COMPANY UPDATE

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Finance/Consumer Goods Team

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Samsung Life (032830)

1Q earnings beat on provisioning reversal

- Samsung Life Insurance reported 1Q consolidated net income of KRW1.2t (up 89.5% y-y), beating consensus by 60%.
- The outperformance was driven by investment-side tailwinds, including reversal of provisioning and strong performance from affiliates.
- We raise our target price to KRW400,000 to reflect the increased value of affiliate stakes and potential shareholder return initiatives.

WHAT'S THE STORY?

Delivers 1Q earnings surprise on provisioning reversal: Samsung Life Insurance reported a 1Q consolidated net income of KRW1.2t (up 89.5% y-y).

- Insurance profit: Insurance service profit declined 7.7% y-y to KRW256.5b. The contraction was due to a higher survival benefit loss ratio and a one-off increase in expenses, which widened experience variances (claims + expense variances) to -KRW81.1b (vs -KRW6.4b in 1Q25).
- Investment profit: Consolidated investment profit surged 125.5% y-y to KRW1.3t. Parent-based investment profit jumped 289% y-y to KRW774.0b, driven by a KRW425.7b reversal of provisioning (related to the immediate annuity lawsuit victory) and higher dividend income. Additionally, equity-method income from affiliates rose 288% y-y to KRW132b, reflecting strong affiliate operations.

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AT A GLANCE

BUY

Target price	KRW400,000	21.2%
Current price	**KRW330,000**	
Market cap	KRW66.0t/USD44.3b	
Shares (float)	200,000,000 (45.7%)	
52-week high/low	KRW330,000/KRW83,500	
Avg daily trading value (60-day)	KRW106.6b/ USD71.5m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Samsung Life (%)	34.1	114.8	282.4
Vs Kospi (%pts)	0.3	8.0	26.5

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	400,000	253,000	58.1%
2025E EPS	12,258	12,258	0.0%
2026E EPS	14,061	14,439	-2.6%

SAMSUNG vs THE STREET

No of estimates	16
Target price	263,063
Recommendation	3.6

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

Samsung Life 1Q26 review

(KRWb)	1Q26	4Q25	Chg (% q-q)	1Q25	Chg (% y-y)	Consensus	Diff (%)
Insurance service profit	256.5	-118.2	n/a	277.9	-7.7	n/a	n/a
Investment profit	774.0	147.0	426.6	199.1	288.8	n/a	n/a
Operating profit	1,357.8	95.3	1,325.3	754.0	80.1	894.4	51.8
Net profit	1,203.6	185.7	548.1	635.3	89.5	754.5	59.5
Ending CSM	13,647.2	13,217.9	3.2	13,309.0	2.5	n/a	n/a
Investment yield (%)	3.53	2.74	0.8	3.01	0.5	n/a	n/a

Source: Company data, Samsung Securities estimates

Valuations

(KRWb)	Insurance service profit	Investment profit	Net profit	BPS (KRW)	EPS (KRW)	P/B (x)	P/E (x)	ROE (%)	Dividend yield (%)
2023	1,449	-24	2,033	246,797	10,167	0.3	6.8	4.7	5.4
2024	542	1,002	2,261	182,308	11,307	0.5	8.4	5.9	4.7
2025	975	692	2,452	361,049	12,258	0.4	12.9	5.0	3.4
2026E	938	1,026	2,812	612,163	14,061	0.5	23.5	3.2	1.9
2027E	1,185	2,272	3,889	624,819	19,444	0.5	17.0	3.5	1.9

Source: Company data, Samsung Securities estimates

- CSM: The closing CSM balance increased 3.2% from the beginning of the year to KRW13.2t. New business CSM grew 29% y-y to KRW848.6b, supported by rising interest rates and higher margins on whole life insurance. The K-ICS ratio stood at 210% at quarter-end, boosted by rising affiliate stock prices.

Raising BPS and dividend forecasts: We raise our 2026 BPS estimate by 55% to reflect the increased value of investment holdings and potential shareholder return initiatives. Furthermore, we increase our 2027 earnings forecast by 30% and raise our DPS target to KRW9,000. Consequently, we lift our target price to KRW400,000.

Target-price calculation

Samsung Life: Valuation

		2026E-2027E
I. P/B-ROE valuation		
Forward ROA (%)		0.7
Total asset / total equity (x)		4.3
Sustainable ROE (%)	(A)	4.6
Cost of capital (%)	(B)	6.90
Long-term growth (%)	(C)	0.0
Target P/B (x)	(D = {A-C}/{B-C})	0.7
Forward BVPS (KRW)	(E)	612,163
Fair price (KRW)	(F = D*E)	575,782
II. Total shareholder return yield valuation		
Industry target yield (%)	(G)	4.0
Discount (premium) rate* (%)	(H)	40%
Company target yield (%)	(I = G * {1-H})	2.4
Total shareholder return amount (KRWb)	(J)	954.7
Estimated total payout ratio (%)		41.5
Target market cap (KRWb)	(K = J / I)	44,237.3
Fair price (KRW)	(L)	246,345
III. Target price		
Fair price (KRWb)	(F+L) / 2	411,063
Target price (KRW)		400,000
Current price** (KRW)		330,000
Upside (%)		21.2%
Previous target price (KRW)		253,000
Diff (%)		58.1%

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	**314,696**	**312,218**	**350,686**	**411,457**	**438,924**
Invested assets	310,637	307,236	345,285	372,015	379,511
Cash & Deposits	5,494	4,178	4,538	3,926	4,005
Stocks	48,048	35,439	30,822	95,425	97,348
Bonds	114,562	116,704	47,937	109,130	111,329
Loans	82,736	78,118	76,408	78,684	80,269
Overseas securities	31,204	38,165	15,550	43,371	44,245
Real estate	6,549	6,612	6,009	5,963	6,083
Other invested assets	22,043	28,021	164,021	35,517	36,233
Other assets	4,060	4,982	5,401	39,442	59,413
Total liabilities	**270,378**	**279,480**	**285,850**	**301,528**	**326,723**
Policy reserve	201,292	210,988	202,581	207,346	232,540
Insurance contract liabilities	190,261	203,097	202,007	206,813	232,008
Contractual service margin (CSM)	12,393	13,081	13,453	14,879	16,738
Best estimate liability (BEL)	170,586	182,157	180,204	183,205	206,107
Risk adjustment (RA)	2,846	2,959	3,156	3,466	3,899
Other liabilities	69,086	68,492	83,268	94,180	94,180
Separate account liabilities	0	0	2	2	2
Total shareholders' equity	**44,319**	**32,738**	**64,835**	**109,929**	**112,202**
Paid-in capital	100	100	100	100	100
Capital surplus	125	125	125	125	125
Retained earnings	17,978	19,420	21,085	22,657	24,930
Surrender value provisions	0	0	832	1,685	1,854
Capital adjustment	-2,117	-2,117	-2,117	-2,117	-2,117
Accumulated other comprehensive income (AOCI)	26,333	13,205	43,531	87,088	87,088
Hybrid bonds	0	0	0	0	0
Non-controlling assets	1,900	2,005	2,111	2,075	2,075

Dividend & Per-share data

Year-end Dec 31 (KRW, %)	2023	2024	2025	2026E	2027E
EPS (KRW)	10,167	11,307	12,258	14,061	19,444
BPS (KRW)	246,797	182,308	361,049	612,163	624,819
P/E (x)	6.8	8.4	26.9	23.5	17.0
P/B (x)	0.3	0.5	0.9	0.5	0.5
ROA (%)	0.7	0.7	0.7	0.7	0.9
ROE (%)	4.6	5.8	4.9	3.2	3.5
DPS (KRW)	3,700	4,500	5,300	6,300	9,000
Cash dividend yield (%)	5.4	4.7	1.6	1.9	2.7
Dividend payout ratio (%)	35.1	38.4	41.3	41.5	42.8
Total payout ratio (%)	35.1	38.4	41.3	41.5	42.8

Note: Insurance operating profit and investment operating profit are parent basis, while others are consolidated basis

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Insurance operating profit	**1,449**	**542**	**975**	**938**	**1,185**
Experience variance	-158	-208	-161	-324	-324
Amortization of CSM	1,368	1,370	1,480	1,532	1,699
Release of RA	468	321	346	355	391
Other insurance profit	-229	-941	-690	-625	-581
Investment operating profit	**-24**	**1,002**	**692**	**1,026**	**2,272**
General account inv' profit	-87	891	818	1,499	2,647
Investment income	6,052	6,301	6,534	7,175	8,945
Investment expense	-6,139	-5,410	-5,716	-5,675	-6,297
Variable account inv' profit	12	190	-100	-341	-341
Corporate pension inv' profit	51	-79	-26	-132	-35
Equity method / Dividend income	974	1,107	908	1,103	992
Operating profit	**2,398**	**2,501**	**2,580**	**3,055**	**4,437**
Non-operating income	211	358	458	456	401
Non-operating expense	50	44	42	44	44
Pre-tax income	**2,559**	**2,815**	**2,996**	**3,468**	**4,795**
Income taxes	525	553	545	655	906
Consolidated net profit	**1,895**	**2,107**	**2,303**	**2,729**	**3,774**

Key assumptions

Year-end Dec 31	2023	2024	2025	2026E	2027E
Insurance profitability (%)					
CSM amortization rate	11.0	10.5	11.0	10.3	10.1
RA amortization rate	16.5	10.9	11.0	10.2	10.0
Investment profitability (%)					
Investment yield	2.3	2.4	2.2	2.2	2.6
Cost of funds	3.4	2.8	3.0	2.9	2.8
CSM movement (KRWb)					
Beginning CSM	10,749	12,247	12,902	13,218	14,879
New business CSM	3,628	3,261	3,059	3,579	3,695
Amortization of CSM	-1,368	-1,370	-1,480	-1,532	-1,699
Unwind of discount	400	468	494	507	507
Experience adjustments	-1,162	-1,705	-1,758	-893	-643
Ending CSM	12,247	12,902	13,218	14,879	16,738

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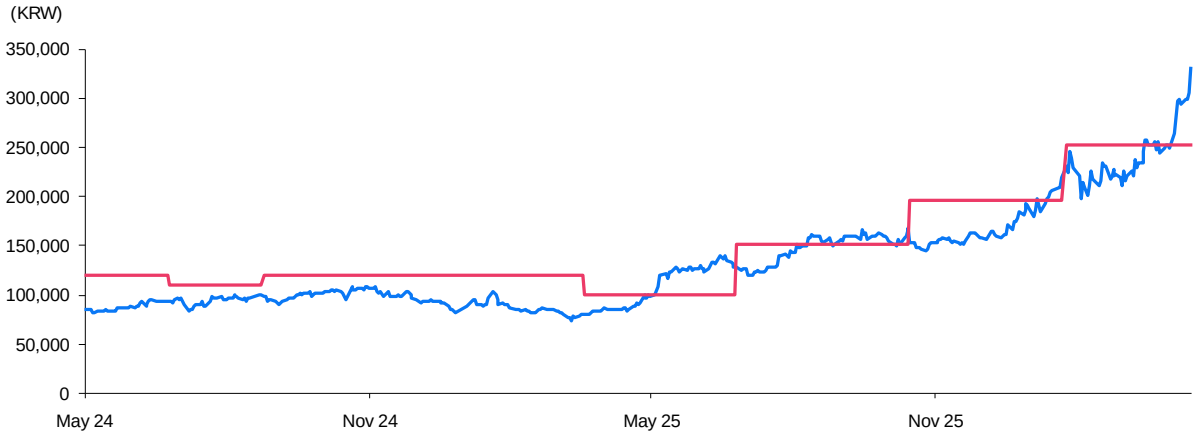
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/3/5	7/23	9/23	2025/4/17	7/25	11/14	2026/2/23	5/15
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	120000	110000	120000	100000	151000	197000	253000	400000
Gap* (average)	-25.18	-14.26	-21.61	10.10	-2.04	-14.74	-4.83	
(max or min)**	-11.67	-8.64	-9.17	40.70	11.52	11.17	30.43	

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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