003690 KS · Insurance

Korean Re

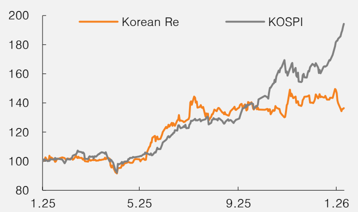
Likely to meet requirements for separate taxation on dividend income

Equity Research
January 19, 2026

(Maintain)	**Hold**
Target price	▲ **W12,600**
Current price (1/16/26)	W10,960
Upside	15.0%

OP (25F, Wbn)	478
Consensus OP (25F, Wbn)	459
EPS growth (25F, %)	-10.9
Market EPS growth (25F, %)	35.0
P/E (25F, x)	8.1
Market P/E (25F, x)	16.5
KOSPI	4,840.74
Market cap (Wbn)	2,135
Shares outstanding (mn)	195
Free float (%)	70.4
Foreign ownership (%)	25.0
Beta (12M)	0.20
52-week low (W)	7,360
52-week high (W)	12,020

(%)	1M	6M	12M
Absolute	-5.4	-2.7	35.1
Relative	-21.9	-35.9	-29.4



Mirae Asset Securities Co., Ltd.

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Raise TP to W12,600; maintain Hold

We maintain our Hold rating on Korean Re and raise our target price to W12,600 (from W12,000). Our target price corresponds to a 2026F dividend yield of 5% based on our DPS estimate of W630. We believe the company can sustain its attractiveness as a dividend play, as: 1) it faces no constraints on dividend expansion stemming from surrender value reserve issues; and 2) its payout ratio has already exceeded 25%, meaning that it would be able to meet the requirements for separate taxation on dividends simply by increasing dividends by 10% or more YoY. That said, with our target price implying upside of only 15%, we maintain our Hold rating.

4Q25 earnings likely declined YoY and QoQ

For 4Q25, we expect the company to report sluggish net profit of W31.7bn (-49.4% YoY, -57.2% QoQ). Due to the lack of recent earnings forecasts, a meaningful consensus comparison is not possible. Earnings were likely weak due to a series of large overseas loss events during the quarter, including hurricanes in South America, floods in Southeast Asia, and a major fire in Hong Kong SAR. Nevertheless, we estimate full-year net profit rose 5.7% YoY to W301.4bn.

Limited regulatory concerns

Given the nature of the reinsurance business, Korean Re's CSM is less sensitive to changes in actuarial assumptions, suggesting that concerns related to regulatory changes—such as the introduction of standardized guidelines for loss ratio assumptions—should also be minimal. Meanwhile, Korean Re has been steadily expanding its investment asset base through asset-transfer coinsurance transactions. While growth may not be rapid, we expect the company to continue delivering gradual expansion in capital and dividends over time.

(Dec.)	2023	2024	2025F	2026F	2027F
Underwriting profit (Wbn)	209	198	251	207	225
Pretax profit (Wbn)	365	362	478	388	406
NP (Wbn)	287	285	301	294	308
EPS (W)	1,641	1,606	1,430	1,386	1,466
BPS (W)	22,416	19,539	19,885	20,917	21,958
P/E (x)	4.4	5.0	7.7	7.9	7.5
P/B (x)	0.32	0.41	0.55	0.52	0.50
ROE (%)	8.9	8.4	8.7	8.1	8.1
Shareholder return yield (%)	7.6	6.5	5.2	5.7	6.4
K-ICS ratio (%)	183.2	191.7	203.8	207.7	211.8

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

Table 1. Korean Re: TP calculation (W, x, %)

	Value	Notes
Previous TP	12,000	
2025F ROE	9.0	Mirae Asset Securities est.
Adj. discount rate	12.0	
Target P/B	0.75	
2025F BPS	16,598	Mirae Asset Securities est.
Revised TP	12,600	
2026F ROE	8.1	Mirae Asset Securities est.
Adj. discount rate	13.5	
Target P/B	0.60	
2026F BPS	20,917	Mirae Asset Securities est.
Current price	10,960	
Upside	15.0	
Rating	Hold	

Source: Company data, Mirae Asset Securities Research

Table 2. Korean Re: Earnings and forecasts (Wbn)

	1Q25	2Q25	3Q25	4Q25F	2024	2025F	2026F
Underwriting profit	71	89	77	14	198	251	207
CSM release	20	19	19	19	74	76	80
RA release	8	7	7	7	25	28	26
Adj. for experience variance	28	-24	-51	-51	-217	-98	-29
Other expenses	15	87	102	40	316	244	130
Investment profit	45	47	68	68	163	227	181
Excl. insurance fin. gains/losses	126	-49	213	213	612	501	760
OP	116	136	145	82	362	478	388
Non-OP	-1	0	-2	-2	-3	-5	-9
Pretax profit	115	136	143	80	359	473	379
Taxes	25	31	68	48	74	172	86
NP	91	105	74	32	285	301	294

Source: Company data, Mirae Asset Securities Research

Korean Re (003690 KS)

Income statement

(Wbn)	2024	2025F	2026F	2027F
Underwriting profit	198	251	207	225
CSM release	74	76	80	84
RA release	25	28	26	26
Adj. for experience variances	-217	-98	-29	-14
Other	316	244	130	130
Investment profit	163	227	181	181
Excl. insurance fin. gains/losses	612	501	760	760
FVPL valuation gains/losses	25	42	64	64
Disposal gains/losses	-12	3	0	0
OP	362	478	388	406
Non-OP	-3	-5	-9	-9
Pretax profit	359	473	379	398
Tax	74	172	86	90
Tax rate	20.1	28.6	22.6	22.6
NP	285	301	294	308

Key ratios

(x, %, W, Wbn)	2024	2025F	2026F	2027F
P/E	5.0	7.7	7.9	7.5
P/B	0.41	0.55	0.52	0.50
Dividend yield	6.5	5.2	5.7	6.4
EPS	1,606	1,430	1,386	1,466
BPS	19,539	19,885	20,917	21,958
DPS	515	570	630	700
ROE	8.4	8.7	8.1	8.1
ROA	2.29	2.29	2.18	2.24
K-ICS ratio	191.7	203.8	207.7	211.8
Available capital	4,181	4,511	4,745	4,978
Required capital	2,181	2,213	2,285	2,351
Dividend payout ratio	31.9	33.4	37.9	40.2
Common	31.9	33.4	37.9	40.2
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	12,927	13,363	13,632	13,898
Cash	574	481	490	500
Financial assets	9,354	10,094	10,297	10,498
FVPL	2,514	2,570	2,622	2,673
FVOCI	4,650	5,597	5,710	5,821
AC	1,969	1,709	1,743	1,777
Other assets	3,000	2,789	2,845	2,900
Liabilities	9,474	9,849	9,936	10,018
Insurance liabilities	8,908	9,041	9,127	9,210
BEL	7,043	7,118	7,175	7,231
CSM	953	1,009	1,061	1,109
RA	498	480	458	436
Other	415	434	434	434
Other liabilities	566	808	808	808
Equity	3,453	3,514	3,696	3,880
Capital stock	71	71	71	71
Capital surplus	166	166	166	166
Retained earnings	2,344	2,413	2,595	2,779
Surrender value reserves	93	88	163	238
Capital adj.	-135	-135	-135	-135
AOCI	199	191	191	191
Hybrid securities	808	808	808	808

CSM chg.

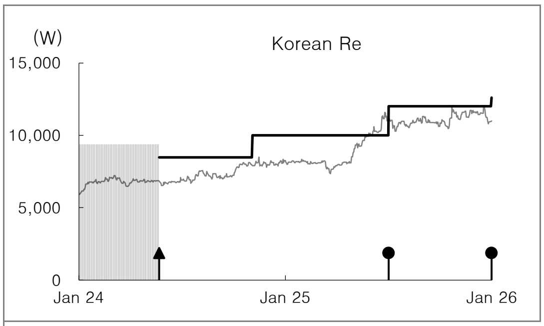
(Wbn)	2024	2025F	2026F	2027F
Starting CSM	829	953	1,009	1,061
New business	192	72	72	72
Discount unwind	33	37	37	37
Adj.	-26	24	24	24
Release	-74	-76	-80	-84
Ending CSM	953	1,009	1,061	1,109

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Korean Re (003690)	01/19/26	Hold	12,600
	07/21/25	Hold	12,000
	11/22/24	Buy	10,000
	06/10/24	Buy	8,487



Stock ratings		Sector ratings	
Buy	Expected 12-month return: +20% or greater	Overweight	Expected to outperform the market over 12 months
Hold	Expected 12-month return: Greater than -10% and less than +10%	Neutral	Expected to perform in line with the market over 12 months
Sell	Expected 12-month return: -10% or less	Underweight	Expected to underperform the market over 12 months

As of May 12, 2025, the Trading Buy rating category has been removed from our investment rating system.
Stocks expected to deliver a 12-month return between +10% and less than +20% may be rated either Buy or Hold at the discretion of the research analyst.

Rating and TP history: Share price (─), TP (▬), Not Rated (■), Buy (▲), Trading Buy (■), Hold (●), Sell (♦)
* Our investment rating is a guide to the expected return of the stock over the next 12 months.
* Outside of the official ratings of Mirae Asset Securities Co., Ltd., analysts may call trading opportunities should technical or short-term material developments arise.
* The TP was determined by the research analyst through valuation methods discussed in this report, in part based on estimates of future earnings.
* TP achievement may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

Ratings distribution and investment banking services

	Buy	Trading Buy	Hold	Sell
Ratings distribution	79.76%	1.19%	19.05%	0%
Investment banking services	83.33%	0%	16.67%	0%

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

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