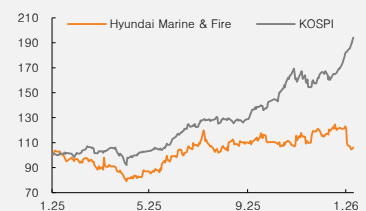


(Maintain)	<b>Hold</b>
Target price	<b>▼ W27,000</b>
Current price (1/16/26)	W26,800
Upside	0.7%

OP (25F, Wbn)	779
Consensus OP (25F, Wbn)	987
EPS growth (25F, %)	-48.9
Market EPS growth (25F, %)	35.0
P/E (25F, x)	4.6
Market P/E (25F, x)	16.5
KOSPI	4,840.74

Market cap (Wbn)	2,396
Shares outstanding (mn)	89
Free float (%)	64.9
Foreign ownership (%)	35.0
Beta (12M)	-0.01
52-week low (W)	19,960
52-week high (W)	31,450

(%)	1M	6M	12M
Absolute	-8.8	-4.6	3.1
Relative	-24.7	-37.2	-46.2



Mirae Asset Securities Co., Ltd.

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

# Hyundai Marine & Fire

## Likely to post weak 4Q25 earnings

### Maintain Hold; lower TP to W27,000

We lower our target price for Hyundai Marine & Fire (Hyundai M&F) to W27,000 (from W28,000), applying a P/B of 0.4x (vs. 0.5x previously) to our 2026 BPS estimate. We revised down our target P/B to reflect the risk of large-scale, industry-wide CSM adjustments in the event that standardized loss ratio guidelines are introduced. With our target price implying only 0.7% upside, we reiterate our Hold rating.

### 4Q25 preview: Below-consensus earnings likely

For 4Q25, we expect the company to post a net loss attributable to owners of the parent of W103.3bn, well below the consensus (profit of W69.4bn). Earnings likely deteriorated due to: 1) a sharp rise in loss ratios for third- and fourth-generation medical cost reimbursement policies, which likely drove a surge in onerous contract expenses; 2) continued adverse experience variance amid the normalization of medical service utilization; and 3) a likely further increase in auto insurance loss ratios.

We estimate the end-quarter CSM balance declined significantly QoQ. New business CSM likely fell QoQ due to a lower CSM multiple stemming from industry-wide driver's insurance product discontinuations in December. In addition, the quarter likely saw CSM adjustments amounting to trillions of won, reflecting factors such as higher loss ratios for first- and second-generation medical cost reimbursement policies and the impact of the education tax rate increase. That said, given that CSM declined YoY in 2024, we estimate CSM growth in 2025 at +8.8%.

### Dividends remain challenging

As regulators have not announced any additional reductions in surrender value reserve requirements, we believe dividend payouts will remain difficult. As the reserve system is designed to protect financial consumers from potential harm that could arise when insurers recognize liabilities at market values below their cost-based values, we believe a further reduction in the reserve ratio is unlikely in the near term.

(Dec.)	2023	2024	2025F	2026F	2027F
Underwriting profit (Wbn)	526	1,043	364	503	688
Pretax profit (Wbn)	1,022	1,395	779	870	1,055
NP (Wbn)	806	1,031	531	599	753
EPS (W)	10,220	13,033	6,659	7,524	9,489
BPS (W)	78,010	62,835	59,959	67,594	77,194
P/E (x)	3.0	1.9	4.0	3.6	2.8
P/B (x)	0.40	0.39	0.45	0.40	0.35
ROE (%)	12.3	18.7	11.0	12.0	13.3
Shareholder return yield (%)	6.7	0.0	0.0	0.0	0.0
K-ICS ratio (%)	173.2	157.0	189.2	181.2	174.7

Notes: Under non-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. Hyundai M&F: TP calculation**

(W, x, %)

	Value	Notes
Previous TP	28,000	
2025F ROE	15.3	Mirae Asset Securities est.
Adj. discount rate	30.5	
Target P/B	0.50	
2025F BPS	56,541	Mirae Asset Securities est.
Revised TP	27,000	
2026F ROE	12.0	Mirae Asset Securities est.
Adj. discount rate	30.0	
Target P/B	0.40	
2026F BPS	67,594	Mirae Asset Securities est.
Current price	26,800	
Upside	0.7	
Rating	Hold	

Source: Company data, Mirae Asset Securities Research

**Table 2. Hyundai M&F: Earnings and forecasts**

(Wbn)

	1Q25	2Q25	3Q25	4Q25F	2024	2025F	2026F
Underwriting profit	176	213	161	-186	1,043	364	503
CSM release	238	243	249	229	951	959	956
RA release	31	33	37	37	133	138	149
Adj. for experience variance	-103	-41	-40	-119	-212	-304	-278
Other expenses	10	-22	-84	-334	171	-430	-324
Investment profit	107	129	89	89	352	415	367
Excl. insurance fin. gains/losses	332	334	302	291	1,295	1,259	1,176
OP	283	342	251	-97	1,395	779	870
Non-OP	-11	-10	-6	-6	-29	-32	-24
Pretax profit	272	333	245	-103	1,366	746	846
Taxes	69	85	62	0	336	216	247
NP	203	248	183	-103	1,031	531	599

Source: Company data, Mirae Asset Securities Research

## Hyundai Marine &amp; Fire (001450 KS)

**Income statement**

(Wbn)	2024	2025F	2026F	2027F
Underwriting profit	1,043	364	503	688
CSM release	951	959	956	964
RA release	133	138	149	149
Adj. for experience variances	-212	-304	-278	-132
Other	171	-430	-324	-294
Investment profit	352	415	367	367
Excl. insurance fin. gains/losses	1,295	1,259	1,176	1,176
FVPL valuation gains/losses	-129	-14	-14	-14
Disposal gains/losses	-65	-270	0	0
OP	1,395	779	870	1,055
Non-OP	-29	-32	-24	-24
Pretax profit	1,366	746	846	1,031
Tax	336	216	247	278
Tax rate	24.6	28.9	29.2	27.0
NP	1,031	531	599	753

**Key ratios**

(x, %, W, Wbn)	2024	2025F	2026F	2027F
P/E	1.9	4.0	3.6	2.8
P/B	0.39	0.45	0.40	0.35
Dividend yield	0.0	0.0	0.0	0.0
EPS	13,033	6,659	7,524	9,489
BPS	62,835	59,959	67,594	77,194
DPS	0	0	0	0
ROE	18.7	11.0	12.0	13.3
ROA	2.25	1.09	1.19	1.44
K-ICS ratio	157.0	189.2	181.2	174.7
Available capital	12,403	15,173	15,861	16,694
Required capital	7,900	8,019	8,753	9,557
Dividend payout ratio	0.0	0.0	0.0	0.0
Common	0.0	0.0	0.0	0.0
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	47,978	49,477	51,320	53,326
Cash	2,119	1,240	1,286	1,336
Financial assets	32,189	35,156	36,465	37,891
FVPL	8,453	9,057	9,395	9,762
FVOCI	22,671	25,330	26,273	27,300
AC	0	0	0	0
Other assets	13,670	13,082	13,569	14,100
Liabilities	43,051	44,775	46,019	47,273
Insurance liabilities	34,802	35,911	37,155	38,409
BEL	20,913	21,283	22,473	23,686
CSM	8,248	8,972	9,061	9,141
RA	2,093	2,114	2,080	2,040
Other	3,548	3,542	3,542	3,542
Other liabilities	8,249	8,865	8,865	8,865
Equity	4,927	4,702	5,300	6,053
Capital stock	45	45	45	45
Capital surplus	113	113	113	113
Retained earnings	7,391	7,922	8,521	9,274
Surrender value reserves	4,018	4,472	5,442	5,839
Capital adj.	-68	-68	-68	-68
AOCI	-2,554	-3,311	-3,311	-3,311
Hybrid securities	0	0	0	0

**CSM chg.**

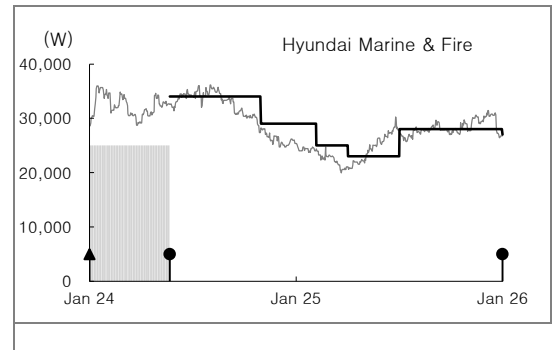
(Wbn)	2024	2025F	2026F	2027F
Starting CSM	9,079	8,248	8,972	9,061
New business	1,821	2,009	2,009	2,009
Discount unwind	319	314	323	323
Adj.	-2,038	-651	-1,287	-1,287
Release	-933	-948	-956	-964
Ending CSM	8,248	8,972	9,061	9,141

# Appendix 1

## Important disclosures and disclaimers

### Two-year rating and TP history

Company	Date	Rating	TP (W)
Hyundai Marine & Fire (001450)	01/19/26	Hold	27,000
	07/21/25	Hold	28,000
	04/21/25	Hold	23,000
	02/24/25	Hold	25,000
	11/18/24	Hold	29,000
	06/10/24	Hold	34,000
	03/30/23	No Coverage	



### 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	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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## 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 Khoroov, 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

---