

Challenge Ourselves,
Change the World

Annual Report

Fact Book



2023

KOREAN Re

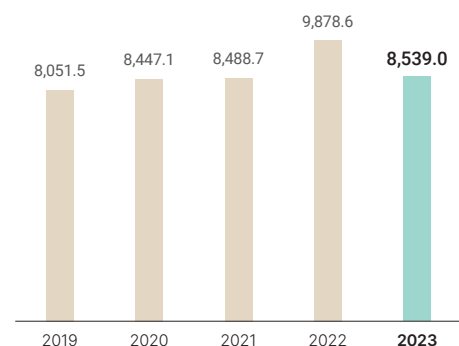
Financial Highlights

	2023 (KRW billion)	2023 (USD million)	2022 (KRW billion)	2022 (USD million)
For the Year				
Insurance Revenue (gross) ¹⁾	5,167.6	3,916.6	5,763.0	4,433.8
Insurance Service Result (net)	206.2	156.3	248.6	191.3
Insurance Finance Result (net) ²⁾	-114.3	-86.6	-87.5	-67.3
Technical Result ²⁾	91.9	69.7	161.1	124.0
Investment Income ³⁾	263.8	200.0	259.1	199.4
Net Income	283.9	215.1	278.5	214.2
At the Year End				
Total Assets	12,066.3	9,267.5	11,017.2	8,609.2
Invested Assets	9,733.7	7,475.9	8,534.7	6,669.3
Insurance Contract Liabilities	8,174.7	6,278.6	7,662.0	5,987.3
Contractual Service Margin (net)	828.8	636.5	1,043.4	815.3
Total Shareholders' Equity	3,252.9	2,498.4	2,715.6	2,122.1
Financial Metrics				
Solvency Margin Ratio ⁴⁾	183.2% (K-ICS)		180.8% (RBC)	
Combined Ratio ²⁾	97.5%		96.1%	
Return on Assets (ROA)	2.5%		2.7%	
Return on Equity (ROE)	9.5%		11.3%	
Payout Ratio ⁵⁾	28.0%		33.4%	
Earnings per Share (EPS) ⁶⁾	KRW 1,655	USD 1.3	KRW 1,762	USD 1.4

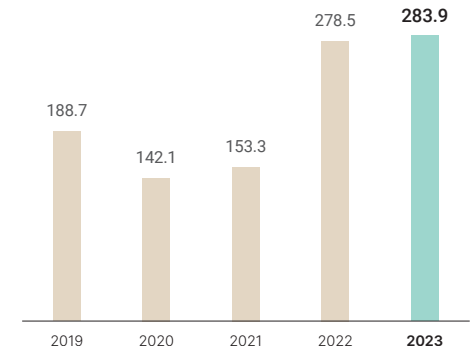
All figures are based on K-IFRS and the Consolidated Financial Statements of Korean Re, and the 2023 figures are in accordance with IFRS 17 and IFRS 9, with the comparative figures for 2022 being based on IFRS 17 and IAS 39, in this Financial Highlights section and the rest of this report, unless otherwise noted. The conversion from KRW to USD is shown here for information purposes only.

- 1) Income from insurance contracts issued
- 2) Excluding exchange rate effects
- 3) Excluding the insurance finance result and gain/losses from foreign exchange and interest rate hedging for insurance liabilities
- 4) The 2023 ratio refers to the solvency margin ratio under the Korean Insurance Capital Standard (K-ICS), and the figure is provisional and subject to change.
- 5) The payout ratio for 2022 is based on IFRS 4, while the 2023 ratio is based on IFRS 17.
- 6) In 2022 and 2023, Korean Re issued bonus shares to its shareholders. To ensure a valid comparison of earnings per share (EPS), the weighted average shares outstanding have been adjusted to include the bonus shares. The EPS for the year ended December 31, 2023, and the comparative prior period presented have been restated to reflect this adjustment.

Gross Written Premiums (Unit: KRW billion)

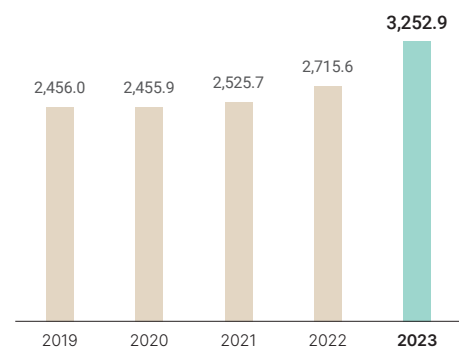


Net Income (Unit: KRW billion)

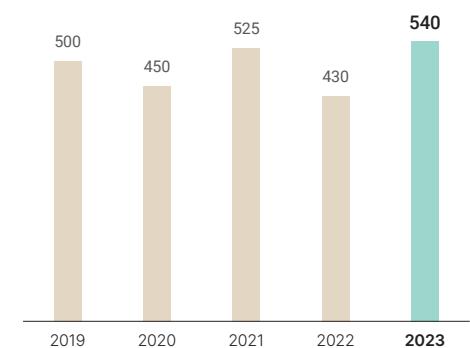


* The 2023 and 2022 figures are based on IFRS 17 and 9, while the rest are based on IFRS 4 and IAS 39.

Total Shareholders' Equity (Unit: KRW billion)



Dividend per Share (Unit: KRW)



* The 2023 and 2022 figures are based on IFRS 17 and 9, while the rest are based on IFRS 4 and IAS 39.

Financial Strength Ratings

A Stable

AM Best (2023)

A Positive

S&P (2024)

ROE

9.5%

(2023)

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This report is also published online at:
www.koreanre2023.annualreport.kr

Corporate Profile

Challenge Ourselves, Change the World

In 2023, Korean Re celebrated its 60th anniversary, marking six decades of success in the reinsurance industry. It fills us with immense pride to witness our company's continued growth and prosperity over the years. As we embarked on a new chapter in our corporate journey, we announced our determination to challenge ourselves and change the world by constantly seeking internal innovation in a manner that increases our positive impact on the world around us. Our new slogan, "Challenge Ourselves, Change the World," embodies the spirit that has driven us forward over the past 60 years and will continue to guide us into the future.

Korean Re, the one and only Korean professional reinsurer, started its operations in 1963. Today, we not only deal with most traditional lines of reinsurance business, including property, engineering, marine, casualty, motor, life, and health, but also offer non-traditional reinsurance solutions.

We have grown from a small local reinsurer to one of the leading players not only in Asia but also over the world. We could not have been where we are now without constantly challenging ourselves to expand into new markets across the world. This undertaking to explore global markets has led us to a point where 41.5% of our business comes from overseas in terms of insurance revenue under IFRS 17 in 2023. Currently, Korean Re has 11 overseas presences around the world – four subsidiaries, four branches, and three offices.

In our continuous pursuit of operational excellence, we have dedicated our efforts to refine our organizational structure, with the aim of maximizing resource efficiency and performance. An effectively organized structure provides a business and its employees with the environment and resources they need to perform at their very best every day, contributing to value creation for the organization, its employees, and all stakeholders involved.

We believe that by challenging ourselves, we can create positive changes that will ripple outwards and impact the world in meaningful ways. We know that driving change and innovation demands perseverance and determination, which is why we are poised to eagerly embrace these challenges. We look forward with excitement to the opportunities and achievements that lie ahead of us down the road.

Message from the CEO



In 2023, Korean Re celebrated yet another successful year. Building on our long-term commitment to sound management principles and favorable hard market conditions including rate increases in recent years, we achieved an excellent net income result for the year.

Our unwavering focus on profit enhancement for shareholder returns has been a consistent theme in our business strategies for several years. Indeed we have been striving to refine our business structure based on stricter underwriting guidelines. In 2023, our emphasis was on advancing systems in underwriting and risk management to establish a sophisticated operating environment.

We also focused on improving our business portfolios with the aim of enhancing the

profitability of overall business and improving future growth. As a result, our top line declined in 2023 compared to the prior year, but our bottom-line results improved slightly. We saw our insurance revenue decrease by 10.3% to KRW 5,167.6 billion, while our net income after taxes increased by 1.9% to KRW 283.9 billion, with ROE standing at 9.5%.

Our technical result, which combined the insurance service result and insurance finance result, declined year on year by KRW 69.2 billion to a profit of KRW 91.9 billion in 2023. The decrease resulted from a combination of factors including conservative estimates on insurance contract liabilities considering potential teething troubles involving the implementation of IFRS 17 and actuarial guidelines released by the financial

supervisory authorities.

We continued to make stable investment performance, achieving KRW 263.8 billion in investment income. The year-on-year increase in investment income was limited to KRW 4.7 billion due to our strategy to readjust our bond portfolio. Along with this shift, the volume of the expected investment returns is likely to be higher than ever due to a considerable growth in invested assets stemming from a new coinsurance transaction.

Looking back, 2023 was a year of transition and transformation as the Korean insurance industry started to report financial statements under IFRS 17 and 9 after years of journey toward the implementation of the new accounting standards. Having proactively prepared for the adoption of the new standards, Korean Re has been able to embrace the changes smoothly and in a way that ensures its capital strength and financial solvency.

Beyond visible achievements, Korean Re actively strengthened its environmental, social, and governance (ESG) management. The challenges we now face, such as an uncertain future due to declining birth rates, deepening social polarization, and increasing extreme weather events and natural disasters, call for active participation in ESG management. We firmly practice the fundamental principles of ESG management and have established a sustainable management framework that encompasses a clear mission, vision, and governance system. In addition, we have made public our Environmental Management Declaration and are actively pursuing ESG management by formulating specific guidelines. As a result, we achieved an impressive "A" rating in a comprehensive evaluation carried out by the Korea Institute of Corporate Governance and Sustainability (KCGS) in 2023.

Recently, the reinsurance market has been experiencing a sustained hard market, triggered by the increase in global natural disasters over

the past few years. As worldwide insured losses from natural catastrophes have been increasing by an annual average of 5-7%, the demand for reinsurance is expected to continue growing in 2024.

Contrary to this global trend, the Korean reinsurance market remained soft for some time. However, starting from 2020, the trend shifted, as the loss ratio worsened due to a series of large-loss events in 2019. Since then, rate increases have continued to provide growth momentum for the reinsurance market. With the rising trend in reinsurance cessions, market hardening is expected to persist for the foreseeable future.

As we head into 2024, there are several factors contributing to a challenging business environment. The ongoing Russia-Ukraine war, which started more than two years back, has intensified volatility in the global economy. On top of that, the world economy has been busy addressing inflation triggered by the pandemic. Although inflation is fortunately showing signs of easing, it has so far fallen short of a complete recovery.

Despite these challenges, Korean Re remains committed to moving forward. In celebrating its 60th anniversary in 2023, Korean Re pledged to reinvent itself to become a global top-tier reinsurer. Drawing on our accumulated reinsurance expertise, we aim to become a global player that continually seeks fresh approaches.

Going forward, Korean Re will remain dedicated to stand resolute as a growth partner for its clients, and we sincerely ask for your continued support in the coming year.

Thank you.

Jong-Gyu Won
President and CEO

Analysis of Business Results

In regulatory respects, 2023 was a year of change as IFRS 17 and 9 went into effect for annual reporting periods beginning on or after January 1, 2023, which brought about a fundamental change in accounting throughout the insurance industry. Alongside the implementation of the new accounting standards, a new capital regime (K-ICS) was also rolled out, affecting insurers' solvency strength to varying degrees depending on their risk profile and capital structure.

Amid these changes that reshaped insurers' operational strategies, Korean Re focused on improving its business portfolios with the aim of enhancing the profitability of its overall business and improving future growth. As a result, our top line declined in 2023 compared to the prior year, but our bottom-line results improved slightly. We saw our insurance revenue decrease by 10.3% to KRW 5,167.6 billion, while our net income after taxes increased by 1.9% to KRW 283.9 billion, with ROE standing at 9.5%.

Breakdown of Insurance Revenue

(Units: KRW billion, USD million)

	2023 (KRW)	2023 (USD)	2022 (KRW)	2022 (USD)	YoY Change ⁴⁾
Domestic Property ¹⁾	528.0	400.2	514.3	395.7	2.7%
Domestic Engineering, Marine & Aviation	547.7	415.1	457.3	351.8	19.8%
Domestic Casualty	501.1	379.8	528.9	407.0	-5.3%
Motor, Surety & Agriculture	805.1	610.2	944.2	726.4	-14.7%
Long-Term	522.8	396.3	1,081.5	832.1	-51.7%
Financial Solutions	13.9	10.6	6.8	5.2	104.4%
Domestic Life & Health	287.4	217.8	316.5	243.5	-9.2%
Overseas Life & Health	503.0	381.2	627.3	482.7	-19.8%
International Treaty	772.6	585.5	719.8	553.8	7.3%
International Facultative	268.8	203.7	235.4	181.1	14.2%
Overseas Operations ²⁾	417.2	316.3	331.0	254.6	26.1%
Total³⁾	5,167.6	3,916.6	5,763.0	4,433.8	-10.3%

1) Domestic property includes nuclear insurance.

2) Overseas operations include KRUL, KRSA, and branches in Singapore, Labuan, Dubai, and Shanghai.

3) Individual figures may not add up to the total shown due to rounding.

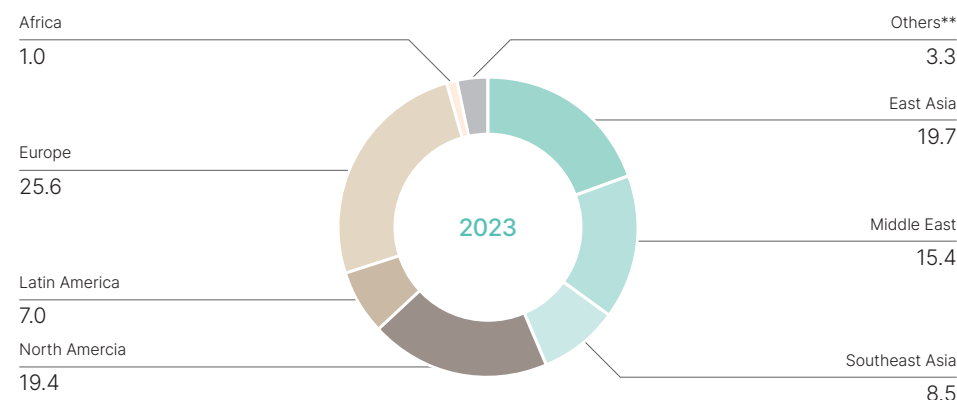
4) YoY change is based on the value in KRW.

Our technical result, which combined the insurance service result and insurance finance result, declined year on year by KRW 69.2 billion to a profit of KRW 91.9 billion in 2023. The decrease came in spite of a reduction in incurred losses excluding IBNR compared to the previous year because the technical result was affected by a combination of other factors including conservative estimates on insurance contract liabilities considering potential teething troubles involving the implementation of IFRS 17 and actuarial guidelines released by the financial supervisory authorities.

Meanwhile, active portfolio management allowed us to diversify our global business portfolio, with Europe and the Americas taking up a greater share of the total business. According to a geographical breakdown of our gross written premiums, markets in the Americas and Europe accounted for 26.4% and 25.6%, respectively, of the entire overseas business portfolio in 2023. Their combined share reached 52.0% in 2023 compared to 42.2% in 2019. It is also noteworthy that the share of the Asian market declined to 43.6% in 2023 compared to the previous year as a result of our portfolio adjustment, which was intended to improve overall business results.

Overseas Business Portfolio* by Region in 2023

(Unit: %)



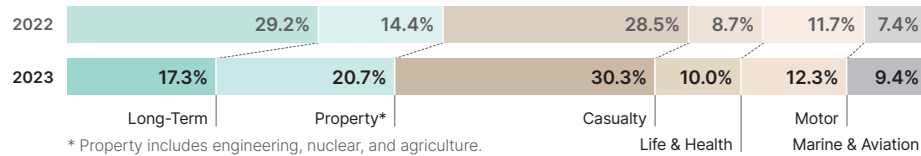
* Based on gross written premiums

** Others include retrocession and multi-territory accounts.

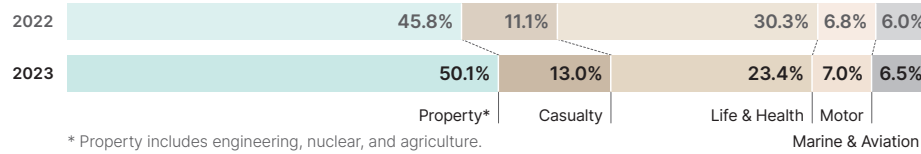
We continued to see stable investment results, achieving KRW 263.8 billion in investment income. The year-on-year increase in investment income was limited to KRW 4.7 billion due to our strategy to readjust our bond portfolio. Given the rapidly rising market interest rates in 2023, we made a strategic decision to sell low-yield bonds and buy higher-yield bonds, with a view to improving our book yield. Along with this shift, the volume of the expected investment returns is likely to be higher than ever due to a considerable growth in invested assets stemming from a new coinsurance transaction.

The total value of our assets continued to grow in step with our business growth. We reported KRW 12,066.3 billion in total assets as of the end of 2023, up KRW 1,049.1 billion year over year. There was a substantial rise of KRW 1,199 billion in invested assets, which totaled KRW 9,733.7 billion. Moreover, we maintained our capital position at a stable level, with total shareholders' equity increasing to KRW 3,252.9 billion as of late December 2023. The significant increase in total shareholders' equity compared to the previous year can be attributed to our solid net income results and the issuance of new capital securities worth KRW 250 billion in March 2023.

Domestic Insurance Revenue Portfolio by Line of Business



Overseas Insurance Revenue Portfolio by Line of Business



Property and Casualty (P&C) Reinsurance

P&C Key Figures

(Units: KRW billion, USD million)

	2023 (KRW)	2023 (USD)	2022 (KRW)	2022 (USD)
Insurance Revenue (gross) ¹⁾	3,840.5	2,910.7	3,730.8	2,870.3
Domestic	2,197.4	1,665.4	2,292.9	1,764.0
Overseas	1,643.1	1,245.3	1,438.0	1,106.3
Insurance Service Result (net)	83.9	63.6	138.4	106.5
Insurance Finance Result (net) ²⁾	-28.7	-21.8	-17.6	-13.6
Technical Result ²⁾	55.2	41.8	120.8	92.9
Combined Ratio (%) ²⁾	97.6		94.4	

1) Income from insurance contracts issued

2) Excluding exchange rate effects

Life and Health (L&H) Reinsurance

L&H Key Figures

(Units: KRW billion, USD million)

	2023 (KRW)	2023 (USD)	2022 (KRW)	2022 (USD)
Insurance Revenue (gross) ¹⁾	1,327.1	1,005.8	2,032.2	1,563.5
Insurance Service Result (net)	122.3	92.7	110.2	84.8
Insurance Finance Result (net) ²⁾	-85.6	-64.9	-69.9	-53.8
Technical Result ²⁾	36.7	27.8	40.3	31.0
Combined Ratio (%) ²⁾	97.1		97.9	
Contractual Service Margin (net)	828.8	636.5	1,043.4	815.3

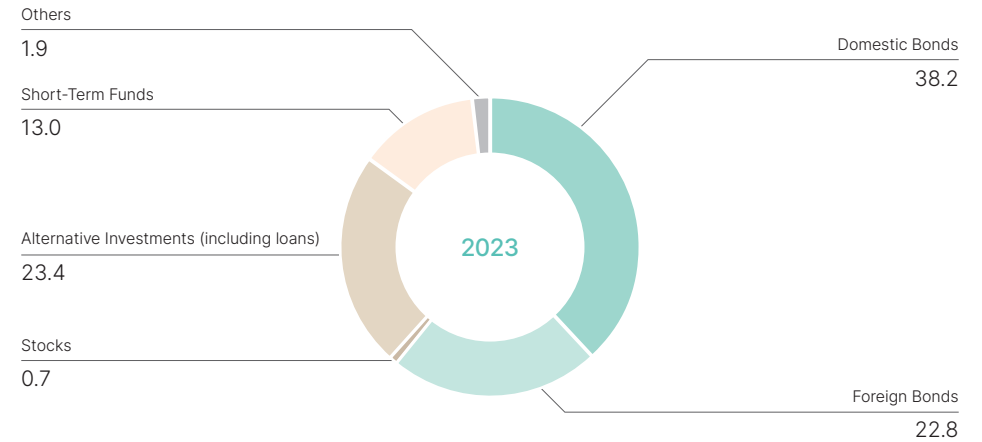
1) Income from insurance contracts issued

2) Excluding exchange rate effects

Investment Performance

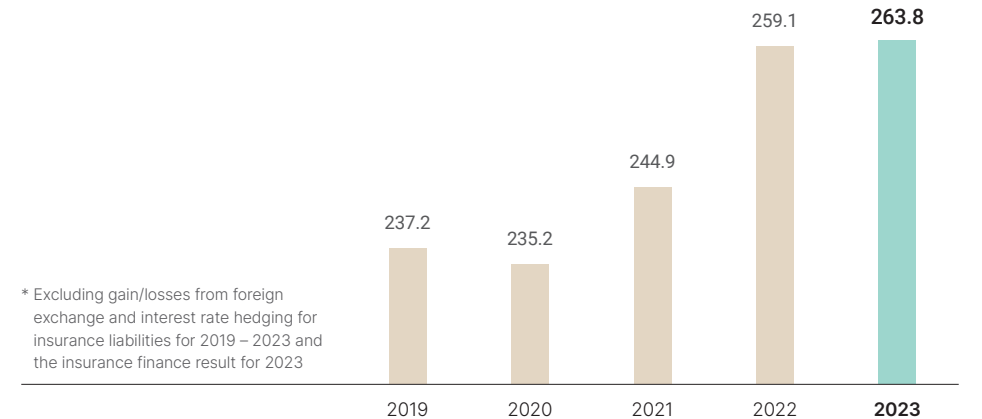
Investment Portfolio Mix in 2023

(Unit: %)



Investment Income

(Unit: KRW billion)



* Excluding gain/losses from foreign exchange and interest rate hedging for insurance liabilities for 2019 – 2023 and the insurance finance result for 2023

Review of Operations

Breakdown of Gross Written Premiums*

*This section covers business results for the head office only.

Domestic Property

(Units: KRW billion, USD million)

	2023 (KRW)	2023 (USD)	2022 (KRW)	2022 (USD)
Fire	105.7	80.1	111.9	86.1
Comprehensive	408.5	309.6	422.6	325.1
Korea Interest Abroad (KIA)	108.7	82.4	111.2	85.6
Nuclear Insurance*	7.5	5.7	6.4	4.9
Total	630.4	477.8	652.1	501.7

* Nuclear insurance includes overseas business.

Domestic Engineering, Marine & Aviation

(Units: KRW billion, USD million)

	2023 (KRW)	2023 (USD)	2022 (KRW)	2022 (USD)
Engineering	276.6	209.6	284.5	218.9
Hull	213.5	161.8	205.2	157.9
Cargo	94.1	71.3	92.6	71.2
Aviation	84.7	64.2	64.9	49.9
Total	669.0	507.0	647.2	497.9

* Individual figures may not add up to the total shown due to rounding.

Domestic Casualty

(Units: KRW billion, USD million)

	2023 (KRW)	2023 (USD)	2022 (KRW)	2022 (USD)
Liability	286.5	217.1	277.5	213.5
Personal Accidents	159.0	120.5	161.6	124.3
Special Risks & Others	158.5	120.1	216.2	166.3
Total	604.0	457.8	655.3	504.2

* Individual figures may not add up to the total shown due to rounding.

Motor, Surety & Agriculture

(Units: KRW billion, USD million)

	2023 (KRW)	2023 (USD)	2022 (KRW)	2022 (USD)
Domestic Motor	358.5	271.7	528.7	406.8
Surety & Credit	164.1	124.4	153.6	118.2
Agriculture	465.5	352.8	463.0	356.2
Total	988.1	748.9	1,145.3	881.2

Long-Term

(Units: KRW billion, USD million)

	2023 (KRW)	2023 (USD)	2022 (KRW)	2022 (USD)
Long-Term	1,459.2	1,105.9	2,746.9	2,113.4

Domestic Life & Health

(Units: KRW billion, USD million)

	2023 (KRW)	2023 (USD)	2022 (KRW)	2022 (USD)
Domestic Life & Health	887.2	672.4	862.0	663.2

Overseas Life & Health

(Units: KRW billion, USD million)

	2023 (KRW)	2023 (USD)	2022 (KRW)	2022 (USD)
Asia	206.7	156.7	137.9	106.1
Americas & Oceania	303.3	229.9	305.4	235.0
Europe, Middle East & Africa (EMEA)	12.5	9.5	13.7	10.5
Total	522.4	395.9	457.0	351.6

* Individual figures may not add up to the total shown due to rounding.

Review of Operations

Financial Solutions

(Units: KRW billion, USD million)

	2023 (KRW)	2023 (USD)	2022 (KRW)	2022 (USD)
Asset Transfer Coinsurance	749.0	567.7	801.7	616.8
Mass Lapse Reinsurance	3.7	2.8	-	-
Total	752.7	570.5	801.7	616.8

International Treaty

Property, Engineering & Marine

(Units: KRW billion, USD million)

	2023 (KRW)	2023 (USD)	2022 (KRW)	2022 (USD)
Middle East & Africa	195.2	148.0	179.6	138.2
East Asia	167.0	126.6	175.8	135.3
Europe	141.7	107.4	121.4	93.4
Americas	134.6	102.0	136.0	104.6
Total	638.5	483.9	612.8	471.5

* Individual figures may not add up to the total shown due to rounding.

Casualty & Motor

(Units: KRW billion, USD million)

	2023 (KRW)	2023 (USD)	2022 (KRW)	2022 (USD)
Europe & Middle East	288.2	218.4	273.0	210.0
Americas & Asia	170.6	129.3	192.3	147.9
Total	458.8	347.7	465.3	358.0

* Individual figures may not add up to the total shown due to rounding.

International Facultative

(Units: KRW billion, USD million)

	2023 (KRW)	2023 (USD)	2022 (KRW)	2022 (USD)
International Property Facultative	167.1	126.6	154.0	118.5
International Engineering & Construction Facultative	110.0	83.4	89.5	68.9
International Marine & Energy Facultative	67.3	51.0	53.3	41.0
Total	344.4	261.0	296.8	228.4

Financial Review

Consolidated Statements of Financial Position

As at December 31, 2023 and 2022

(Units: KRW million, USD thousand)

	FY 2023 (KRW)	FY 2023 (USD)	FY 2022 (KRW)	FY 2022 (USD)
Assets				
I. Cash and cash equivalents	510,175	391,839	498,904	389,860
II. Deposits	377,504	289,942	328,237	256,495
III. Financial assets measured at fair value through profit or loss	2,271,825	1,744,873	-	-
IV. Financial assets at fair value through profit or loss	-	-	127,105	99,324
V. Financial assets measured at fair value through other comprehensive income	2,752,819	2,114,300	-	-
VI. Available-for-sale financial assets	-	-	3,339,780	2,609,815
VII. Financial assets measured at amortized cost	3,626,015	2,784,958	-	-
VIII. Held-to-maturity financial assets	-	-	3,007,020	2,349,785
IX. Derivative financial assets designated as hedges	33,958	26,081	28,641	22,381
X. Loans receivable	-	-	1,039,008	811,915
XI. Receivables	113,948	87,518	76,526	59,800
XII. Investments in subsidiaries and associates	12,141	9,325	12,264	9,583
XIII. Insurance contract assets	24,890	19,117	38,715	30,253
XIV. Reinsurance contract held assets	2,048,131	1,573,065	2,241,049	1,751,230
XV. Property and equipment	96,652	74,233	114,454	89,438
XVI. Investment properties	90,131	69,225	72,438	56,605
XVII. Intangible assets	47,623	36,577	40,032	31,282
XVIII. Other assets	60,512	46,476	53,051	41,456
Total assets	12,066,324	9,267,529	11,017,224	8,609,222
Liabilities				
I. Insurance contract liabilities	8,174,698	6,278,570	7,661,996	5,987,338
II. Reinsurance contract held liabilities	90,945	69,850	146,773	114,693
III. Financial liabilities measured at fair value through profit or loss	771	592	-	-
IV. Financial liabilities measured at amortized cost	28,061	21,552	27,256	21,299
V. Derivative financial liabilities designated as hedges	926	711	1,536	1,200
VI. Current income taxes payable	2,856	2,194	42,142	32,931
VII. Deferred tax liabilities	361,959	278,002	309,647	241,968
VIII. Net defined benefit liabilities	33,322	25,593	27,269	21,309
IX. Provisions	212	163	119	93
X. Other liabilities	119,678	91,919	84,856	66,309
Total liabilities	8,813,428	6,769,146	8,301,594	6,487,140
Equity				
I. Capital stock	82,684	63,505	70,411	55,021
II. Capital surplus	153,879	118,187	166,148	129,834
III. Hybrid equity securities	808,089	620,652	558,631	436,533
IV. Capital adjustments	(134,169)	(103,048)	(134,157)	(104,835)
V. Accumulated other comprehensive income	215,499	165,514	149,592	116,896
VI. Retained earnings	2,126,914	1,633,573	1,905,005	1,488,633
Total shareholders' equity	3,252,896	2,498,383	2,715,630	2,122,082
Total liabilities and shareholders' equity	12,066,324	9,267,529	11,017,224	8,609,222

Note: For the B/S section, Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,302 per USD 1 for FY 2023 and KRW 1,279.7 for FY 2022. For the I/S section, the applicable exchange rate was KRW 1,319.43 per USD 1 for FY 2023 and KRW 1,299.78 for FY 2022.

* Individual figures may not add up to the total shown due to rounding.

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Units: KRW million, USD thousand)

	FY 2023 (KRW)	FY 2023 (USD)	FY 2022 (KRW)	FY 2022 (USD)
I. Insurance service result	206,233	156,304	248,626	191,283
1. Insurance revenue	6,265,445	4,748,599	6,990,745	5,378,406
(1) Income from insurance contracts issued	5,167,614	3,916,550	5,763,018	4,433,841
(2) Income from reinsurance contracts held	1,097,831	832,049	1,227,727	944,565
2. Insurance service expenses	6,059,212	4,592,295	6,742,119	5,187,123
(1) Expenses from insurance contracts issued	4,406,548	3,339,736	4,999,314	3,846,277
(2) Expenses from reinsurance contracts held	1,553,479	1,177,386	1,643,645	1,264,556
(3) Other insurance expenses	99,185	75,173	99,160	76,290
II. Investment result	157,656	119,488	103,903	79,939
1. Investment revenue	694,141	526,092	695,107	534,788
(1) Insurance finance income	170,850	129,488	269,003	206,960
(2) Interest income	242,626	183,887	192,786	148,322
(3) Dividend income	17,934	13,592	70,105	53,936
(4) Investment income from financial instruments	119,949	90,910	52,694	40,541
(5) Other investment revenues	142,782	108,215	110,519	85,029
2. Investment expenses	536,485	406,604	591,204	454,849
(1) Insurance finance expenses	306,428	232,243	430,356	331,099
(2) Interest expenses	359	272	303	233
(3) Investment expenses from financial instruments	147,957	112,137	97,113	74,715
(4) Asset management expenses	14,926	11,312	17,541	13,495
(5) Investment properties management expenses	3,244	2,459	3,431	2,640
(6) Other investment expenses	63,571	48,181	42,460	32,667
III. Other operating result	(215)	(163)	(121)	(93)
1. Other operating revenue	3,720	2,819	3,225	2,481
2. Other operating expenses	3,935	2,982	3,346	2,574
IV. Operating income	363,674	275,629	352,408	271,129
V. Non-operating profit and loss	(2,237)	(1,695)	(739)	(569)
1. Non-operating income	1,422	1,078	2,604	2,003
2. Non-operating expenses	3,659	2,773	3,343	2,572
VI. Income before income taxes	361,437	273,934	351,669	270,560
VII. Income tax expenses	77,568	58,789	73,208	56,323
VIII. Net income	283,869	215,145	278,461	214,237
IX. Other comprehensive income (loss)	100,096	75,863	(44,118)	(33,943)
X. Total comprehensive income	383,965	291,008	234,343	180,294

Note: For the B/S section, Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,302 per USD 1 for FY 2023 and KRW 1,279.7 for FY 2022. For the I/S section, the applicable exchange rate was KRW 1,319.43 per USD 1 for FY 2023 and KRW 1,299.78 for FY 2022.

* Individual figures may not add up to the total shown due to rounding.

Financial Review

Consolidated Statements of Changes in Equity (KRW)

For the years ended December 31, 2023 and 2022

(Unit: KRW million)

	Capital stock	Capital surplus	Hybrid equity securities	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total
As at January 1, 2022	60,185	176,375	229,439	(134,066)	193,710	2,000,064	2,525,707
The effect of changing of accounting policy	-	-	-	-	-	(300,874)	(300,874)
Balance after reflecting the effect of changing of accounting policy	60,185	176,375	229,439	(134,066)	193,710	1,699,190	2,224,833
Transactions with owners :							
Cash dividends	-	-	-	-	-	(53,691)	(53,691)
Bonus issue	10,226	(10,227)	-	(91)	-	-	(92)
Issuance of hybrid capital securities	-	-	329,192	-	-	-	329,192
Dividends of hybrid equity securities	-	-	-	-	-	(18,955)	(18,955)
Total Transactions with owners	10,226	(10,227)	329,192	(91)	-	(72,646)	256,454
Comprehensive income:							
Net income	-	-	-	-	-	278,461	278,461
Insurance finance income (expenses) from insurance contracts issued	-	-	-	-	96,907	-	96,907
Insurance finance income (expenses) from reinsurance contracts held	-	-	-	-	(24,021)	-	(24,021)
Loss on valuation of AFS financial assets	-	-	-	-	(143,327)	-	(143,327)
Loss on valuation of HTM financial assets	-	-	-	-	(5,118)	-	(5,118)
Exchange difference on translating foreign operations	-	-	-	-	24,068	-	24,068
Gain on valuation of derivative instruments designated as cash flow hedges	-	-	-	-	1,259	-	1,259
Revaluation surplus	-	-	-	-	910	-	910
Gain on remeasurement of the net defined benefit liabilities	-	-	-	-	5,204	-	5,204
Total comprehensive income	-	-	-	-	(44,118)	278,461	234,343
As at December 31, 2022	70,411	166,148	558,631	(134,157)	149,592	1,905,005	2,715,630
As at January 1, 2023	70,411	166,148	558,631	(134,157)	149,592	1,905,005	2,715,630
The effect of changing of accounting policy	-	-	-	-	(34,189)	31,000	(3,189)
Balance after reflecting the effect of changing of accounting policy	70,411	166,148	558,631	(134,157)	115,403	1,936,005	2,712,441
Transactions with owners :							
Issuance and disposition of treasury stocks	-	3	-	-	-	-	3
Cash dividends	-	-	-	-	-	(52,771)	(52,771)
Bonus issue	12,273	(12,272)	-	(103)	-	-	(102)
Amortization of discounted stock issuance	-	-	-	91	-	(91)	-
Issuance of hybrid capital securities	-	-	249,458	-	-	-	249,458
Dividends of hybrid equity securities	-	-	-	-	-	(40,098)	(40,098)
Total Transactions with owners	12,273	(12,269)	249,458	(12)	-	(92,960)	156,490
Comprehensive income:							
Net income	-	-	-	-	-	283,869	283,869
Insurance finance income (expenses) from insurance contracts issued	-	-	-	-	(87,721)	-	(87,721)
Insurance finance income (expenses) from reinsurance contracts held	-	-	-	-	8	-	8
Total Gains on debt securities at fair value through other comprehensive income	-	-	-	-	150,729	-	150,729
Exchange difference on translating foreign operations	-	-	-	-	14,973	-	14,973
Gain on valuation of derivative instruments designated as cash flow hedges	-	-	-	-	23,801	-	23,801
Revaluation surplus	-	-	-	-	91	-	91
Loss on remeasurement of the net defined benefit liabilities	-	-	-	-	(1,785)	-	(1,785)
Total comprehensive income	-	-	-	-	100,096	283,869	383,965
As at December 31, 2023	82,684	153,879	808,089	(134,169)	215,499	2,126,914	3,252,896

Consolidated Statements of Changes in Equity (USD)

For the years ended December 31, 2023 and 2022

(Unit: USD thousand)

	Capital stock	Capital surplus	Hybrid equity securities	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total
As at January 1, 2022	46,225	135,465	176,220	(102,969)	148,779	1,536,147	1,939,867
The effect of changing of accounting policy	-	-	-	-	-	(231,086)	(231,086)
Balance after reflecting the effect of changing of accounting policy	46,225	135,465	176,220	(102,969)	148,779	1,305,061	1,708,781
Transactions with owners :							
Cash dividends	-	-	-	-	-	(41,237)	(41,237)
Bonus issue	7,854	(7,855)	-	(70)	-	-	(71)
Issuance of hybrid capital securities	-	-	252,836	-	-	-	252,836
Dividends of hybrid equity securities	-	-	-	-	-	(14,558)	(14,558)
Total Transactions with owners	7,854	(7,855)	252,836	(70)	-	(55,795)	196,970
Comprehensive income:							
Net income	-	-	-	-	-	213,872	213,872
Insurance finance income (expenses) from insurance contracts issued	-	-	-	-	74,429	-	74,429
Insurance finance income (expenses) from reinsurance contracts held	-	-	-	-	(18,449)	-	(18,449)
Loss on valuation of AFS financial assets	-	-	-	-	(110,082)	-	(110,082)
Loss on valuation of HTM financial assets	-	-	-	-	(3,931)	-	(3,931)
Exchange difference on translating foreign operations	-	-	-	-	18,485	-	18,485
Gain on valuation of derivative instruments designated as cash flow hedges	-	-	-	-	967	-	967
Revaluation surplus	-	-	-	-	699	-	699
Gain on remeasurement of the net defined benefit liabilities	-	-	-	-	3,997	-	3,997
Total comprehensive income	-	-	-	-	(33,885)	213,872	179,987
As at December 31, 2022	54,079	127,610	429,056	(103,039)	114,894	1,463,138	2,085,738
As at January 1, 2023	54,079	127,610	429,056	(103,039)	114,894	1,463,138	2,085,738
The effect of changing of accounting policy	-	-	-	-	(26,259)	23,810	(2,449)
Balance after reflecting the effect of changing of accounting policy	54,079	127,610	429,056	(103,039)	88,635	1,486,948	2,083,289
Transactions with owners :							
Issuance and disposition of treasury stocks	-	2	-	-	-	-	2
Cash dividends	-	-	-	-	-	(40,531)	(40,531)
Bonus issue	9,426	(9,425)	-	(79)	-	-	(78)
Amortization of discounted stock issuance	-	-	-	70	-	(70)	-
Issuance of hybrid capital securities	-	-	191,596	-	-	-	191,596
Dividends of hybrid equity securities	-	-	-	-	-	(30,799)	(30,799)
Total Transactions with owners	9,426	(9,423)	191,596	(9)	-	(71,400)	120,190
Comprehensive income:							
Net income	-	-	-	-	-	218,025	218,025
Insurance finance income (expenses) from insurance contracts issued	-	-	-	-	(67,374)	-	(67,374)
Insurance finance income (expenses) from reinsurance contracts held	-	-	-	-	6	-	6
Total Gains on debt securities at fair value through other comprehensive income	-	-	-	-	115,768	-	115,768
Exchange difference on translating foreign operations	-	-	-	-	11,500	-	11,500
Gain on valuation of derivative instruments designated as cash flow hedges	-	-	-	-	18,280	-	18,280
Revaluation surplus	-	-	-	-	70	-	70
Loss on remeasurement of the net defined benefit liabilities	-	-	-	-	(1,371)	-	(1,371)
Total comprehensive income	-	-	-	-	76,879	218,025	294,904
As at December 31, 2023	63,505	118,187	620,652	(103,048)	165,514	1,633,573	2,498,383

Note: Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,302.0 per USD 1.

Financial Review

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

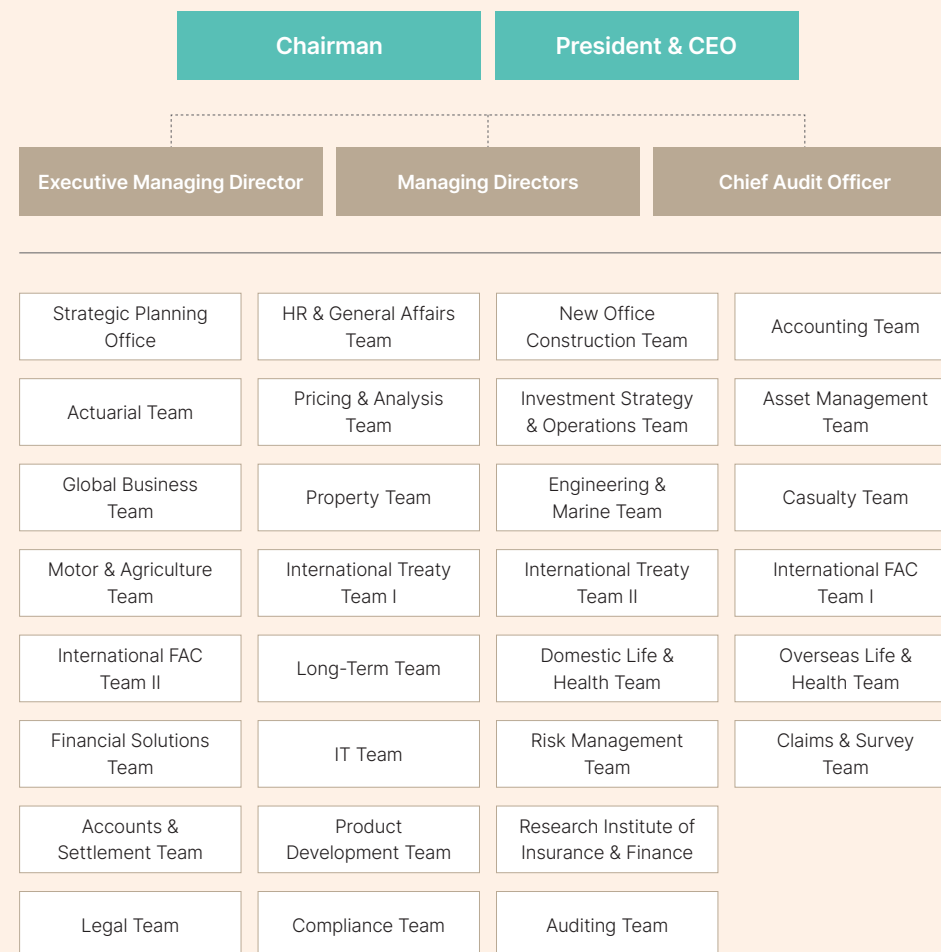
(Units: KRW million, USD thousand)

	FY 2023 (KRW)	FY 2023 (USD)	FY 2022 (KRW)	FY 2022 (USD)
I. Cash flows from operating activities	638,604	490,479	1,306,506	1,020,947
1. Cash generated from operations	465,062	357,190	1,059,179	827,678
2. Receipt of interest	210,755	161,870	187,368	146,416
3. Payment of interest	(359)	(276)	(395)	(309)
4. Receipt of dividends	17,934	13,774	70,105	54,782
5. Refund(payment) of income taxes	(54,788)	(42,080)	(9,752)	(7,621)
II. Cash flows from investing activities	(794,266)	(610,035)	(1,532,481)	(1,197,531)
III. Cash flows from financing activities	162,862	125,086	256,124	200,144
IV. Effects of changes in foreign exchange rates on cash and cash equivalents	4,070	3,126	(10,191)	(7,964)
V. Net increase in cash and cash equivalents	11,271	8,657	19,957	15,595
VI. Cash and cash equivalents at the beginning of the year	498,904	383,183	478,947	374,265
VII. Cash and cash equivalents at the end of year	510,175	391,839	498,904	389,860

Note: For the B/S section, Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,302 per USD 1 for FY 2023 and KRW 1,279.7 for FY 2022. For the I/S section, the applicable exchange rate was KRW 1,319.43 per USD 1 for FY 2023 and KRW 1,299.78 for FY 2022.

* Individual figures may not add up to the total shown due to rounding.

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