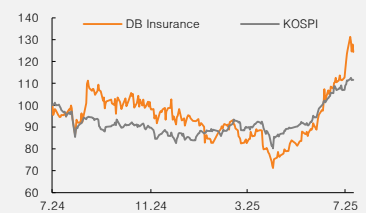


(Downgrade)	<b>Hold</b>
Target price	<b>▲ W150,000</b>
Current price (7/18/25)	W137,700
Upside	8.9%

OP (25F, Wbn)	2,160
Consensus OP (25F, Wbn)	2,271
EPS growth (25F, %)	-11.3
Market EPS growth (25F, %)	24.5
P/E (25F, x)	5.9
Market P/E (25F, x)	11.7
KOSPI	3,188.07

Market cap (Wbn)	9,749
Shares outstanding (mn)	71
Free float (%)	61.4
Foreign ownership (%)	45.1
Beta (12M)	1.12
52-week low (W)	78,900
52-week high (W)	145,400

(%)	1M	6M	12M
Absolute	18.5	46.8	31.4
Relative	10.5	16.2	16.4



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# DB Insurance

## Dividend expectations already priced in

### Raise TP to W150,000, but downgrade to Hold

We raise our target price for DB Insurance to W150,000 (from W130,000), applying a target P/B of 1.0x to our 2025 BPS estimate. Under its corporate value enhancement plan, the firm aims to increase its dividend payout ratio to 35% over the medium to long term. And we believe it could achieve that target sooner than planned, given the government's push to introduce separate taxation on dividend income for companies with payout ratios above 35%. With this in mind, we believe our target P/B of 1.0x is justified. Meanwhile, with our target price implying only 8.9% upside, we downgrade the stock to Hold (from Buy).

### Even with a payout ratio of 35%, dividend yield would only be 6.6%

We forecast DB Insurance's 2025 dividend payout ratio at 26%, implying a modest yield of 4.9%. Nonetheless, the stock has recently rallied due to: 1) the government's push for separate taxation on dividend income (which, if implemented, could prompt the firm to quickly raise its payout ratio to 35%); and 2) its sizable treasury share holdings (15.19%). However, even if the payout ratio were immediately increased to 35%, the resulting dividend yield would only be 6.6%. Moreover, expectations for the cancellation of existing treasury shares seem premature. All in all, further upside appears limited.

### 2Q25 preview

For 2Q25, we expect DB Insurance to report net profit attributable to owners of the parent of W458.5bn, in line with the consensus. Underwriting profit likely declined QoQ due to one-off losses from the Kumho Tire plant fire and wildfires in the Yeongnam region, as well as worsening loss ratios in auto insurance. Investment profits likely remained nearly flat QoQ. Meanwhile, we estimate new business CSM improved markedly QoQ on a rapid recovery in the CSM multiple.

(Dec.)	2023	2024	2025F	2026F	2027F
Underwriting profit (Wbn)	1,550	1,619	1,254	1,530	1,685
Pretax profit (Wbn)	2,017	2,363	2,160	2,436	2,590
NP (Wbn)	1,537	1,772	1,573	1,814	1,930
EPS (W)	24,556	26,152	23,207	26,776	28,486
BPS (W)	170,486	154,832	150,132	173,793	197,930
P/E (x)	3.4	3.9	5.9	5.1	4.8
P/B (x)	0.49	0.66	0.92	0.79	0.70
ROE (%)	18.7	20.7	19.0	20.6	19.1
Shareholder return yield (%)	6.3	6.6	4.9	6.4	7.5
K-ICS ratio (%)	233.1	203.0	195.6	196.2	194.1

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

Source: Company data, Mirae Asset Securities Research estimates

**Table 1. DB Insurance: TP calculation**

(W, x, %)

	Value	Notes
Previous TP	130,000	
2025F ROE	21.5	Mirae Asset Securities est.
Adj. discount rate	25.9	
Target P/B	0.83	
2025F BPS	156,635	Mirae Asset Securities est.
Revised TP	150,000	
2025F ROE (G)	19.0	Mirae Asset Securities est.
Adj. discount rate	19.0	
Target P/B	1.00	
2025F BPS	149,691	Mirae Asset Securities est.
Current price	137,700	
Upside	8.9	(K) = (J) ÷ (A)
Rating	Hold	

Source: Company data, Mirae Asset Securities Research

**Table 2. DB Insurance: Earnings and forecasts**

(Wbn)

	1Q25	2Q25F	3Q25F	4Q25F	2024	2025F	2026F
Underwriting profit	403	365	270	217	1,619	1,254	1,530
CSM release	323	332	340	350	1,287	1,346	1,474
RA release	37	36	40	36	132	149	149
Adj. for experience variances	5	27	23	-62	55	-7	-20
Other expenses	37	-29	-134	-107	146	-234	-73
Investment profit	244	250	287	124	744	905	905
Excl. insurance fin. gains/losses	438	444	480	342	1,514	1,704	1,704
OP	647	615	556	341	2,363	2,160	2,436
Non-OP	-3	-3	-3	-3	3	-14	-14
Pretax profit	643	612	553	338	2,366	2,146	2,422
Taxes	196	154	139	85	594	573	608
NP	447	459	414	253	1,772	1,573	1,814

Source: Company data, Mirae Asset Securities Research

## DB Insurance (005830 KS)

## Income statement

(Wbn)	2024	2025F	2026F	2027F
Underwriting profit	1,619	1,254	1,530	1,685
CSM release	1,287	1,346	1,474	1,591
RA release	132	149	149	149
Adj. for experience variances	55	-7	-20	-26
Other	146	-234	-73	-29
Investment profit	744	905	905	905
Excl. insurance fin. gains/losses	1,514	1,704	1,704	1,704
FVPL valuation gains/losses	48	13	13	13
Disposal gains/losses	117	116	116	116
OP	2,363	2,160	2,436	2,590
Non-OP	3	-14	-14	-14
Pretax profit	2,366	2,146	2,422	2,577
Taxes	594	573	608	647
Tax rate	25	27	25	25.1
NP	1,772	1,573	1,814	1,930

## Key ratios

(x, %, W, Wbn)	2024	2025F	2026F	2027F
P/E	3.9	5.9	5.1	4.8
P/B	0.70	0.90	0.80	0.70
Dividend yield	6.6	4.9	6.4	7.5
EPS	26,152	23,207	26,776	28,486
BPS	154,832	150,132	173,793	197,930
DPS	6,800	6,800	8,800	10,300
ROE	20.7	19.0	20.6	19.1
ROA	3.50	2.82	2.99	2.98
K-ICS ratio	203.0	195.6	196.2	194.1
Available capital	19,098	20,566	23,085	25,513
Required capital	9,408	10,514	11,766	13,144
Dividend payout ratio	23.0	26.0	29.1	32.0
Common	23.0	26.0	29.1	32.0
Preferred	0.0	0.0	0.0	0.0

Source: Company data, Mirae Asset Securities Research estimates

## Balance sheet

(Wbn)	2024	2025F	2026F	2027F
Assets	52,859	58,522	62,684	66,762
Cash	750	616	660	703
Financial assets	34,652	38,204	40,921	43,583
FVPL	11,407	12,729	13,635	14,522
FVOCI	22,226	23,096	23,096	23,096
AC	0	0	0	0
Other assets	17,456	19,702	21,103	22,475
Liabilities	44,443	50,362	53,237	56,003
Insurance liabilities	31,937	36,143	39,018	41,784
BEL	15,467	17,735	19,348	20,980
CSM	12,232	13,956	15,189	16,305
RA	1,884	2,005	2,033	2,051
Other	2,355	2,447	2,447	2,447
Other liabilities	12,506	14,219	14,219	14,219
Equity	8,416	8,161	9,447	10,759
Capital stock	35	35	35	35
Capital surplus	38	38	38	38
Retained earnings	10,105	10,861	12,147	13,459
Surrender value reserves	3,239	4,009	4,325	4,454
Capital adj.	-152	-152	-152	-152
AOCI	-1,609	-2,621	-2,621	-2,621
Hybrid securities	0	0	0	0

## CSM chg.

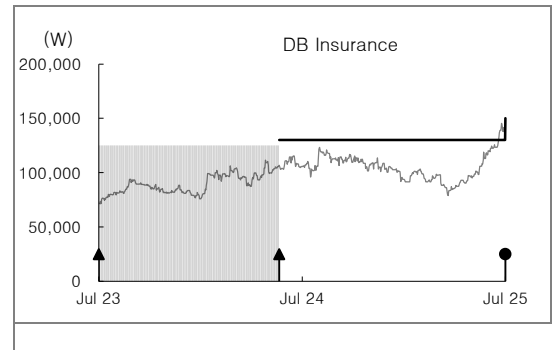
(Wbn)	2024	2025F	2026F	2027F
Starting CSM	12,152	12,232	13,956	15,189
New business	3,078	3,274	3,274	3,274
Discount unwind	441	423	423	423
Adj.	-2,142	-629	-990	-990
Release	-1,298	-1,345	-1,474	-1,591
Ending CSM	12,232	13,956	15,189	16,305

# Appendix 1

## Important disclosures and disclaimers

### Two-year rating and TP history

Company	Date	Rating	TP (W)
DB Insurance (005830)	07/21/25	Hold	150,000
	06/10/25	One year	130,000
	06/10/24	Buy	130,000
	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	84.91%	5.59%	8.94%	0.56%
Investment banking services	88.89%	0%	11.11%	0%

\* Based on recommendations in the last 12-months (as of June 30, 2025)

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