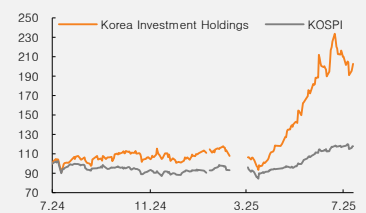


(Maintain)	<b>Hold</b>
Target price	<b>W145,000</b>
Current price (8/6/25)	W142,000
Upside	2.1%

OP (25F, Wbn)	1,969
Consensus OP (25F, Wbn)	1,705
EPS growth (25F, %)	63.0
Market EPS growth (25F, %)	24.0
P/E (25F, x)	5.2
Market P/E (25F, x)	11.8
KOSPI	3,198.14

Market cap (Wbn)	7,913
Shares outstanding (mn)	56
Free float (%)	73.3
Foreign ownership (%)	37.6
Beta (12M)	1.38
52-week low (W)	65,400
52-week high (W)	163,600

(%)	1M	6M	12M
Absolute	6.8	79.3	114.2
Relative	2.0	42.2	68.9



Mirae Asset Securities Co., Ltd.

**Tae Joon Jeong, CFA**  
taejoon.jeong@miraeasset.com

# Korea Investment Holdings

## Earnings surprise driven by large valuation gains

### Maintain Hold; TP unchanged at W145,000

We maintain our Hold rating and target price of W145,000 for Korea Financial Group. The company posted a strong earnings surprise in 2Q25, driven by large-scale valuation gains from both its securities and asset management subsidiaries. However, with no updates on shareholder return policies in the earnings materials or IR disclosures, we assume the existing capital return framework will remain in place. Accordingly, our target price remains based on 2025F BPS and a target P/B multiple of 0.8x, unchanged at W145,000.

### 2Q25 net profit far exceeds expectations

2Q25 net profit attributable to owners of the parent came in at W539bn, significantly above both our estimate (W335.8bn) and the market consensus (W375.4bn). The surprise stemmed primarily from sizable mark-to-market gains on both domestic and overseas assets at its securities and asset management arms. These valuation gains more than offset large provisions recognized at the securities and savings bank subsidiaries. Investment banking and other fee-based income, as well as net interest income, also came in slightly above expectations, contributing to the strong performance.

### 2025 dividend yield projected at 4.6%

Despite the robust earnings results, the company has yet to provide any guidance or updates on shareholder return policy in its earnings materials or value enhancement plan. As such, we assume the payout ratio will remain at the historical level of 20%, translating to a 2025F dividend yield of 4.6%. This is likely to remain below that of peers, even in the context of significant earnings growth.

(Dec.)	2023	2024	2025F	2026F	2027F
Net operating revenue (Wbn)	1,989	2,635	3,546	3,440	3,611
OP (Wbn)	820	1,200	1,969	1,819	1,916
NP (Wbn)	707	1,040	1,695	1,498	1,571
EPS (W)	11,480	16,883	27,519	24,331	25,501
BPS (W)	143,392	165,262	181,675	201,627	222,521
P/E (x)	5.3	4.2	5.2	5.8	5.6
P/B (x)	0.40	0.40	0.80	0.70	0.64
ROE (%)	8.8	11.5	16.7	13.4	12.7
Shareholder return yield (%)	4.3	5.6	4.6	4.0	4.3
Equity (Wbn)	8,445	9,735	10,693	11,858	13,078

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



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

(Wbn)

	Mirae Asset	2Q25P	Notes
Net operating revenue	696	787	
Net fee/commission income	295	304	
Fee/commission income	338	357	
Brokerage	131	133	
WM	43	43	
IB/other	164	181	
Fee/commission expenses	44	53	
Interest income	183	197	
Trading/financial products	77	251	
Other	142	35	
SG&A expenses	244	282	SG&A ratio (35.8%) came in below estimate (35.0%)
OP	453	505	
Pretax profit	427	612	
Taxes	113	176	
Consolidated NP	315	436	

Source: Company data, Mirae Asset Securities Research

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

(Wbn)

	Mirae Asset	2Q25P	Notes
Net operating revenue	806	997	
Net fee/commission income	351	379	
Interest income	367	374	
Trading/financial products	42	325	
Other	46	-81	
SG&A expenses	339	412	SG&A ratio (41.3%) met our estimate (42.1%)
OP	466	586	
Pretax profit	458	733	
Taxes	121	193	
Consolidated NP	337	540	
NP attr. to owners of the parent	336	539	

Source: Company data, Mirae Asset Securities Research

**Table 3. KIH: Earnings and forecasts (consolidated)**

(Wbn)

	1Q25	2Q25	3Q25F	4Q25F	2024	2025F	2026F
Net operating revenue	890	997	833	827	2,635	3,546	3,440
Net fee/commission income	333	379	389	385	1,225	1,485	1,562
Interest income	354	374	383	377	1,255	1,488	1,513
Trading/financial products	152	325	60	60	106	597	281
Other	51	-81	1	4	49	-24	83
SG&A expenses	360	412	407	399	1,435	1,578	1,621
OP	530	586	426	428	1,200	1,969	1,819
Pretax profit	615	733	464	488	1,399	2,300	2,046
Taxes	156	193	123	130	353	601	543
Consolidated NP	459	540	341	359	1,046	1,699	1,503
NP attr. to owners of the parent	458	539	340	358	1,040	1,695	1,498

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	2,994	2,854	3,044
Net fee/commission income	976	1,206	1,265	1,374
Fees/commissions	1,149	1,409	1,485	1,614
Brokerage	436	515	513	562
WM	143	165	160	175
IB/other	570	729	812	876
Fee/commission expenses	173	203	221	240
Interest income	530	778	829	889
Trading/financial products	156	546	230	251
Other	877	464	530	530
SG&A expenses	1,000	1,094	1,103	1,176
OP	1,540	1,900	1,751	1,867
Non-OP	-75	142	37	37
Non-operating expenses	0	0	0	0
Pretax profit	1,464	2,042	1,788	1,904
Taxes	269	512	472	503
NP	1,195	1,529	1,316	1,402

## Balance sheet (standalone)

(Wbn)	2024	2025F	2026F	0
Assets	85,370	93,050	100,731	108,571
Cash/deposits	8,302	7,796	8,440	9,097
Securities	63,352	69,052	74,752	80,570
Loans	7,493	8,767	8,986	9,038
Tangible assets	422	430	465	501
Intangible assets	84	81	88	95
Investment properties	12	13	14	15
Other	5,703	6,912	7,986	9,256
Liabilities	76,053	82,282	88,985	95,778
Deposits	12,237	13,239	14,318	15,411
Borrowings/debentures	56,472	61,098	66,075	71,119
Provisions for other est. liabilities	51	36	39	42
Deferred tax liabilities	0	0	0	0
Other	7,293	7,909	8,553	9,206
Equity	9,317	10,768	11,746	12,793
Capital stock	176	176	176	176
Capital surplus	4,829	5,529	5,529	5,529
Retained earnings	4,041	4,652	5,630	6,677
Other	270	411	411	411

## ROA breakdown (standalone)

(%)	2024	2025F	2026F	2027F
Net operating revenue				
Net fee/commission income	38.4	40.3	44.3	45.1
Fees/commissions	45.2	47.1	52.1	53.0
Brokerage	17.2	17.2	18.0	18.5
WM	5.6	5.5	5.6	5.8
IB/other	22.4	24.4	28.5	28.8
Interest income	20.9	26.0	29.0	29.2
Trading/financial products	6.1	18.3	8.1	8.2
Other	34.5	15.5	18.6	17.4
Asset turnover ratio				
Net fee/commission income	1.14	1.30	1.26	1.27
Fees/commissions	1.35	1.51	1.47	1.49
Brokerage	0.51	0.55	0.51	0.52
WM	0.17	0.18	0.16	0.16
IB/other	0.67	0.78	0.81	0.81
Interest income	0.62	0.84	0.82	0.82
Trading/financial products	0.18	0.59	0.23	0.23
Other	1.03	0.50	0.53	0.49

## Financial statement (consolidated)

(Wbn)	2024	2025F	2026F	0
Net operating revenue	2,635	3,546	3,440	3,611
Net fee/commission income	1,225	1,485	1,562	1,672
Interest income	1,255	1,488	1,513	1,554
Trading/financial products	106	597	281	302
Other	49	-24	83	83
SG&A expenses	1,435	1,578	1,621	1,695
OP	1,200	1,969	1,819	1,916
Non-OP	199	332	227	227
Non-operating expenses	0	0	0	0
Pretax profit	1,399	2,300	2,046	2,144
Taxes	353	601	543	569
NP	1,046	1,699	1,503	1,575
Attr. to owners of the parent	1,040	1,695	1,498	1,571
Minority interests	6	4	5	5
Assets	109,220	118,165	125,849	133,714
Liabilities	99,486	107,306	113,520	119,845
Equity	9,735	10,693	11,858	13,078

## Investment indicators

(x, %, W)	2024	2025F	2026F	2027F
Valuation				
P/B	0.40	0.80	0.70	0.64
P/E	4.2	5.2	5.8	5.6
Payout ratio	5.6	4.6	4.0	4.3
Per-share indicators				
BPS	165,262	181,675	201,627	222,521
EPS	16,883	27,519	24,331	25,501
DPS	3,980	6,500	5,750	6,050
Growth				
BPS	15.3	9.9	11.0	10.4
EPS	47.1	63.0	-11.6	4.8
Profitability				
ROE	11.5	16.7	13.4	12.7
ROA	1.00	1.50	1.20	1.21
Cost-to-income ratio	39.4	36.5	38.6	38.6
OP margin	45.5	55.5	52.9	53.1
Pretax margin	53.1	64.9	59.5	59.4
Net margin	39.5	47.8	43.6	43.5
Financial leverage (standalone)	7.3	6.9	6.9	6.9

## ROA breakdown (consolidated)

(%)	2024	2025F	2026F	2027F
Net operating revenue				
Net fee/commission income	46.5	41.9	45.4	46.3
Interest income	47.6	42.0	44.0	43.0
Trading/financial products	4.0	16.8	8.2	8.4
Other	1.9	-0.7	2.4	2.3
Asset turnover ratio				
Net fee/commission income	1.12	1.26	1.24	1.25
Interest income	1.15	1.26	1.20	1.16
Trading/financial products	0.10	0.51	0.22	0.23
Other	0.04	-0.02	0.07	0.06

## 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	22.5	22.5	22.6
Preferred	2.2	2.3	2.3	2.3

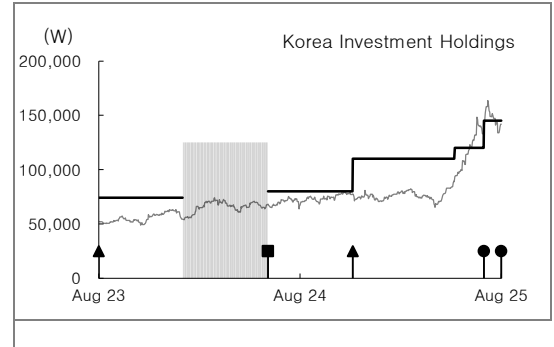
Source: Company data, Mirae Asset Securities Research estimates

# Appendix 1

## Important disclosures and disclaimers

### Two-year rating and TP history

Company	Date	Rating	TP (W)
Korea Investment Holdings (071050)	07/07/25	Hold	145,000
	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



### 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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## Mirae Asset Securities International Network

---

### Mirae Asset Securities Co., Ltd. (Seoul)

One-Asia Equity Sales Team  
Mirae Asset Center 1 Building  
26 Eulji-ro 5-gil, Jung-gu, Seoul 04539  
Korea

Tel: 82-2-3774-2124

---

### Mirae Asset Securities (USA) Inc.

810 Seventh Avenue, 37th Floor  
New York, NY 10019  
USA

Tel: 1-212-407-1000

---

### Mirae Asset Securities (Singapore) Pte. Ltd.

6 Battery Road, #11-01  
Singapore 049909  
Republic of Singapore

Tel: 65-6671-9845

---

### Mirae Asset Investment Advisory (Beijing) Co., Ltd

2401B, 24th Floor, East Tower, Twin Towers  
B12 Jianguomenwai Avenue, Chaoyang District  
Beijing 100022  
China

Tel: 86-10-6567-9699

---

### Ho Chi Minh Representative Office

7F, Saigon Royal Building  
91 Pasteur St.  
District 1, Ben Nghe Ward, Ho Chi Minh City  
Vietnam

Tel: 84-8-3910-7715

---

### Mirae Asset Securities (HK) Ltd.

Units 8501, 8507-8508, 85/F  
International Commerce Centre  
1 Austin Road West  
Kowloon  
Hong Kong SAR  
Tel: 852-2845-6332

---

### Mirae Asset Wealth Management (Brazil) CCTVM

Rua Funchal, 418, 18th Floor, E-Tower Building  
Vila Olimpia  
Sao Paulo - SP  
04551-060  
Brazil  
Tel: 55-11-2789-2100

---

### Mirae Asset Securities (Vietnam) LLC

7F, Saigon Royal Building  
91 Pasteur St.  
District 1, Ben Nghe Ward, Ho Chi Minh City  
Vietnam

Tel: 84-8-3911-0633 (ext.110)

---

### Beijing Representative Office

2401A, 24th Floor, East Tower, Twin Towers  
B12 Jianguomenwai Avenue, Chaoyang District  
Beijing 100022  
China

Tel: 86-10-6567-9699 (ext. 3300)

---

### Mirae Asset Capital Markets (India) Pvt Ltd

1st Floor, Tower 4, Equinox Business Park,  
LBS Marg, Off BKC, Kurla (West), Mumbai - 400 070  
India

Tel: 91-22-62661300 / 48821300

---

### Mirae Asset Securities (UK) Ltd.

41st Floor, Tower 42  
25 Old Broad Street,  
London EC2N 1HQ  
United Kingdom

Tel: 44-20-7982-8000

---

### PT. Mirae Asset Sekuritas Indonesia

District 8, Treasury Tower Building Lt. 50  
Sudirman Central Business District  
Jl. Jend. Sudirman, Kav. 52-54  
Jakarta Selatan 12190  
Indonesia  
Tel: 62-21-5088-7000

---

### Mirae Asset Securities Mongolia UTsk LLC

#406, Blue Sky Tower, Peace Avenue 17  
1 Khoroo, Sukhbaatar District  
Ulaanbaatar 14240  
Mongolia

Tel: 976-7011-0806

---

### Shanghai Representative Office

38T31, 38F, Shanghai World Financial Center  
100 Century Avenue, Pudong New Area  
Shanghai 200120  
China

Tel: 86-21-5013-6392

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