COMPANY UPDATE

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Finance/Consumer Goods Team

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Samsung Fire & Marine (000810)

Adopts profitability-focused strategy

- Samsung Fire & Marine reported a 1Q consolidated net income attributable to controlling shareholders of KRW634.7bn, in line with consensus.
- Both insurance and investment profits improved y-y.
- A meaningful net increase in contractual service margin (CSM) was confirmed as a result of the strategic shift toward profitability.

WHAT'S THE STORY?

Solid performance across the board: Samsung Fire & Marine reported a 1Q consolidated net income attributable to controlling shareholders of KRW634.7b.

- **Insurance profit:** Insurance profit rose 7.3% y-y to KRW535.2b. This growth was driven by: 1) a turnaround in claims variances to a surplus of KRW2.4b (vs a deficit of KRW23.4b in 1Q25), led by change to more conservative actuarial assumptions at year-end; and 2) a 111% y-y surge in commercial-line insurance profit to KRW104.7b, aided by the base effect of commercial accident payouts in 1Q25. However, auto insurance profit turned negative to a loss of KRW9.6b due to the lingering impact of premium rate cuts.
- **Investment profit:** Consolidated investment profit increased 17.5% y-y to KRW295.6b, supported by gains on equities and foreign securities amid a strong stock market and higher dividend income.

(Continued on the next page)

Samsung Fire & Marine 1Q26 review

(KRWb)	1Q26	4Q25	Chg (% q-q)	1Q25	Chg (% y-y)	Consensus	Diff (%)
Insurance service profit	535.2	179.7	197.8	498.8	7.3	n/a	n/a
Investment profit	295.6	207.3	42.6	251.5	17.5	n/a	n/a
Operating profit	913.8	419.7	117.7	816.3	11.9	846.6	7.9
Net profit	634.7	234.7	170.4	608.1	4.4	617.9	2.7
Closing CSM	14,469.2	14,167.7	2.1	14,332.8	1.0	n/a	n/a
Investment yield (%)	2.8	2.3	0.5	2.8	-0.0	n/a	n/a

Source: Company data, Samsung Securities estimates

Valuations

(KRWb)	Insurance service profit	Investment profit	Net profit	BVPS (KRW)	EPS (KRW)	P/B (x)	P/B (x)	ROE (%)	Dividend yield (%)
2023	1,933	409	1,818	340,780	36,939	0.8	7.1	12.7	6.1
2024	1,849	844	2,074	391,737	43,044	0.9	8.3	13.1	5.3
2025	1,520	802	2,016	534,604	43,468	1.0	12.4	10.9	3.6
2026E	1,671	967	2,048	625,863	46,037	0.9	11.7	8.9	4.3
2027E	1,796	1,265	2,393	686,039	55,475	0.8	9.7	9.2	5.2

Source: Company data, Samsung Securities estimates

AT A GLANCE

BUY

Target price	KRW640,000	15.5%
Current price	**KRW554,000**	
Market cap	KRW24.7t/USD16.5b	
Shares (float)	44,647,473 (69.6%)	
52-week high/low	KRW630,000/KRW363,500	
Avg daily trading value (60-day)	KRW77.4b/ USD51.6m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Samsung Fire & Marine (%)	14.0	12.0	49.7
Vs Kospi (%pts)	-7.3	-40.0	-47.6

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	640,000	610,000	4.9%
2025E EPS	43,468	43,468	0.0%
2026E EPS	50,194	53,090	-5.5%

SAMSUNG vs THE STREET

No of estimates	18
Target price	646,500
Recommendation	3.8

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

- **CSM:** The closing CSM balance rose 2.1% from the beginning of the year to KRW14.5t, despite new business CSM declining 11% y-y, thanks to a KRW110b reduction in negative CSM adjustments. The K-ICS ratio remained robust at 270%, bolstered by rising affiliate stock prices.

Confirmation of profitability-focused strategy: We believe that the insurer has embarked on a high-intensity profitability management strategy (ie, growth moderation), as seen by the 25% y-y decline in monthly premium-equivalent new business volume. We view this positively, as it resulted in: 1) an increase in the new business CSM multiple; and 2) a significant net growth in CSM balance due to reduced experience adjustments. We also find the 2026E dividend yield of 4.3% attractive from a return perspective.

Calculation of target price

Samsung Fire & Marine: Valuation

		2026E-2027E
I. P/B-ROE valuation		
Forward ROA (%)		2.0
Total asset / total equity (x)		4.4
Sustainable ROE (%)	(A)	8.9
Cost of capital (%)	(B)	8.20
Long-term growth (%)	(C)	0.0
Target P/B (x)	(D = {A-C}/{B-C})	1.1
Forward BVPS (KRW)	(E)	625,863
Fair price (KRW)	(F = D*E)	712,103
II. Total shareholder return yield valuation		
Industry target yield (%)	(G)	4.0
* discount(premium) rate (%)	(H)	0%
Company target yield (%)	(I = G * {1-H})	4.0
Total shareholder return amount (KRWb)	(J)	961.3
Estimated total payout ratio (%)		47.7
Target market cap (KRWb)	(K = J / I)	24,766.0
Fair price (KRW)	(L)	621,819
III. Target price		
Fair price (KRWb)	(F+L) / 2	666,961
Target price (KRW)		640,000
**Current price (KRW)		538,000
Upside (%)		19.0%
Previous target price (KRW)		610,000
Diff (%)		4.9%

Note: * The discount (or premium) rate is derived based on: the 1) company's capital policy, and 2) its capital adequacy (K-ICS ratio).
** As of May 14, 2026
Source: Samsung Securities estimates

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Total assets	**85,019**	**87,268**	**96,450**	**105,690**	**110,552**
Invested assets	**81,667**	**83,836**	**92,487**	**99,918**	**101,931**
Cash & Deposits	1,738	3,103	3,410	2,592	2,644
Equity	12,972	10,869	18,191	22,870	23,331
Bond	29,898	30,247	28,780	28,601	29,177
Loans	27,822	9,710	11,909	28,118	28,685
Overseas securities	7,482	27,068	27,758	13,345	13,613
Real estate	1,755	2,840	2,438	2,498	2,548
Others (Beneficiary certificates, etc)	0	0	0	0	0
Other assets	3,352	3,432	3,963	5,772	8,621
Total liabilities	**68,875**	**71,666**	**75,158**	**80,763**	**83,228**
Policy reserves	63,697	65,327	66,540	65,351	65,593
Insurance contract liabilities	51,777	51,788	49,050	47,148	47,322
Contractual service margin (CSM)	**13,303**	**14,074**	**14,168**	**14,443**	**14,512**
Best estimate liability (BEL)	26,717	25,345	21,974	20,005	20,102
Risk adjustment (RA)	1,448	1,728	1,845	1,656	1,664
Other liabilities	5,104	6,247	8,480	15,246	17,470
Separate account liabilities	74	92	138	166	166
Shareholders' equity	**16,144**	**15,602**	**21,292**	**24,927**	**27,324**
Paid-in capital	26	26	26	26	26
Capital surplus	939	939	939	939	939
Retained earnings	12,279	13,670	14,643	14,779	16,202
Surrender value provisions	1,180	2,213	4,130	4,809	5,273
Capital adjustment	-1,487	-1,487	-1,219	-951	-951
Accumulated other comprehensive income	4,357	2,418	6,868	10,098	11,071
Hybrid bonds	0	0	0	0	0
Non-Controlling Interests	30	35	35	36	36

Dividend & per-share data

Year-end Dec 31 (KRW, %)	2023	2024	2025	2026E	2027E
EPS	36,939	43,044	43,468	46,037	55,475
BVPS	340,780	391,737	534,604	625,863	686,039
PER	7.1	8.3	12.4	11.7	9.7
PBR	0.8	0.9	1.0	0.9	0.8
ROA	2.2	2.4	2.2	2.0	2.2
ROE	12.7	13.1	10.9	8.9	9.2
DPS	16,000	19,000	19,500	23,000	28,000
Dividend yield	6.1	5.3	3.6	4.3	5.2
Payout ratio	37.4	39.0	41.1	47.7	49.7
Total shareholder return (%)	37.4	39.0	41.1	47.7	49.7
Solvency ratio (K-ICS ratio) (%)	273.0	264.5	n/a	n/a	n/a

Note: Based on consolidated financial statement except insurance profit and investment profit
Source: Company data, Samsung Securities estimates

Income Statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Insurance service profit	1,933	1,849	1,520	1,671	1,796
Long-term insurance profit	1,538	1,578	1,508	1,549	1,601
Adjustment for experience variance	141	81	-169	-132	-92
Amortization of CSM	1,537	1,612	1,621	1,624	1,636
Release of RA	151	165	199	214	214
Other insurance profit	-291	-281	-143	-158	-158
Auto insurance profit	190	96	-159	-159	-78
P&C insurance profit	204	176	171	282	273
Investment profit	409	844	802	967	1,265
Other investment income	1,781	2,185	2,057	2,335	2,523
Insurance finance profit	-1,372	-1,340	-1,255	-1,367	-1,258
Operating profit	2,357	2,697	2,773	2,818	3,223
Non-operating income	35	29	25	19	19
Non-operating expenses	17	19	15	61	0
Pre-tax profit	2,375	2,707	2,783	2,776	3,243
Income taxes	625	668	763	720	841
Net profit	1,818	2,074	2,016	2,050	2,393

Assumptions

Year-end Dec 31	2023	2024	2025	2026E	2027E
Insurance profitability (%)					
CSM Amortization rate	11.6	11.5	11.4	11.2	11.3
RA Amortization rate	10.4	9.6	10.8	12.9	12.9
Combined ratio (Auto)	96.6	98.3	102.9	102.9	101.4
Combined ratio (P&C)	86.2	89.3	90.2	84.3	84.8
Investment profitability (%)					
Investment yield	2.2	2.6	2.2	2.3	2.5
Interest rates on liability	3.4	3.4	3.5	4.0	3.6
CSM Movement (KRWb)					
Opening CSM	12,144	13,303	14,074	14,168	14,443
New Business CSM	3,500	3,451	2,898	2,536	2,653
Amortization of CSM	-1,539	-1,529	-1,621	-1,624	-1,636
Unwind of Discount	398	491	502	483	485
Experience & Assumption change	-1,200	-1,641	-1,686	-1,119	-1,433
Closing CSM	13,303	14,074	14,168	14,443	14,512

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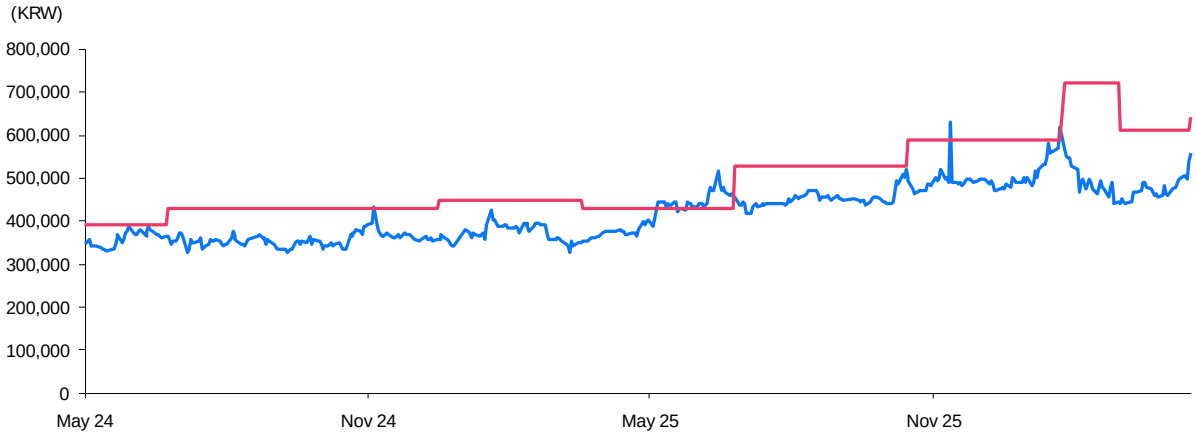
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/5/16	7/23	2025/1/14	4/17	7/25	11/13	2026/2/23	3/31	5/15
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	390000	430000	450000	430000	530000	590000	720000	610000	640000
Gap* (average)	-8.23	-16.87	-17.26	-3.14	-14.64	-15.31	-32.07	-22.22	
(max or min)**	-0.26	1.16	-5.56	20.47	-1.51	6.78	-23.19	-11.80	

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

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Company

BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
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Industry

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
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* 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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