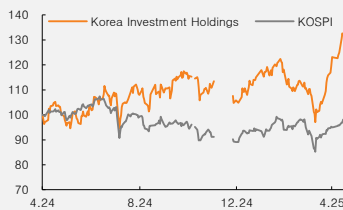


(Maintain)	<b>Buy</b>
Target price	<b>▲ W120,000</b>
Current price (5/14/25)	W89,000
Upside	34.8%

OP (25F, Wbn)	1,763
Consensus OP (25F, Wbn)	1,291
EPS growth (25F, %)	37.3
Market EPS growth (25F, %)	24.9
P/E (25F, x)	3.8
Market P/E (25F, x)	9.6
KOSPI	2,640.57

Market cap (Wbn)	4,960
Shares outstanding (mn)	56
Free float (%)	73.3
Foreign ownership (%)	38.8
Beta (12M)	0.92
52-week low (W)	63,700
52-week high (W)	89,400

(%)	1M	6M	12M
Absolute	29.9	24.8	26.1
Relative	20.8	14.3	30.3



Mirae Asset Securities Co., Ltd.

**Tae Joon Jeong, CFA**

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# Korea Investment Holdings

## Differentiated earnings power

### Raise TP to W120,000; maintain Buy

We maintain our Buy rating on Korea Investment Holdings (KIH) and raise our target price to W120,000 (from W110,000). For 1Q25, net profit attributable to owners of the parent came in far above both our estimate and the consensus, driven by strong trading/financial product income (significantly exceeding the levels at peers). In addition, IB income is recovering, dividend income is steadily rising, and provisions previously set aside for real estate PF are starting to be reversed. Given all of these positive developments, we retain the stock as our top pick in the securities sector.

For 1Q25, net profit attributable to owners of the parent came in at W458.4bn, sharply beating both our estimate (W359.1bn) and the consensus (W343.8bn). The earnings beat was mainly driven by strong trading/financial product income. Standalone net profit was even higher at W465.7bn, aided by solid IB/other income. That said, a recovery in earnings from consolidated subsidiaries has yet to materialize.

Net fee/commission income was in line with estimates on a consolidated basis (+11.9% YoY, +6.1% QoQ) and better than expected on a standalone basis (+15.5% YoY, +14% QoQ). By source, brokerage and wealth management commissions met estimates, while IB commissions exceeded estimates.

Interest income was in line with estimates on a consolidated basis (+16.7% YoY, +5.7% QoQ) and higher than expected on a standalone basis (+27.8% YoY, +16.4% QoQ), mainly thanks to a significant decline in interest expenses.

Trading/financial product income beat expectations by a wide margin on both a consolidated and standalone basis, mainly driven by strong gains in bond trading.

Other income missed estimates on a consolidated basis (due to sluggish earnings at non-securities subsidiaries) but beat on a standalone basis (thanks to increased dividend income and the reversal of real estate PF-related provisions).

(Dec.)	2023	2024	2025F	2026F	2027F
Net operating revenue (Wbn)	1,989	2,635	3,220	3,424	3,603
OP (Wbn)	820	1,200	1,763	1,887	2,000
NP (Wbn)	707	1,040	1,428	1,512	1,595
EPS (W)	11,480	16,883	23,186	24,556	25,900
BPS (W)	143,392	165,262	180,700	200,833	222,090
P/E (x)	5.3	4.2	3.8	3.6	3.4
P/B (x)	0.40	0.40	0.50	0.40	0.40
ROE (%)	8.8	11.5	14.1	13.6	12.9
Shareholder return yield (%)	4.3	4.5	6.2	6.5	6.9
Equity (Wbn)	8,445	9,735	10,637	11,812	13,054

Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent

Source: Company data, Mirae Asset Securities Research estimates

**Table 1. KIH: 1Q25 review (standalone)**

(Wbn)

	Mirae Asset	1Q25	Notes
Net operating revenue	570	839	
Net fee/commission income	246	276	
Fee/commission income	286	317	
Brokerage	109	115	
WM	40	39	
IB/other	137	163	
Fee/commission expenses	40	41	
Interest income	153	170	
Trading/financial products	41	188	
Other	130	205	Increased dividend income and reversals of real estate PF provisions
SG&A expenses	228	265	SG&A ratio (31.5%) lower than estimate (40.0%)
OP	342	575	
Pretax profit	351	577	
Taxes	93	111	
NP	258	466	

Source: Company data, Mirae Asset Securities Research

**Table 2. KIH: 1Q25 review (consolidated)**

(Wbn)

	Mirae Asset	1Q25	Notes
Net operating revenue	778	890	
Net fee/commission income	317	333	
Interest income	344	354	
Trading/financial products	57	152	
Other	60	51	
SG&A expenses	357	360	SG&A ratio (40.5%) lower than estimate (45.8%)
OP	422	530	
Pretax profit	492	615	
Taxes	131	156	
Consolidated NP	360	459	
NP attr. to owners of the parent	359	458	

Source: Company data, Mirae Asset Securities Research

**Table 3. KIH: Earnings and forecasts**

(Wbn)

	1Q25	2Q25F	3Q25F	4Q25F	2024	2025F	2026F
Net operating revenue	890	768	774	788	2,635	3,220	3,424
Net fee/commission income	333	343	350	358	1,225	1,384	1,497
Interest income	354	367	369	371	1,255	1,460	1,514
Trading/financial products	152	12	55	55	106	274	310
Other	51	46	1	4	49	103	103
SG&A expenses	360	359	354	385	1,435	1,457	1,536
OP	530	409	421	404	1,200	1,763	1,887
Pretax profit	615	401	459	464	1,399	1,939	2,063
Taxes	156	106	122	123	353	507	547
Consolidated NP	459	295	337	341	1,046	1,432	1,516
NP attr. to owners of the parent	458	294	336	340	1,040	1,428	1,512

Source: Company data, Mirae Asset Securities Research

**Table 4. KIH: TP calculation**

(W, x, %)

	Value	Notes
Previous TP	110,000	
2025F ROE	12.9	Mirae Asset Securities est.
Adj. discount rate	21.0	
Target P/B	0.62	
2025F BPS	174,830	Mirae Asset Securities est.
Revised TP	120,000	
2025F ROE	12.9	Mirae Asset Securities est.
Adj. discount rate	21.0	
Target P/B	0.67	
2025F BPS	180,700	Mirae Asset Securities est.
Current price	89,000	
Upside	34.8	
Rating	Buy	20% upside

Source: Company data, Mirae Asset Securities Research

## Korea Investment Holdings (071050 KS)

## Income statement (standalone)

(Wbn)	2024	2025F	2026F	2027F
Net operating revenue	2,540	2,786	2,983	3,157
Net fee/commission income	976	1,158	1,271	1,369
Fees/commissions	1,149	1,330	1,460	1,572
Brokerage	436	481	536	576
WM	143	161	176	188
IB/other	570	688	748	809
Fee/commission expenses	173	172	189	203
Interest income	530	724	772	814
Trading/financial products	156	334	370	404
Other	877	570	570	570
SG&A expenses	1,000	1,075	1,154	1,221
OP	1,540	1,710	1,829	1,936
Non-OP	-75	9	9	9
Non-operating expenses	0	0	0	0
Pretax profit	1,464	1,720	1,838	1,945
Taxes	269	413	485	514
NP	1,195	1,307	1,353	1,432

## Balance sheet (standalone)

(Wbn)	2024	2025F	2026F	2027F
Assets	85,370	92,652	100,485	108,351
Cash/deposits	8,302	8,691	9,425	10,180
Securities	63,352	68,756	74,569	80,540
Loans	7,493	8,610	9,240	9,491
Tangible assets	422	434	471	508
Intangible assets	84	86	93	100
Investment properties	12	13	14	15
Other	5,703	6,062	6,673	7,697
Liabilities	76,053	82,168	88,989	95,961
Deposits	12,237	13,221	14,318	15,440
Borrowings/debentures	56,472	61,013	66,078	71,255
Provisions for other est. liabilities	51	28	30	32
Deferred tax liabilities	0	0	0	0
Other	7,293	7,906	8,563	9,233
Equity	9,317	10,483	11,496	12,570
Capital stock	176	176	176	176
Capital surplus	4,829	5,529	5,529	5,529
Retained earnings	4,041	4,504	5,517	6,591
Other	270	274	274	274

## ROA breakdown (standalone)

(%)	2024	2025F	2026F	2027F
Net operating revenue				
Net fee/commission income	38.4	41.6	42.6	43.4
Fees/commissions	45.2	47.7	48.9	49.8
Brokerage	17.2	17.3	18.0	18.2
WM	5.6	5.8	5.9	5.9
IB/other	22.4	24.7	25.1	25.6
Interest income	20.9	26.0	25.9	25.8
Trading/financial products	6.1	12.0	12.4	12.8
Other	34.5	20.5	19.1	18.1
Asset turnover ratio				
Net fee/commission income	1.14	1.25	1.27	1.26
Fees/commissions	1.35	1.44	1.45	1.45
Brokerage	0.51	0.52	0.53	0.53
WM	0.17	0.17	0.18	0.17
IB/other	0.67	0.74	0.74	0.75
Interest income	0.62	0.78	0.77	0.75
Trading/financial products	0.18	0.36	0.37	0.37
Other	1.03	0.62	0.57	0.53

## Financial statement (consolidated)

(Wbn)	2024	2025F	2026F	2027F
Net operating revenue	2,635	3,220	3,424	3,603
Net fee/commission income	1,225	1,384	1,497	1,595
Interest income	1,255	1,460	1,514	1,561
Trading/financial products	106	274	310	345
Other	49	103	103	103
SG&A expenses	1,435	1,457	1,536	1,603
OP	1,200	1,763	1,887	2,000
Non-OP	199	176	176	176
Non-operating expenses	0	0	0	0
Pretax profit	1,399	1,939	2,063	2,176
Taxes	353	507	547	577
NP	1,046	1,432	1,516	1,599
Attr. to owners of the parent	1,040	1,428	1,512	1,595
Minority interests	6	4	4	4
Assets	109,220	116,434	124,543	132,864
Liabilities	99,486	105,723	112,544	119,516
Equity	9,735	10,637	11,812	13,054

## Investment indicators

(x, %, W)	2024	2025F	2026F	2027F
Valuation				
P/B	0.40	0.50	0.40	0.40
P/E	4.2	3.8	3.6	3.4
Payout ratio	5.6	6.2	6.5	6.9
Per-share indicators				
BPS	165,262	180,700	200,833	222,090
EPS	16,883	23,186	24,556	25,900
DPS	3,980	5,500	5,800	6,100
Growth				
BPS	15.3	9.3	11.1	10.6
EPS	47.1	37.3	5.9	5.5
Profitability				
ROE	11.5	14.1	13.6	12.9
ROA	1.00	1.30	1.30	1.24
Cost-to-income ratio	39.4	38.6	38.7	38.7
OP margin	45.5	54.7	55.1	55.5
Pretax margin	53.1	60.2	60.3	60.4
Net margin	39.5	44.3	44.2	44.3
Financial leverage (standalone)	7.3	7.1	7.1	7.1

## ROA breakdown (consolidated)

(%)	2024	2025F	2026F	2027F
Net operating revenue				
Net fee/commission income	46.5	43.0	43.7	44.3
Interest income	47.6	45.3	44.2	43.3
Trading/financial products	4.0	8.5	9.1	9.6
Other	1.9	3.2	3.0	2.8
Asset turnover ratio				
Net fee/commission income	1.12	1.19	1.20	1.20
Interest income	1.15	1.25	1.22	1.17
Trading/financial products	0.10	0.24	0.25	0.26
Other	0.04	0.09	0.08	0.08

## No. of shares &amp; dividend payout ratio

('000, %)	2024	2025F	2026F	2027F
Issued shares (year-end)	61,584	61,584	61,584	61,584
Common	55,726	55,726	55,726	55,726
Preferred	5,858	5,858	5,858	5,858
Dividend payout ratio				
Common	22.4	22.6	22.5	22.4
Preferred	2.2	2.3	2.3	2.3

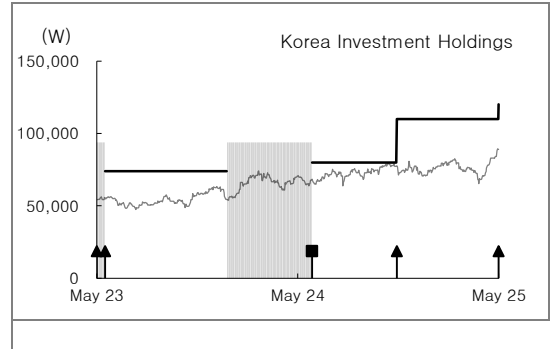
Source: Company data, Mirae Asset Securities Research estimates

# Appendix 1

## Important disclosures and disclaimers

### Two-year rating and TP history

Company	Date	Rating	TP (₩)
Korea Investment Holdings (071050)	05/15/25	Buy	120,000
	11/11/24	Buy	110,000
	06/10/24	Trading Buy	80,000
	01/08/24	No Coverage	
	05/31/23	Buy	74,000
	03/30/23	No Coverage	



### Stock ratings

Buy	Expected 12-month return: +20% or greater
Hold	Expected 12-month return: Greater than -10% and less than +10%
Sell	Expected 12-month return: -10% or less

### Sector ratings

Overweight	Expected to outperform the market over 12 months
Neutral	Expected to perform in line with the market over 12 months
Underweight	Expected to underperform the market over 12 months

As of May 12, 2025, the Trading Buy rating category has been removed from our investment rating system.

Stocks expected to deliver a 12-month return between +10% and less than +20% may be rated either Buy or Hold at the discretion of the research analyst.

Rating and TP history: Share price (—), TP (—), Not Rated (■), Buy (▲), Trading Buy (■), Hold (●), Sell (◆)

\* Our investment rating is a guide to the expected return of the stock over the next 12 months.

\* Outside of the official ratings of Mirae Asset Securities Co., Ltd., analysts may call trading opportunities should technical or short-term material developments arise.

\* The TP was determined by the research analyst through valuation methods discussed in this report, in part based on estimates of future earnings.

\* TP achievement may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

### Ratings distribution and investment banking services

	Buy	Trading Buy	Hold	Sell
Ratings distribution	83.98%	6.63%	8.84%	0.55%
Investment banking services	88.24%	0%	11.76%	0%

\* Based on recommendations in the last 12-months (as of March 31, 2025)

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