

**Domestic equity brokerage M/S**



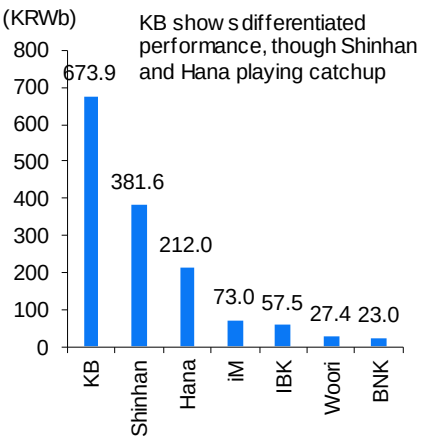

Note: As of end-2025
Source: FISIS, Samsung Securities

**Overseas equity brokerage M/S**



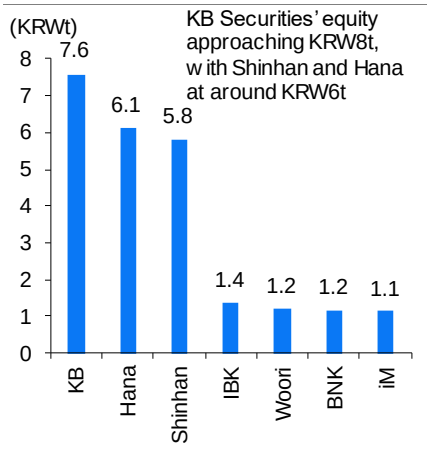

Note: As of end-2025
Source: FISIS, Samsung Securities

**Net income by brokerage**



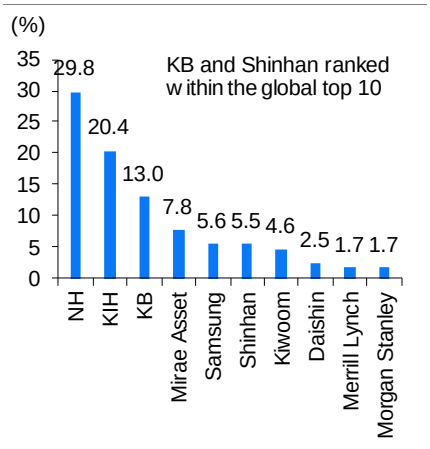

Note: As of 2025
Source: Company data, Samsung Securities

**Total equity, by brokerage**



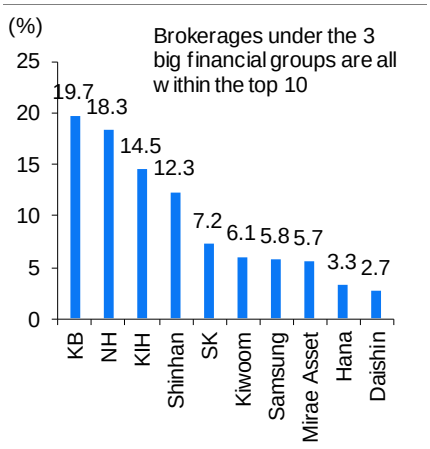

Note: KB Securities figures reflect the KRW700b capital increase in February
Source: Company data, DART, Samsung Securities

**ECM deal value M/S by top-10 brokerages**




Note: Based on underwriting deal value in 2025
Source: Media reports, Samsung Securities

**DCM deal value M/S by top 10 brokerage**




Note: Based on underwriting deal value in 2025
Source: Media reports, Samsung Securities

## Expanding the spectrum of accessible assets and the rise of the all-in-one investment platform

### The growing universe of retail investment options; the limits of conventional financial institutions

Over the past several years, the range of assets available to individual investors has expanded dramatically. Once confined to domestic bank deposits and domestic stocks, retail investors now have direct access to foreign stocks, commodity ETFs, forex, and cryptocurrencies.

But this democratization has come at a cost: Fragmentation. Today's investors juggle multiple apps—banking apps for savings, securities platforms for stocks, and crypto exchanges for digital assets. Asset allocation, rebalancing, and performance tracking require manual effort across disconnected systems.

### The rise of the financial platform: Unifying fragmented investments—why Robinhood matters

This fragmentation has created a powerful opening for a new kind of player: The financial platform. Overseas, these platforms have rapidly expanded their product offerings, quickly attracting a growing base of retail investors.

Robinhood is a prime example. What began as a free stock-trading app has evolved into a full-service investment ecosystem. Today, it offers stocks, options, futures, crypto, IRAs, and even prediction markets—all within one app. Accordingly, its retail investors can manage their entire portfolio, adjust allocations, and execute trades—all within a single digital platform. This seamless experience has become a key driver of Robinhood's market-share growth.

### Futu Holdings' Moomoo: Asia's answer to Robinhood

Founded in Hong Kong in 2007, Futu Holdings is a tech-driven digital brokerage holding company operating two distinct platforms: Futu app for Hong Kong and Moomoo for global investments. Moomoo has rapidly emerged as the Robinhood of Asia, offering stocks, ETFs, options, and crypto—alongside institutional-grade real-time market data and AI-powered analytics—at a fraction of the cost of traditional brokers.

Moomoo is available in seven markets: The US, Singapore, Australia, Japan, Malaysia, Canada, and New Zealand. In Singapore and Malaysia, it leads broker apps in both cumulative downloads and daily active users (DAU). In Australia, it ranked top among trading apps in total downloads in 2025.

This growth has translated into striking financial results. In 2025, Futu Holdings reported sales of USD2.94b (up 68%) and a net profit of USD1.5b (up 102%). Crucially, its revenue per paid account is roughly six times higher than Robinhood's, a factor that highlights its superior monetization efficiency.

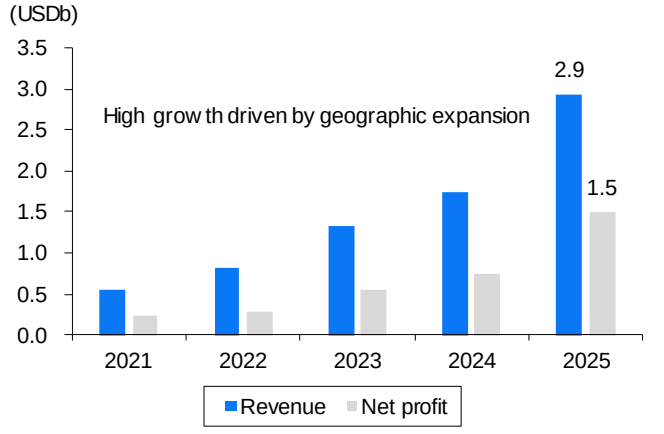
Moomoo's success rests on three core pillars. First, Moomoo breaks down barriers by making professional-grade data accessible to retail investors. Through partnerships with external brokers and data providers, it offers free or low-cost access to real-time bid-ask quotes, analyst reports, and proprietary research. Second, unlike many fintechs that operate as intermediaries, Moomoo obtains direct licenses in each market and is a member of local exchanges. This eliminates intermediary fees, allowing it to offer lower trading costs than local brokers and a compelling price advantage. Third, Moomoo has embedded a vibrant, SNS-style investor community (Moo Community) with over 29m members—directly into its platform. This turns investing into a social, gamified experience, leading to stronger user retention and a powerful lock-in effect.

**Moomoo: Global expansion status**

| Country | Entry year | Regulator | Highlights |
|---|---|---|---|
| US | 2018 | SEC / FINRA | Zero commission, 27m users |
| Singapore | 2021 | MAS | Ranked #1 downloads and DAU among broker apps in 2025 |
| Australia | 2022 | ASIC | Ranked #1 downloads among trading apps in 2025 |
| Japan | 2022 | FSA / TSE | Ranked #2 downloads among domestic broker apps in 2025 |
| Malaysia | 2023 | SC Malaysia | Ranked #1 downloads and DAU among domestic broker apps in 2025 |
| Canada | 2023 | CIRO | Rapid growth in paid accounts |
| New Zealand | 2024 | FMA | Service expansion underway |

Source: Moomoo, Samsung Securities

**Futu Holdings: Financial performance**

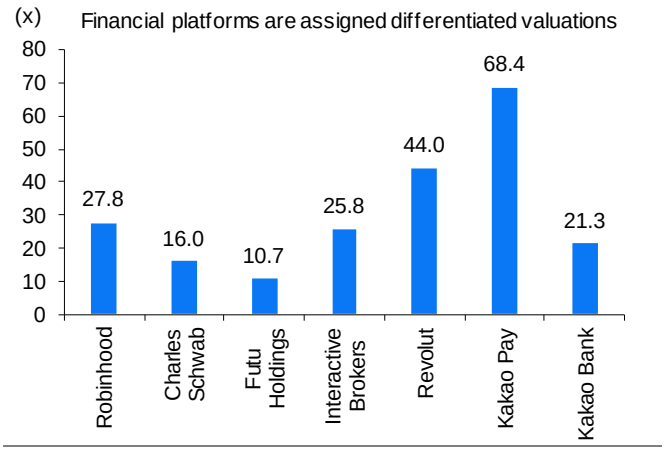



Source: Bloomberg, Samsung Securities

### Why do financial platforms command premiums?

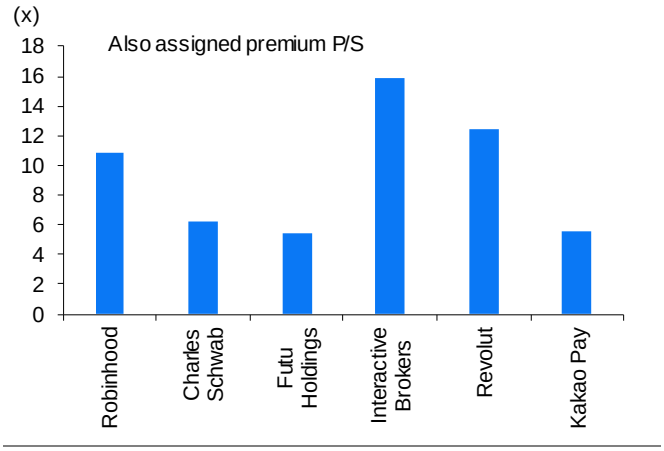
Financial platforms that demonstrate genuine differentiation are trading at valuations far exceeding those of traditional financial institutions. Consider Robinhood and Futu Holdings: Robinhood trades at a 2026 P/E of 27.8x and a P/B of 5.3x, while Futu trades at 10.7x 2026 P/E and 2.8x P/B—both significantly above the typical multiples for conventional banks and brokers. In Europe, Revolut remains private, and was valued at USD75b in Nov 2025. Based on its 2025 net profit of USD1.7b, that implies a P/E of 44x and on USD6b in revenue, a P/S of 12.5x. In Korea, Kakao Pay trades at a P/S of 5.6x—a premium justified by its evolution beyond payments. Today, the Korean platform offers financial product comparisons, domestic and international securities trading, and cross-border remittances, all within a single ecosystem.

**Financial platforms: 2026 P/E comparisons**




Note: As of Mar 30
Source: Bloomberg, Samsung Securities

**Financial platforms: 2026 P/S comparisons**




Note: As of Mar 30
Source: Bloomberg, Samsung Securities

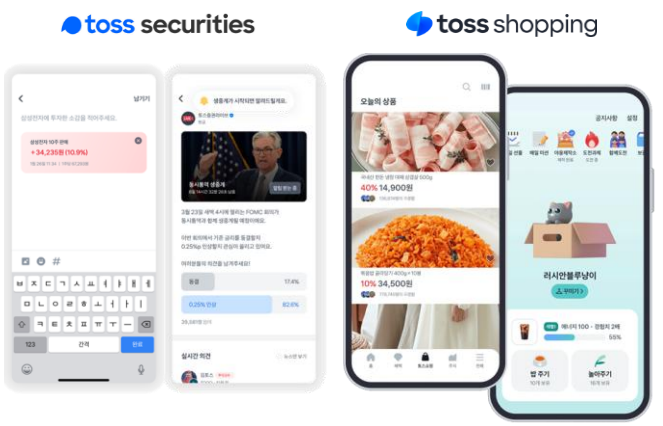
### Korean financial platforms also in the midst of evolution

Korea is not standing still. The shift towards integrated financial platforms is already underway, and Toss is a good case in point. What began as a simple peer-to-peer money transfer app is now a full-stack financial ecosystem. Toss operates subsidiaries in banking, securities, insurance, and payments, and aggregates their services into a single, unified app. Recently, it doubled down on its investment services by enhancing community features, and it has even repurposed its central tab from finance to e-commerce, signaling its ambition to become a lifestyle super-app.

Traditional financial institutions are responding to the threat. KBFG is pursuing an app-to-app integration strategy, enabling customers to access services across its subsidiaries through a seamless, unified interface. SFG is set to launch its next-generation platform, New Super SOL, in Jun 2026. Unlike its predecessor, which connected only about 30% of the services offered by its group companies, New Super SOL aims for 100% integration. It should consolidate banking, credit cards, securities, and insurance into one app, with shared customer data eliminating redundant inputs. The goal is to make cross-selling effortless.

It is still too early to declare the winner in Korea's financial platform race. Yet close monitoring is advised, because companies that succeed in becoming true financial platforms should enjoy improvement in their fundamentals and trade at a premium.

**Toss app: Toss Securities & Toss Shopping displayed**




Source: Toss

**Shinhan SOL application strategy**

| Category | Legacy | New Super SOL |
|---|---|---|
| Structure | Separate integrated apps | Single app centered on Shinhan Bank |
| Operation | Affiliate apps separated | Integrated affiliate functions |
| Connectivity | ~30% integration | Enhanced connectivity |
| User experience | Requires switching apps | One-stop usage |
| Strategy | Formal integration | Platform-driven integration |

Source: SFG, Samsung Securities

## Banks: Valuation matrix

| (KRW) | | KBFG | SFG | HFG | WFG | IBK | BNKFG | iMFG | JBFG | Kakao Bank | Sector |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Ticker | | 105560 KS | 055550 KS | 086790 KS | 316140 KS | 024110 KS | 138930 KS | 139130 KS | 175330 KS | 323410 KS | |
| Recommendation | | BUY | BUY | BUY | HOLD | HOLD | BUY | BUY | HOLD | HOLD | OVERWEIGHT |
| Current price | | 157,400 | 99,700 | 124,000 | 33,200 | 22,200 | 18,740 | 19,020 | 27,500 | 24,950 | |
| Target price | | 200,000 | 128,000 | 157,000 | 45,000 | 26,000 | 25,000 | 25,000 | 36,000 | 31,000 | |
| Upside (%) | | 27.1 | 28.4 | 26.6 | 35.5 | 17.1 | 33.4 | 31.4 | 30.9 | 24.2 | |
| Target P/B (x) | | 1.21 | 1.11 | 1.01 | 0.97 | 0.65 | 0.71 | 0.71 | 1.14 | 2.01 | |
| Target P/E (x) | | 10.9 | 10.9 | 9.7 | 9.4 | 8.0 | 8.8 | 7.5 | 9.0 | 23.8 | |
| Market cap (KRWt) | | 58.7 | 47.5 | 33.8 | 25.7 | 17.8 | 5.9 | 3.1 | 5.4 | 12.1 | 210.0 |
| P/E (x) | 2025 | 7.7 | 7.6 | 6.5 | 6.6 | 6.6 | 6.1 | 5.7 | 6.8 | 21.5 | 7.4 |
| | 2026E | 8.6 | 8.5 | 7.7 | 7.0 | 6.8 | 6.6 | 5.7 | 6.9 | 19.2 | 8.3 |
| | 2027E | 7.6 | 7.4 | 6.6 | 6.0 | 6.5 | 5.6 | 4.9 | 6.2 | 18.0 | 7.5 |
| P/B (x) | 2025 | 0.8 | 0.7 | 0.7 | 0.6 | 0.6 | 0.5 | 0.5 | 0.9 | 1.5 | 0.7 |
| | 2026E | 1.0 | 0.9 | 0.8 | 0.7 | 0.6 | 0.5 | 0.5 | 0.9 | 1.6 | 0.8 |
| | 2027E | 0.9 | 0.8 | 0.7 | 0.7 | 0.5 | 0.5 | 0.5 | 0.8 | 1.5 | 0.8 |
| EPS | 2025 | 16,267 | 10,151 | 14,382 | 4,256 | 3,184 | 2,592 | 2,739 | 3,757 | 1,007 | 0.8 |
| | 2026E | 18,358 | 11,724 | 16,144 | 4,773 | 3,255 | 2,837 | 3,340 | 4,007 | 1,300 | 0.8 |
| | 2027E | 20,768 | 13,483 | 18,788 | 5,572 | 3,433 | 3,320 | 3,896 | 4,445 | 1,384 | |
| BVPS | 2025 | 151,973 | 105,947 | 144,244 | 43,451 | 37,049 | 32,738 | 32,350 | 28,532 | 14,150 | |
| | 2026E | 165,664 | 115,810 | 155,147 | 46,249 | 39,852 | 35,153 | 35,460 | 31,564 | 15,450 | |
| | 2027E | 180,566 | 125,929 | 169,118 | 50,292 | 41,913 | 38,126 | 38,830 | 34,530 | 16,835 | |
| ROA (%) | 2025 | 0.8 | 0.7 | 0.6 | 0.6 | 0.6 | 0.9 | 0.5 | 1.0 | 0.7 | 0.7 |
| | 2026E | 0.8 | 0.7 | 0.6 | 0.6 | 0.5 | 1.0 | 0.5 | 1.0 | 0.8 | 0.7 |
| | 2027E | 0.8 | 0.7 | 0.7 | 0.6 | 0.5 | 1.0 | 0.5 | 1.0 | 0.7 | 0.7 |
| ROE (%) | 2025 | 10.9 | 9.7 | 10.2 | 10.1 | 8.9 | 8.0 | 8.4 | 13.6 | 7.2 | 9.9 |
| | 2026E | 11.4 | 10.4 | 10.6 | 10.6 | 8.5 | 8.3 | 9.5 | 13.2 | 8.8 | 10.3 |
| | 2027E | 11.8 | 11.0 | 11.3 | 11.4 | 8.4 | 8.9 | 10.0 | 13.3 | 8.6 | 10.8 |
| DPS | 2026E | 4,637 | 2,960 | 4,600 | 1,500 | 1,170 | 820 | 840 | 1,318 | 650 | |
| Div. yield (%) | 2026E | 2.9 | 3.0 | 3.7 | 4.5 | 5.3 | 4.4 | 4.4 | 4.8 | 2.6 | |
| Total payout ratio (%) | 2026E | 57.1 | 53.6 | 50.8 | 44.5 | 36.0 | 45.1 | 42.2 | 51.8 | 50.0 | |
| Total shareholder yield (%) | 2026E | 6.2 | 6.3 | 6.6 | 6.0 | 5.7 | 6.6 | 7.2 | 7.1 | 2.6 | |

Note: As of Apr 27

Source: QuantiWise, Samsung Securities estimates

### Securities brokers: Valuation matrix

| Company | | Mirae Asset Securities | Korea Investment Holdings | NH Investment & Securities | Kiwoom Securities |
|---|---|---|---|---|---|
| Ticker | | 006800 KS | 071050 KS | 005940 KS | 039490 KS |
| Market cap (KRWb) | | 13,750 | 9,233 | 7,413 | 6,544 |
| Recommendation | | HOLD | BUY | BUY | BUY |
| Target price (KRW) | | 24,000 | 210,000 | 26,000 | 307,000 |
| Current price (KRW) | | 21,550 | 154,100 | 19,850 | 248,000 |
| Upside (%) | | 11.4 | 36.3 | 31.0 | 23.8 |
| P/E (x) | 2025 | 8.4 | 4.9 | 12.8 | 11.1 |
| | 2026E | 15.8 | 8.4 | 10.7 | 9.1 |
| | 2027E | 24.5 | 9.4 | 10.5 | 8.3 |
| P/B (x) | 2025 | 0.77 | 0.86 | 1.40 | 1.75 |
| | 2026E | 1.96 | 1.24 | 1.31 | 1.53 |
| | 2027E | 1.81 | 1.09 | 1.16 | 1.28 |
| EPS (KRW) | 2025 | 2,765 | 32,802 | 2,749 | 40,798 |
| | 2026E | 4,345 | 30,920 | 3,286 | 49,784 |
| | 2027E | 2,808 | 27,771 | 3,350 | 54,401 |
| BVPS (KRW) | 2025 | 30,236 | 187,260 | 25,187 | 258,926 |
| | 2026E | 35,054 | 210,303 | 27,009 | 295,516 |
| | 2027E | 37,908 | 239,589 | 30,365 | 352,863 |
| ROA (%) | 2025 | 0.7 | 1.0 | 1.2 | 1.6 |
| | 2026E | 0.8 | 1.6 | 1.3 | 1.7 |
| | 2027E | 0.8 | 1.2 | 1.3 | 1.5 |
| ROE (%) | 2025 | 12.4 | 19.6 | 11.8 | 18.1 |
| | 2026E | 16.8 | 16.4 | 12.6 | 18.9 |
| | 2027E | 9.5 | 13.0 | 11.7 | 17.7 |
| DPS (KRW) | 2025 | 300 | 8,690 | 1,300 | 11,500 |
| | 2026E | 450 | 9,559 | 1,500 | 12,800 |
| | 2027E | 450 | 8,000 | 1,500 | 14,080 |
| Dividend yield | 2025 | 1.3 | 5.4 | 3.7 | 2.5 |
| (common shares, %) | 2026E | 0.7 | 3.7 | 4.3 | 2.8 |
| | 2027E | 0.7 | 3.1 | 4.3 | 3.1 |
| Total shareholder yield* | 2025 | 3.0 | 5.4 | 3.7 | 2.8 |
| (common shares, %) | 2026E | 3.0 | 3.7 | 4.3 | 3.4 |
| | 2027E | 2.3 | 3.1 | 4.3 | 3.7 |
| Dividend payout ratio | 2025 | 11.0 | 25.1 | 47.3 | 27.1 |
| (%) | 2026E | 11.1 | 29.3 | 45.6 | 25.5 |
| | 2027E | 17.6 | 27.3 | 44.8 | 25.6 |
| Total payout ratio** (%) | 2025 | 22.4 | 25.1 | 47.3 | 30.2 |
| | 2026E | 40.1 | 29.3 | 45.6 | 30.3 |
| | 2027E | 50.5 | 27.3 | 44.8 | 30.3 |

Note: As of Apr 27,

*(Cash dividend + share buyback) / market cap;

**(Cash dividend + share buyback) / net profit

Source: Company data, Samsung Securities estimates

## Compliance notice

- As of 4/27 2026, iM Financial Group served as a trustee for the company covered in this report to acquire and dispose of its own shares.
- As of 4/27 2026, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
- As of 4/27 2026, Samsung Securities' holdings of shares and debt instruments convertible into shares of each company covered in this report would not, if such debt instruments were converted, exceed 1% of each company's outstanding shares.
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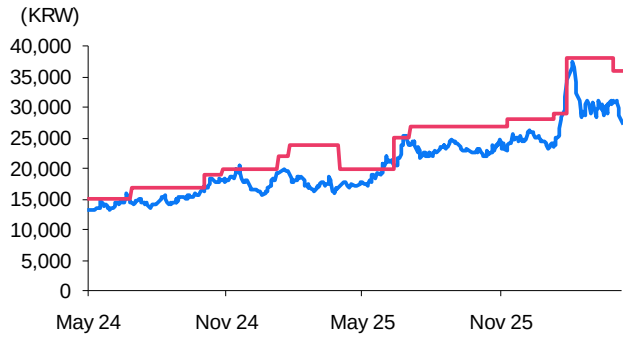
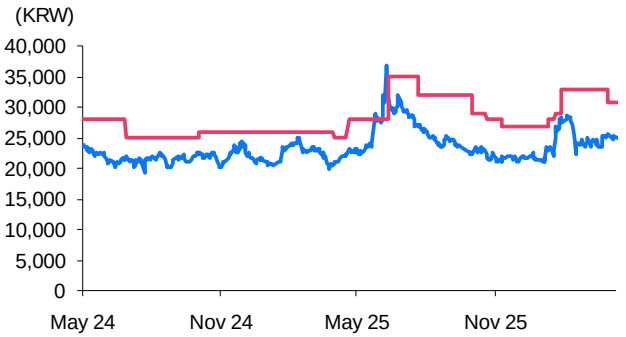
## Target price changes in past two years

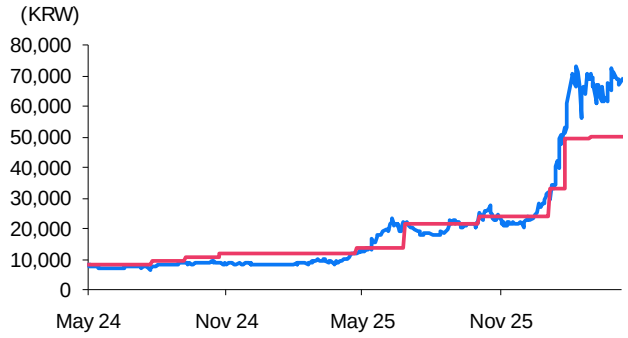
JB Financial Group



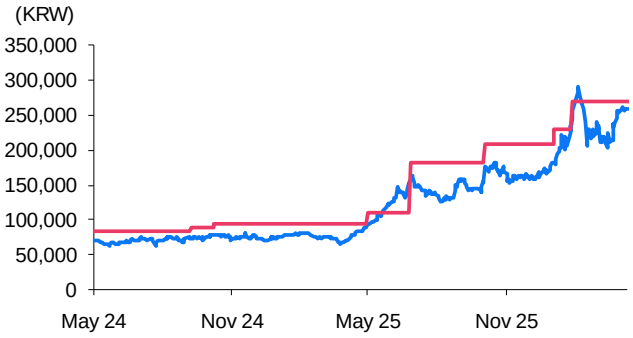

Kakao Bank



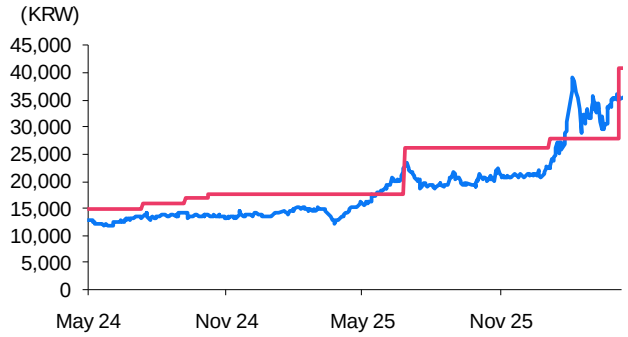

Mirae Asset Securities




Korea Investment Holdings




NH Investment & Securities

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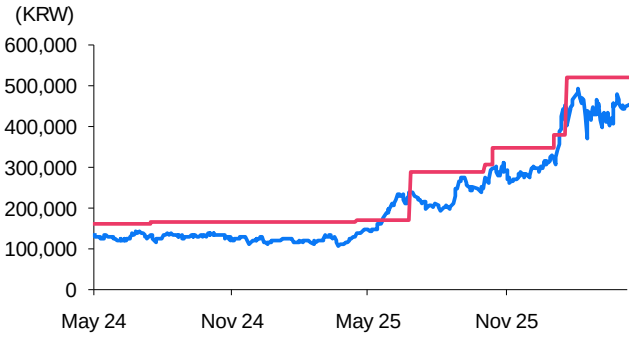

## Rating changes over past two years (adjusted share prices)

| KB Financial Group | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Date | 2024/3/5 | 7/12 | 7/24 | 9/23 | 10/17 | 2025/4/15 | 4/25 | 6/27 | 7/18 | 10/17 | 11/25 | 2026/1/27 |
| Recommendation | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY |
| Target price (KRW) | 80000 | 100000 | 105000 | 110000 | 113000 | 104000 | 110000 | 130000 | 140000 | 143000 | 150000 | 165000 |
| Gap* (average) | -5.45 | -14.59 | -19.39 | -21.04 | -23.75 | -20.54 | -8.40 | -11.01 | -19.36 | -14.92 | -14.99 | -11.40 |
| (max or min)** | 10.25 | -11.70 | -13.52 | -11.64 | -10.44 | -18.27 | 2.09 | -6.15 | -14.57 | -5.80 | -8.80 | 2.12 |
| Date | 2/13 | | | | | | | | | | | |
| Recommendation | BUY | | | | | | | | | | | |
| Target price (KRW) | 200000 | | | | | | | | | | | |
| Gap* (average) | | | | | | | | | | | | |
| (max or min)** | | | | | | | | | | | | |

| Shinhan Financial Group | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Date | 2024/3/5 | 7/12 | 9/23 | 2025/1/23 | 4/15 | 6/27 | 7/18 | 10/17 | 11/25 | 2026/1/27 | 2/13 | |
| Recommendation | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | |
| Target price (KRW) | 54000 | 61000 | 70000 | 69000 | 62000 | 77000 | 83000 | 86000 | 94000 | 105000 | 128000 | |
| Gap* (average) | -13.16 | -7.88 | -24.09 | -31.23 | -11.85 | -12.80 | -17.74 | -11.41 | -16.22 | -12.96 | | |
| (max or min)** | -0.93 | 0.66 | -17.00 | -25.94 | -1.61 | -6.75 | -12.41 | -5.35 | -10.74 | 0.95 | | |

| Hana Financial Group | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Date | 2024/4/15 | 7/12 | 9/23 | 10/17 | 2025/1/23 | 4/15 | 6/27 | 7/18 | 10/17 | 11/25 | 2026/1/27 | 2/13 |
| Recommendation | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY |
| Target price (KRW) | 72000 | 76000 | 80000 | 81000 | 80000 | 74000 | 101000 | 115000 | 113000 | 119000 | 128000 | 156000 |
| Gap* (average) | -16.33 | -17.99 | -23.57 | -25.40 | -24.86 | -5.81 | -10.23 | -25.24 | -20.20 | -20.43 | -11.60 | -26.52 |
| (max or min)** | -8.06 | -9.47 | -17.75 | -17.90 | -21.75 | 12.84 | -4.46 | -19.57 | -14.69 | -14.96 | 1.56 | -15.83 |
| Date | 4/16 | | | | | | | | | | | |
| Recommendation | BUY | | | | | | | | | | | |
| Target price (KRW) | 157000 | | | | | | | | | | | |
| Gap* (average) | | | | | | | | | | | | |
| (max or min)** | | | | | | | | | | | | |

| IBK | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Date | 2024/3/5 | 7/12 | 10/17 | 2025/1/23 | 4/15 | 6/27 | 7/18 | 10/17 | 11/25 | 2026/1/27 | 2/13 | 4/16 |
| Recommendation | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD |
| Target price (KRW) | 15400 | 16000 | 16500 | 16800 | 16000 | 21000 | 22000 | 21000 | 23000 | 24600 | 28000 | 26000 |
| Gap* (average) | -10.19 | -13.03 | -11.68 | -9.61 | -0.86 | -5.01 | -11.84 | -5.60 | -9.51 | -5.95 | -16.00 | |
| (max or min)** | 1.95 | -9.25 | -8.06 | -5.95 | 17.44 | 4.76 | -7.95 | -1.19 | -7.17 | 6.30 | 1.96 | |

| BNK Financial Group | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Date | 2024/4/15 | 7/12 | 7/31 | 12/18 | 2025/1/23 | 4/15 | 6/27 | 7/18 | 11/25 | 2026/2/13 | 4/16 | |
| Recommendation | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | |
| Target price (KRW) | 10400 | 10500 | 12000 | 14000 | 15000 | 13000 | 15600 | 19000 | 20000 | 27000 | 25000 | |
| Gap* (average) | -19.85 | -16.59 | -18.16 | -22.55 | -27.38 | -16.06 | -8.05 | -22.78 | -19.30 | -30.12 | | |
| (max or min)** | -15.38 | -9.43 | -1.00 | -14.57 | -18.93 | -2.23 | 2.24 | -17.79 | 7.25 | -16.11 | | |

| iM Financial Group | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Date | 2024/4/15 | 7/12 | 10/17 | 11/11 | 12/18 | 2025/1/23 | 4/15 | 6/27 | 7/18 | 11/25 | 2026/2/13 | |
| Recommendation | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | BUY | BUY | BUY | BUY | |
| Target price (KRW) | 10100 | 9500 | 9300 | 9800 | 10200 | 11000 | 11300 | 15400 | 18000 | 19000 | 25000 | |
| Gap* (average) | -19.25 | -14.48 | -11.94 | -12.15 | -16.48 | -16.85 | -4.73 | -7.91 | -22.67 | -20.20 | | |
| (max or min)** | -14.46 | -11.05 | -11.08 | -4.80 | -10.29 | -11.18 | 11.33 | 0.71 | -17.44 | 6.58 | | |

| JB Financial Group | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Date | 2024/4/15 | 7/12 | 10/17 | 11/11 | 2025/1/23 | 2/7 | 4/15 | 6/27 | 7/18 | 11/25 | 2026/1/27 | 2/13 |
| Recommendation | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD |
| Target price (KRW) | 15000 | 17000 | 19000 | 20000 | 22000 | 24000 | 20000 | 25000 | 27000 | 28000 | 29000 | 38000 |
| Gap* (average) | -8.89 | -12.61 | -6.18 | -10.99 | -11.17 | -27.13 | -7.02 | -7.20 | -14.05 | -11.68 | -3.39 | -18.83 |
| (max or min)** | 5.73 | -2.94 | -2.74 | 2.25 | -10.14 | -22.04 | 9.50 | 1.40 | -7.78 | -6.07 | 17.41 | -1.32 |
| Date | 4/16 | | | | | | | | | | | |
| Recommendation | HOLD | | | | | | | | | | | |
| Target price (KRW) | 36000 | | | | | | | | | | | |
| Gap* (average) | | | | | | | | | | | | |
| (max or min)** | | | | | | | | | | | | |
| **Kakao Bank** | | | | | | | | | | | | |
| Date | 2024/1/17 | 7/12 | 10/17 | 2025/4/15 | 5/7 | 6/27 | 8/6 | 10/17 | 11/5 | 11/25 | 2026/1/27 | 2/4 |
| Recommendation | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD | HOLD |
| Target price (KRW) | 28000 | 25000 | 26000 | 25000 | 28000 | 35000 | 32000 | 29000 | 28000 | 27000 | 28000 | 29000 |
| Gap* (average) | -9.02 | -14.31 | -14.15 | -13.63 | -6.99 | -16.34 | -23.19 | -20.16 | -22.51 | -19.53 | -17.71 | -6.06 |
| (max or min)** | -27.68 | -9.40 | -3.27 | -10.80 | 32.14 | -8.57 | -15.00 | -18.45 | -19.46 | -12.96 | -15.71 | -1.55 |
| Date | 2/13 | 4/16 | | | | | | | | | | |
| Recommendation | HOLD | HOLD | | | | | | | | | | |
| Target price (KRW) | 33000 | 31000 | | | | | | | | | | |
| Gap* (average) | -24.27 | | | | | | | | | | | |
| (max or min)** | -13.03 | | | | | | | | | | | |
| **Mirae Asset Securities** | | | | | | | | | | | | |
| Date | 2024/2/6 | 8/8 | 9/23 | 10/22 | 11/7 | 2025/5/8 | 7/11 | 10/20 | 2026/1/20 | 2/10 | | |
| Recommendation | HOLD | BUY | BUY | BUY | BUY | BUY | HOLD | HOLD | HOLD | HOLD | | |
| Target price (KRW) | 8264 | 9160 | 10455 | 10953 | 11948 | 13940 | 21905 | 23896 | 32858 | 49784 | | |
| Gap* (average) | -6.34 | -9.64 | -16.61 | -17.60 | -25.86 | 26.25 | -8.57 | 0.55 | 24.05 | | | |
| (max or min)** | -19.76 | -3.58 | -13.81 | -16.09 | -0.16 | 67.49 | 3.86 | -14.79 | 61.82 | | | |
| **Korea Investment Holdings** | | | | | | | | | | | | |
| Date | 2024/2/16 | 5/8 | 9/23 | 10/22 | 2025/5/15 | 7/11 | 10/20 | 2026/1/20 | 2/12 | | | |
| Recommendation | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | | | |
| Target price (KRW) | 80000 | 84000 | 88000 | 95000 | 110000 | 183000 | 210000 | 230000 | 270000 | | | |
| Gap* (average) | -15.15 | -16.49 | -14.41 | -19.81 | 11.30 | -21.88 | -20.51 | -9.29 | | | | |
| (max or min)** | -7.38 | -10.00 | -11.25 | -5.89 | 40.09 | -10.60 | -12.95 | 2.39 | | | | |
| **NH Investment & Securities** | | | | | | | | | | | | |
| Date | 2024/4/22 | 7/26 | 9/23 | 10/22 | 2025/7/11 | 2026/1/20 | 4/24 | | | | | |
| Recommendation | BUY | BUY | BUY | BUY | BUY | BUY | BUY | | | | | |
| Target price (KRW) | 15000 | 16000 | 17000 | 17500 | 26000 | 28000 | 41000 | | | | | |
| Gap* (average) | -16.23 | -14.48 | -19.53 | -13.81 | -21.03 | 12.38 | | | | | | |
| (max or min)** | -9.53 | -11.25 | -17.18 | 27.43 | -9.81 | 40.00 | | | | | | |
| **Kiwoom Securities** | | | | | | | | | | | | |
| Date | 2024/4/22 | 5/2 | 7/31 | 2025/4/30 | 7/11 | 10/20 | 10/30 | 2026/1/20 | 2/4 | | | |
| Recommendation | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | | | |
| Target price (KRW) | 150000 | 160000 | 165000 | 170000 | 290000 | 307000 | 350000 | 380000 | 520000 | | | |
| Gap* (average) | -12.58 | -18.43 | -23.65 | 8.95 | -21.27 | -8.59 | -16.57 | 1.68 | | | | |
| (max or min)** | -11.73 | -9.63 | -14.85 | 41.18 | -4.14 | -2.77 | -5.71 | 19.74 | | | | |

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
** Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

**Samsung Securities uses the following investment ratings***

**Company**

| | |
|---|---|
| **BUY** | Expected to increase in value by 15% or more within 12 months and is highly attractive within sector |
| **HOLD** | Expected to increase/decrease in value by less than 15% within 12 months |
| **SELL** | Expected to decrease in value by 15% or more within 12 months |

**Industry**

| | |
|---|---|
| **OVERWEIGHT** | Expected to outperform market by 5% or more within 12 months |
| **NEUTRAL** | Expected to outperform/underperform market by less than 5% within 12 months |
| **UNDERWEIGHT** | Expected to underperform market by 5% or more within 12 months |

* Note: Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

**Percentage of ratings in 12 months prior to 2026.03.31**

BUY(85.2%)·HOLD(14.8%)·SELL(0%)

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