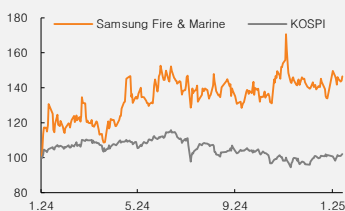


(Maintain)	Buy
Target price	₩460,000
Current price (2/12/25)	₩373,500
Upside	23.2%

OP (24, Wbn)	2,735
Consensus OP (24F, Wbn)	2,769
EPS growth (24, %)	14.0
Market EPS growth (24F, %)	68.0
P/E (24, x)	8.7
Market P/E (24F, x)	10.9
KOSPI	2,548.39

Market cap (Wbn)	17,695
Shares outstanding (mn)	47
Free float (%)	65.6
Foreign ownership (%)	53.5
Beta (12M)	0.75
52-week low (W)	277,000
52-week high (W)	435,000

(%)	1M	6M	12M
Absolute	5.4	5.4	12.2
Relative	4.0	8.2	15.3



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Samsung Fire & Marine

Solid underwriting profit

Retain Buy and TP of ₩460,000

We retain our Buy rating and target price of ₩460,000 on Samsung Fire & Marine (Samsung F&M). For 4Q24, the company reported net profit attributable to owners of the parent of ₩207.1bn, missing our estimate (₩218.3bn) and the consensus (₩220.4bn) due to an additional ₩80bn in real estate-related provisions. That said, underwriting profit was better than expected. Meanwhile, the DPS for 2024 (₩19,000) fell slightly short of our expectation (₩20,000).

Samsung F&M's preliminary K-ICS ratio stood at 265% at end-2024, falling 15.6%p vs. end-3Q24 due to: 1) large-scale CSM adjustments in 4Q24; and 2) simultaneous declines in Samsung Electronics' (SEC) share price and market yields. (We estimate that every ₩10,000 fall in SEC's share price results in a 2.5%p drop in the firm's capital ratio, and every 100bp dip in market yields dents the ratio by 13%p.)

With the business environment expected to remain challenging in 2025, management said that it would seek to maintain new contract volumes and CSM multiples at 2024 levels, suggesting a cautious approach. It also announced plans to gradually reduce CSM adjustments by strengthening management of exclusive agent channels.

Despite the challenging outlook, on Jan. 31, management announced a corporate value enhancement plan. Highlights of the plan include: 1) achieving a 50% cash dividend payout ratio (including preferred stock) by 2028; and 2) reducing the share of treasury stock by about 10%p. However, if Samsung F&M proceeds with its planned share cancellations, Samsung Life's stake (currently 14.98%) would exceed the 15% ownership cap set by the Insurance Business Act, which would require Samsung Life to either make Samsung F&M a subsidiary or offload the excess stake. (Management stressed that decision-making on this issue was not within the company's purview.)

Meanwhile, on Feb. 12, Samsung F&M sold 743,104 shares of SEC at ₩54,976 per share (representing a 1.3% discount to the Feb. 11 closing price). This sale was automatically triggered by SEC's share buybacks. Under IFRS 9, the proceeds from the sale (₩40.9bn) are recognized as other comprehensive income, with no impact on net profit. However, management said that it would include the proceeds in its resources available for dividends.

(Dec.)	2022	2023	2024	2025F	2026F
Underwriting profit (Wbn)		2,010	1,889	1,901	1,955
Pretax profit (Wbn)		2,447	2,745	2,937	2,992
NP (Wbn)		1,818	2,074	2,159	2,199
EPS (W)		35,961	41,007	42,689	43,484
BPS (W)	IFRS 4	379,073	366,201	398,506	445,706
P/E (x)		7.3	8.7	8.7	8.6
P/B (x)		0.70	1.00	0.90	0.80
ROE (%)		12.4	13.1	13.3	12.3
Shareholder return yield (%)		6.1	5.3	9.0	9.6
K-ICS ratio (%)		273	265	263	265

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

Source: Company data, Mirae Asset Securities Research estimates

Table 1. Samsung F&M: 4Q24 review

(Wbn, %)

	Mirae Asset	4Q24	Notes
Underwriting profit	169	215	
CSM release	416	401	
RA release	44	44	
Adj. for experience variances	-84	-76	Insurance claims (-W6.1bn), operating expenses (-W1.4bn)
Other expenses	-207	-154	Loss-bearing contract costs (-W7bn), auto insurance losses (-W6.8bn)
Investment profit	119	62	Real estate provisions
Excl. insurance finance gains/losses	387	444	
OP	288	277	
Non-OP	3	0	
Pretax profit	291	277	
Taxes	72	69	
NP	218	207	

Source: Mirae Asset Securities Research

Table 2. Samsung F&M: Earnings and forecasts

(Wbn)

	1Q24	2Q24	3Q24	4Q24	2023	2024	2025F
Underwriting profit	620	577	477	215	2,010	1,889	1,901
CSM release	396	404	411	401	1,539	1,612	1,689
RA release	34	44	44	44	151	165	174
Adj. for experience variances	61	80	16	-76	141	81	40
Other expenses	129	50	6	-154	179	31	-3
Investment profit	293	226	264	62	419	845	1,036
Excl. insurance finance gains/losses	579	544	532	444	1,632	2,099	2,290
OP	913	804	741	277	2,429	2,735	2,937
Non-OP	5	2	3	0	18	10	0
Pretax profit	918	806	744	277	2,447	2,745	2,937
Taxes	216	194	189	69	625	668	775
NP	701	611	554	207	1,818	2,074	2,159

Source: Mirae Asset Securities Research

Samsung Fire & Marine (000810 KS)

Income statement

(Wbn)	2023	2024F	2025F	2026F
Underwriting profit	2,010	1,889	1,901	1,955
CSM release	1,539	1,612	1,689	1,798
RA release	151	165	174	174
Adj. for experience variances	141	81	40	20
Other	179	31	-3	-37
Investment profit	419	845	1,036	1,036
Excl. insurance fin. gains/losses	1,632	2,099	2,290	2,290
FVPL valuation gains/losses	-85	85	85	85
Disposal gains/losses	-197	-191	0	0
OP	2,429	2,735	2,937	2,992
Non-OP	18	10	0	0
Pretax profit	2,447	2,745	2,937	2,992
Taxes	625	668	775	790
Tax rate	26	24	26	26
Consolidated NP	1,822	2,077	2,162	2,202
Attr. to owners of the parent	1,818	2,074	2,159	2,199

Key ratios

(x, %, W, Wbn)	2023	2024F	2025F	2026F
P/E	7.3	8.7	8.7	8.6
P/B	0.70	1.00	0.90	0.80
Dividend yield	6.1	5.3	5.6	6.2
EPS	35,961	41,007	42,689	43,484
BPS	379,073	366,201	398,506	445,706
DPS	16,000	19,000	21,000	23,000
ROE	12.4	13.1	13.3	12.3
ROA	2.21	2.41	2.41	2.33
K-ICS ratio	273.0	265.0	263.4	265.0
Available capital	23,762	24,500	26,884	29,792
Required capital	8,704	9,200	10,206	11,241
Dividend payout ratio	37.4	39.4	41.9	45.0
Common	35.0	36.5	38.7	41.7
Preferred	2.4	2.9	3.1	3.3

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet

(Wbn)	2023	2024F	2025F	2026F
Assets	85,019	87,268	91,698	96,659
Cash	1,738	3,103	3,261	3,437
Financial assets	50,351	50,826	53,405	56,295
FVPL	10,281	11,374	11,951	12,598
FVOCI	37,733	37,025	38,904	41,009
AC	1,732	1,725	1,813	1,911
Other assets	32,929	33,340	35,032	36,927
Liabilities	68,875	71,666	74,723	77,677
Insurance liabilities	51,777	51,788	54,844	57,798
BEL	32,465	31,408	33,503	35,614
CSM	13,303	14,074	15,084	15,987
RA	1,660	1,942	1,893	1,835
Other	4,349	4,363	4,363	4,363
Other liabilities	17,098	19,879	19,879	19,879
Equity	16,144	15,602	16,975	18,982
Attr. to owners of the parent	16,114	15,567	16,940	18,947
Capital stock	26	26	26	26
Capital surplus	939	939	939	939
Retained earnings	12,279	13,670	14,993	16,275
Surrender value reserves	1,180	2,213	3,407	3,896
Capital adj.	-1,487	-1,487	-979	-471
AOCI	4,357	2,418	1,961	2,177
Hybrid securities	0	0	0	0
Minority interests	30	35	35	35

CSM chg.

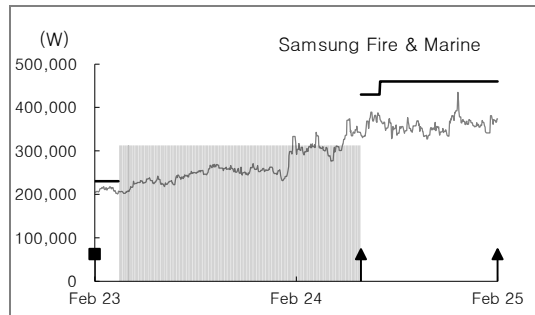
(Wbn)	2023	2024F	2025F	2026F
Starting CSM	12,144	13,303	14,074	15,084
New business	3,500	3,451	3,451	3,451
Discount unwind	398	491	516	516
Adj.	-1,200	-1,558	-1,268	-1,268
Release	-1,539	-1,612	-1,689	-1,798
Ending CSM	13,303	14,074	15,084	15,987

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Samsung Fire & Marine (000810)	07/15/24	Buy	460,000
	06/10/24	Buy	430,000
	03/30/23	No Coverage	
	09/23/22	Trading Buy	230,000



Stock ratings

Buy	Expected 12-month performance: +20% or greater
Trading Buy	Expected 12-month performance: +10% to +20%
Hold	Expected 12-month performance: -10% to +10%
Sell	Expected 12-month performance: -10% or worse

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

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	84.62%	7.14%	8.24%	0%
Investment banking services	85.71%	0%	14.29%	0%

* Based on recommendations in the last 12-months (as of December 31, 2024)

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