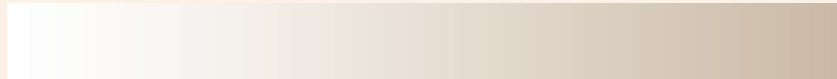


Challenge Ourselves,
Change the World

Annual Report



2025

KOREAN Re

Financial Highlights

	2025 (KRW billion)	2025 (USD million)	2024 (KRW billion)	2024 (USD million)
For the Year				
Insurance Revenue (gross) ¹⁾	4,975.8	3,468.7	5,136.6	3,753.6
Insurance Service Result (net)	226.5	157.9	198.7	145.2
Insurance Finance Result (net) ²⁾	-215.0	-149.9	-183.5	-134.1
Technical Result ²⁾	11.5	8.0	15.2	11.1
Investment Income ³⁾	475.1	331.2	389.3	284.5
Net Income	322.0	224.5	316.7	231.4
At the Year End				
Total Assets	14,259.8	9,841.8	13,160.4	8,865.8
Invested Assets	11,915.3	8,223.7	10,834.1	7,298.6
Insurance Contract Liabilities ⁴⁾	9,757.7	6,734.6	9,103.3	6,132.7
Contractual Service Margin (net)	967.7	667.9	953.0	642.0
Total Shareholders' Equity	3,683.4	2,542.2	3,452.9	2,326.1
Financial Metrics				
Solvency Margin Ratio (K-ICS Ratio ⁵⁾)		197.8%		191.7%
Combined Ratio ⁶⁾		91.2%		91.9%
Return on Assets (ROA)		2.3%		2.5%
Return on Equity (ROE)		9.0%		9.4%
Payout Ratio		31.3%		28.7%
Earnings per Share (EPS)	KRW 1,587	USD 1.11	KRW 1,556	USD 1.14

* All figures are based on K-IFRS and the Consolidated Financial Statements of Korean Re. 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 gains/losses from foreign exchange and interest rate hedging for insurance liabilities

4) Insurance contract liabilities in a liability position

5) The ratio refers to the solvency margin ratio under the Korean Insurance Capital Standard (K-ICS).

6) The combined ratio is calculated as insurance service expenses (net) divided by insurance revenue (net). The 2024 figure has been restated to reflect a change in the calculation method, whereby other insurance expenses are excluded from insurance service expenses.



This content is available online as a summary video.

Financial Strength Ratings

A Stable

AM Best (2025)

A+ Stable

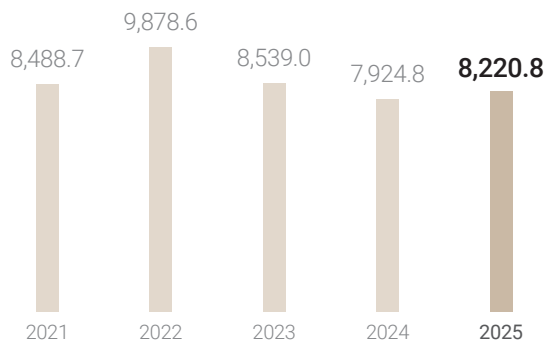
S&P (2025)

A1 Stable

Moody's (2025)

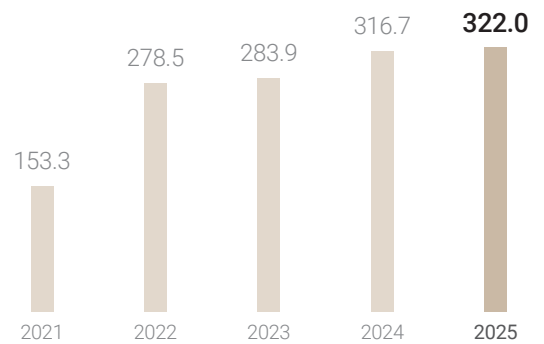
Gross Written Premiums

(Unit: KRW billion)



Net Income

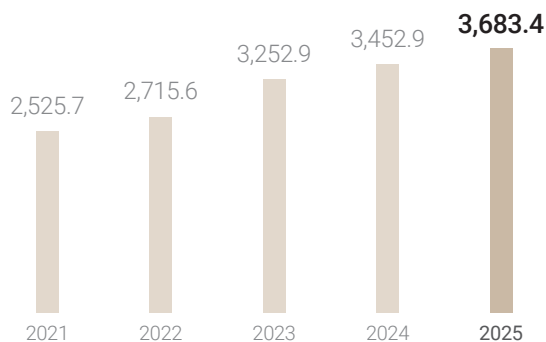
(Unit: KRW billion)



* The 2021 figure is based on IFRS 4 and IAS 39, the 2022 figure on IFRS 17 and IAS 39, and the remaining figures on IFRS 17 and IFRS 9.

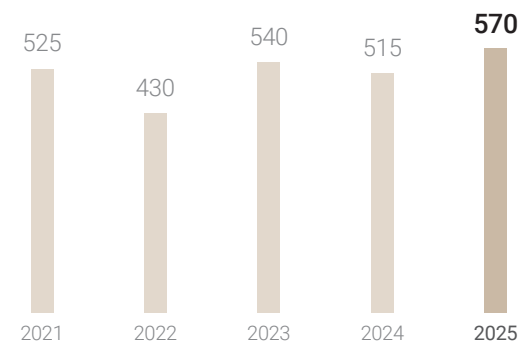
Total Shareholders' Equity

(Unit: KRW billion)



Dividend per Share

(Unit: KRW)



* The 2021 figure is based on IFRS 4 and IAS 39, the 2022 figure on IFRS 17 and IAS 39, and the remaining figures on IFRS 17 and IFRS 9.

Contents

002	Financial Highlights
005	Corporate Profile
006	Message from the CEO
008	Board of Management
010	Expanding Our Global Network
011	Global Network
012	Americas
013	Asia
016	Europe, Middle East, and Africa (EMEA)
018	Market Overview
019	Korean Economy
022	Korean Insurance Market
026	Management's Discussion & Analysis
027	Vision and Strategy
027	Overview of Business Environment
028	Highlights of Business Results
030	Analysis of Business Results
036	Dividend and Stock Price Performance
037	Other Matters Necessary for Investors
038	Outlook
039	Caution on Forward-Looking Statements
040	Risk Management Report
045	Review of Operations
046	Domestic Property & Casualty (P&C)
054	International Property & Casualty (P&C)
059	Life & Health (L&H)
064	Investment
066	Non-Financial Report
067	Overview
069	Addressing Climate Change
072	Delivering Social Value
076	Ensuring Stable and Transparent Governance
080	Financial Report
081	Consolidated Statements of Financial Position
082	Consolidated Statements of Comprehensive Income
083	Consolidated Statements of Changes in Equity
085	Consolidated Statements of Cash Flows
086	Notes to Consolidated Financial Statements
094	Independent Auditor's Report
097	Corporate Information
098	Inside Korean Re
103	History
103	Disclaimer
104	Organization
105	Contact Information
106	Glossary



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Corporate Profile

Challenge Ourselves, Change the World

Since our establishment in 1963, Korean Re has consistently demonstrated excellence, evolving from a local reinsurer into a leading global player. Following our 60th anniversary milestone in 2023, we gained significant momentum when we achieved the upgrade of our financial strength rating to A+ by S&P in July 2025. This achievement reaffirms our commitment to profitable growth, disciplined underwriting, and strong capital management under the IFRS 17 framework.

As the only professional reinsurer headquartered in Korea, we provide reinsurance capacity across a comprehensive range of traditional reinsurance business lines including property, engineering, marine & aviation, casualty, motor, and life & health, while also offering innovative non-traditional reinsurance solutions. Our success is rooted in our ability to navigate evolving market conditions and refine our portfolio continuously with a view to delivering sustainable performance.

Our global footprint continues to expand as we pursue opportunities across international markets. By the end of 2025, overseas business accounted for a significant portion of our portfolio, supported by a growing global network of four subsidiaries, five branches—including our newly established operations in India—and three representative offices. This strategic expansion reflects our ongoing commitment to exploring new markets and diversifying our revenue base.

Guided by our slogan, “Challenge Ourselves, Change the World,” we strive to realize our vision of becoming a global top-tier reinsurer. By continuously challenging ourselves and embracing innovation, we believe we can drive positive change across the insurance industry and contribute meaningfully to a more resilient and sustainable world. Going forward, we remain committed to persevering through challenges, exploring new opportunities, and delivering long-term value to our clients, shareholders, and stakeholders globally.

Message from the CEO

I am pleased to share with you the business performance of Korean Re over the past year. In 2025, we delivered strong results through our disciplined strategy of balancing growth with profitability, meeting our financial goals across all key indicators. Most notably, we exceeded our annual bottom-line target, recording a net income of KRW 322 billion.

Over the past several years, we have focused on enhancing profitability and achieving high-quality growth, while building a solid foundation for future business expansion. Central to this effort has been the development of sophisticated risk management models to ensure stable underwriting profitability. At the same time, the continued expansion of our overseas business has also allowed us to secure new growth momentum.

Backed by a growth in operating income, our capital position is stronger than ever. In 2025, total assets rose by KRW 1,099 billion to KRW 14.3 trillion, while invested assets increased by KRW 1,081 billion to KRW 11.9 trillion. These results reflect the stability of our underwriting portfolio as well as disciplined investment management.

Our share price has increasingly reflected this financial progress. In appreciation of the continued trust and support of our shareholders, we have maintained our high-dividend policy, declaring a dividend of KRW 570 per share with a dividend yield of 4.6%. Enhancing shareholder value will remain a key priority as we move forward.

While we are proud of these achievements, we remain mindful that the global landscape is fraught with climate-driven challenges. Global losses from natural catastrophes continue to rise, and 2025 was no exception. Global economic losses from natural disasters exceeded USD 260 billion in 2025, of which around USD 127 billion was insured. The large-scale wildfires in Los Angeles (LA) in January and the winter storms that swept across Europe served as stark reminders of the importance of strengthening society's resilience against natural disasters.

Amid the growing frequency and severity of natural catastrophes, Korean Re has made an all-out effort to refine its risk models to maintain robust profitability. Coupled with this effort, we have upheld strict underwriting standards and remained committed to improving portfolio quality. As a result, we have been able to manage earnings volatility

effectively, demonstrating the soundness of our management philosophy, which prioritizes long-term profitability and financial strength over short-term expansion.

We will continue to enhance our risk assessment systems and catastrophe (CAT) modeling capabilities, while carefully managing risk concentration by region and line of business. Through these efforts, we aim to minimize the impact of large loss events on our business results. As we further expand our overseas underwriting portfolio and respond proactively to evolving global market conditions, we will be able to sustain stable performance in a volatile environment.

Looking ahead, the reinsurance market is expected to face increasingly complex dynamics. Rising costs of natural catastrophe risks, pressure for price moderation, and the growing importance of emerging risks such as cyber threats will shape the industry landscape. In addition, the broader macroeconomic environment also remains challenging, with persistent geopolitical and macroeconomic uncertainties putting a drag on global economic growth in 2026.

Despite these challenges, Korean Re will actively adapt to the rapidly changing business landscape in 2026 and further strengthen its long-term competitiveness. While maintaining our profitability-centered approach, we will also seek a new stage of growth, backed by strong credit ratings. Our financial strength rating was upgraded to A+ (Stable) by S&P in July 2025, which came on the heels of Moody's newly assigning Korean Re an A1 (Stable) rating in May. These achievements reflect our strong capital adequacy and underwriting profitability and signify that Korean Re has established itself as a competitive global reinsurer beyond the Asian market.

International expansion continues to be a core pillar of our strategy. Overseas operations established over the past five years have taken firm root and are delivering notable performance improvements. Furthermore, with the establishment of a new branch in GIFT City, Gujarat, India, which commenced operations in April 2026, our global network now comprises 12 overseas business platforms. This expansion underscores our steadfast commitment to increasing the portion of our overseas business and developing new markets. We will continue to explore new growth opportunities and solidify our position as a leading global reinsurer.



“ We exceeded our annual bottom-line target, recording a net income of KRW 322 billion. ”

Meanwhile, the advancement of AI technology is transforming work processes and decision-making structures across industries. In response, Korean Re created a dedicated AI organization in 2025 and began preparations for AI Transformation (AX). We will seek to strengthen AI governance and drive data-based innovation to enhance both efficiency and professional expertise.

Another important milestone lies ahead in 2026 with the full-scale launch of our headquarters reconstruction project. By renewing the space that has accompanied our development for decades and building a future-oriented working environment, we aim to support sustainable organizational growth.

Korean Re has consistently taken a long-term perspective in building a strong and resilient company. I would like to express my sincere gratitude to our shareholders for your continued trust and support. We remain fully committed to meeting your expectations and delivering value.

I wish you and your families good health and happiness in the year ahead, and I kindly ask for your continued encouragement and support.

Thank you.

Jonggyu Won
President and CEO

Board of Management



Jongik Won
Chairman



Jonggyu Won
President & CEO



Kwangshik Jeong
Executive Vice President

- Strategic Planning Office
- Accounting Team
- Investment Strategy & Operations Team
- Asset Management Team
- Financial Solutions Team



Byoungki So
Managing Director

- Property Team
- Engineering & Marine Team
- Casualty Team
- Motor & Agriculture Team



Jundong Kim
Managing Director

- Auditing Team



Woojeong Jeon

Managing Director

- Long-Term Team
- Domestic Life & Health Team
- Overseas Life & Health Team
- Product Development Team
- Claims & Survey Team



Sekoan Oh

Managing Director

- International Treaty Team I
- International Treaty Team II
- International FAC Team I
- International FAC Team II
- International Casualty & Motor Team
- International Business Management Team

Seungsoo Kwon

Managing Director

- Actuarial Team
- Pricing & Analysis Team
- Risk & Capital Solutions Team
- Research Institute of Insurance & Finance
- Accounts & Settlement Team



Byoungick Yoon

Managing Director

- Legal Team
- Compliance Team



Jaemoon Lee

Managing Director

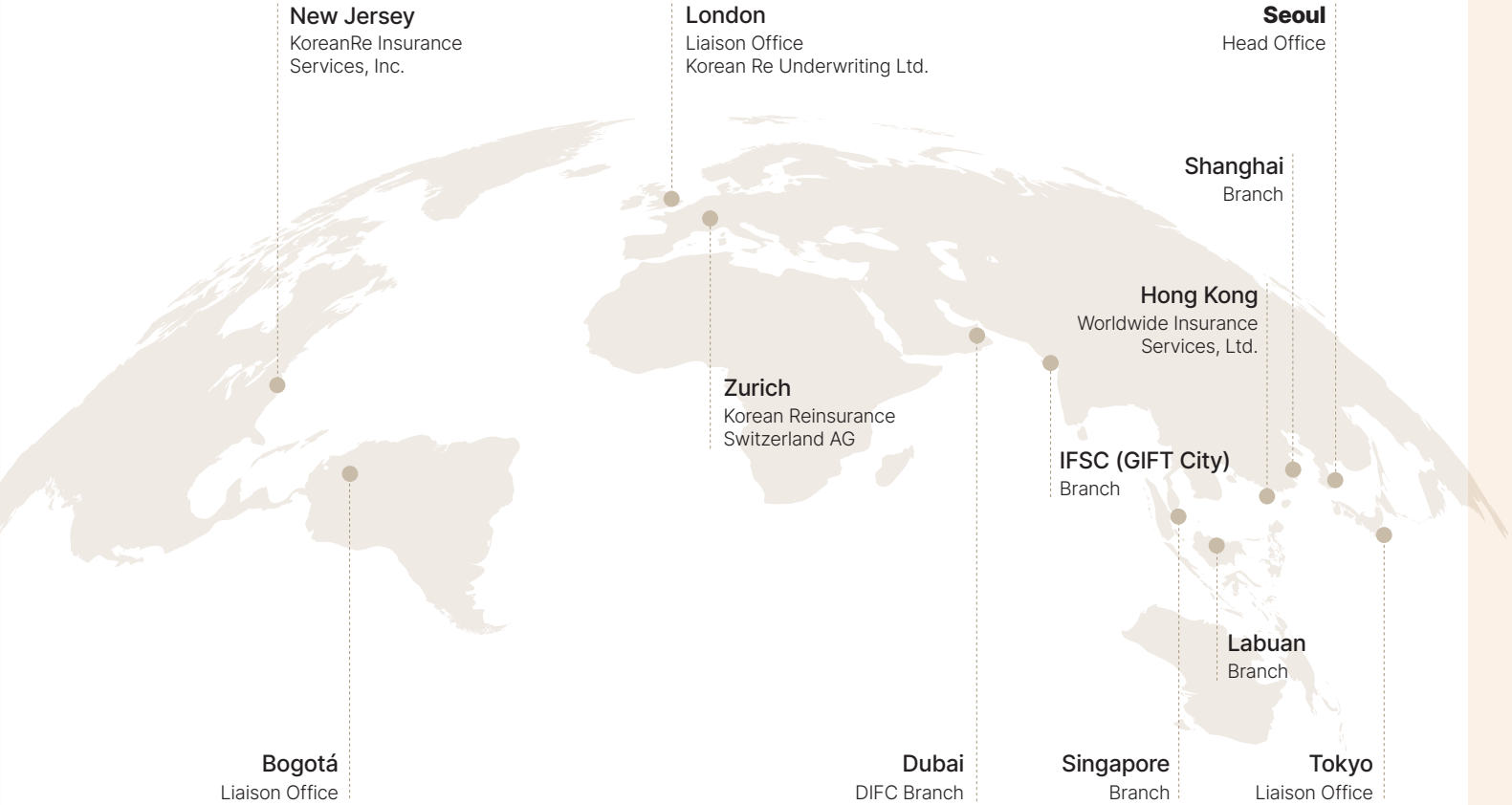
- HR & General Affairs Team
- New Office Construction Team
- Risk Management Team
- IT Team



Expanding **Our Global Network**



Global Network



8

Branches and Liaison Offices

12

Jurisdictions

4

Subsidiaries

Americas



New Jersey

KoreanRe Insurance Services, Inc. (KRIS)

Korean Re established a subsidiary, KoreanRe Insurance Services, Inc. (KRIS), in the United States as part of its strategic initiative for global expansion. Now entering its fifth year of operation, KRIS has transitioned from its foundational phase to becoming a robust strategic hub for Korean Re's growth in the Americas. Since securing its comprehensive licensure as a (re)insurance intermediary and producer for both Property & Casualty and Life & Health in 2021, KRIS has consistently enhanced its specialized risk consulting capabilities and market agility.

With an initial focus on the northeastern U.S., KRIS has leveraged strategic opportunities to extend its reach across the country, aligning with Korean Re's objective to grow its market share in a domain that constitutes 45% of global premium income. In addition, KRIS is venturing into primary insurance brokerage including P&C and Surety for U.S.-based Korean companies in order to enhance its service range and provide exceptional insurance consulting and brokerage services, reflecting Korean Re's flexibility and client-centric approach. As a key pillar of Korean Re's global network, KRIS remains committed to providing exceptional client-centric services in an increasingly complex risk environment.



Bogotá

Our representative office in Bogotá was set up in February 2020 after gaining approval from local authorities in Colombia, with which Korea had signed an FTA agreement in 2016. From this operating base in Bogotá, the capital city of Colombia, Korean Re covers the entire Latin American region, including the Caribbean, where we have built business relationships with a number of (re)insurers for 28 years. The establishment of the office was as part of Korean Re's ongoing initiative to increase its overseas business based on a diversified geographic portfolio.

As of January 1, 2024, amendments to Korean regulations have enabled the Bogotá representative office to directly perform underwriting on-site, allowing for more flexible and prompt underwriting decisions. This regulatory change has enhanced our accessibility and responsiveness to local clients and is expected to strengthen Korean Re's presence in the Latin American market. Going forward, we will continuously provide improved services to our local clients, explore new business opportunities, and further diversify our overseas portfolio.

Asia

Singapore and Labuan

Our Singapore branch has provided stable capacity to the Southeast Asian market over the last 48 years. Across the market, Korean Re is recognized as a leading reinsurance company that provides reliable quotations based on a consistent underwriting policy. Furthermore, we remain actively responsive to our clients' needs as we continuously support their risk management objectives. Along with developments in the market, their needs are changing and evolving, so we are striving to keep up with market needs and expand our business portfolio accordingly.

Building on our track record in Singapore, our Labuan branch has been serving the Malaysian market as a Tier 2 reinsurer since its opening in July 2017. As one of the market leaders in the region, we will stay committed to providing excellent client services across diverse lines of business. For the sake of administrative cost savings, the branch is operated without staff, as all necessary documentation and administrative activities are handled by our Singapore branch.

The key strategy of our Singapore and Labuan branches is to maintain a leading reinsurer position in the market while focusing on profitability-driven underwriting and building a well-diversified, stable portfolio across regions and lines of business. In 2025, despite frequent natural catastrophes such as the earthquake in Myanmar and the floods in southern Thailand, we successfully defended our results through our robust and well-diversified portfolio. This strategic direction will continue in 2026. In response to the increasing risks posed by climate change and softening market conditions, we plan to further strengthen our management of natural catastrophe volatility and reinforce profitability-driven underwriting.



Asia



Shanghai

Our Shanghai branch, which began operations in 2020, continues to serve as a key platform for strengthening Korean Re's presence in the Chinese market.

The branch focuses primarily on profitability-oriented business segments, particularly property and liability non-proportional treaties, while maintaining a cautious stance toward motor and proportional property treaties where performance has been relatively limited. Overall loss experience during 2025 remained profitable, with no significant events materially impacting the portfolio.

Our underwriting approach for 2026 remains consistent with prior years. We will continue to pursue proportional treaties that demonstrate stable performance, while selectively expanding our non-proportional portfolio through technically priced, well-structured programs despite ongoing softening market conditions.

Going forward, the Shanghai branch will maintain its emphasis on strengthening operational stability through robust infrastructure. By providing tailored services to key clients based on their business performance, cash flow position, and solvency considerations, we aim to reinforce our role as a dependable long-term partner in the region. The branch will also continue to respond proactively to developments in the Chinese insurance market and regulatory environment in support of sustainable growth.



GIFT City (Gujarat)

Korean Re established an IFSC Insurance Office (IIO) at Gujarat International Finance Tec-City (GIFT City), as a key strategic move to solidify its long-term presence in South Asia. The office obtained its formal approval from the International Financial Services Centres Authority (IFSCA) in late 2025, and is currently finalizing its operational setup to commence business. This office has been established in recognition of India's growing strategic importance, driven by increasing insurance penetration and rising demand for reinsurance capacity.

The branch in GIFT City will initially focus on local treaty portfolios that have historically been managed through our Singapore branch. By transitioning these businesses to the branch, we aim to enhance underwriting responsiveness and strengthen our partnerships with local cedants. This on-site presence allows for a more disciplined and client-centric approach, ensuring that we meet the increasing demand for reinsurance solutions in the region.

Over time, the India office plans to gradually expand its scope to include facultative reinsurance and explore strategic opportunities in neighboring markets such as Nepal, Sri Lanka, and Bangladesh. It is expected to play a growing role within Korean Re's Asian network, driving portfolio diversification and sustainable growth.



Hong Kong

Worldwide Insurance Services, Ltd. (WIS)

Worldwide Insurance Services, Ltd. (WIS), which is based in Hong Kong, has been mainly running a reinsurance broking business since 1995 as a wholly owned subsidiary of Korean Re. As an in-house broker of Korean Re, WIS has access to Korean Re's treaty and facultative business. This puts it in an excellent position to support (re)insurers with limited opportunities to tap into the Korean insurance market.

In addition to giving (re)insurers a chance to utilize Korean Re's capacity, its strengths mainly lie in decades of accumulated know-how and expertise in reinsurance, not to mention the insightful knowledge necessary to provide practical value-added services. Moreover, as a licensed broker in both Hong Kong and Lloyd's UK, WIS has a robust worldwide network to operate both Korean and non-Korean businesses. Based on those advantages, WIS works closely with Korean Re to offer the best solutions that meet the increasingly diverse and sophisticated needs of its clients worldwide.

On top of its main business of reinsurance broking, WIS has recently started to engage in the primary insurance brokerage business, mainly for Korean companies operating in Hong Kong. This new business operation has contributed to increasing the insureds' benefits through outstanding insurance consulting and brokerage services. Starting with group medical insurance of Korean financial entities in Hong Kong, it plans to expand its business scope and service areas.



Tokyo

Established in 1969 as Korean Re's first overseas presence, the Tokyo Liaison Office serves as a strategic bridgehead in one of the world's most disciplined insurance markets.

The office plays a critical role in maintaining Korean Re's long-standing partnerships with Japanese insurers and brokers. By providing real-time market intelligence and regulatory insights, the Tokyo office enables the head office to navigate the unique dynamics of the Japanese market. Its core focus lies in strengthening trust-based relationships—a key success factor in Japan—and ensuring seamless communication for both treaty and facultative business.

In 2026, the Tokyo office will continue to enhance its role as a local intelligence hub, supporting the head office's underwriting strategies amid evolving natural catastrophe risks and shifting Japanese reinsurance trends. Through continuous on-the-ground engagement, we aim to solidify our position as a reliable partner and facilitate sustainable business growth in the region.

Europe, Middle East, and Africa (EMEA)

Zurich

Korean Reinsurance Switzerland AG (KRSA)

Korean Reinsurance Switzerland AG (KRSA), based in Zurich and regulated by FINMA, continued to strengthen its strategic role within the Korean Re Group in 2025, marking its sixth year of operations. The company further advanced its organizational and technical capabilities, notably in reserving, claims, and data analytics, as well as in the fully insourced Swiss Solvency Test (SST) and ORSA processes. KRSA's solid performance underscored the Group's global diversification strategy, providing a Solvency II equivalent European balance sheet that enhances the diversification of Korean Re's risk profile and profit streams while contributing to long-term capital efficiency. KRSA is well positioned to evolve into a European hub for Korean Re, with the potential to become a meaningful long-term contributor to global net income. Its disciplined underwriting, strong technical expertise, and growing integration within the Group reinforce its role as a key pillar of Korean Re's international expansion.

The 2025 renewal season unfolded in a stabilizing yet increasingly competitive market as additional capacity returned. KRSA entered the renewals with a clear strategic priority to reduce exposure to high-severity natural catastrophe risks, particularly across peak peril zones in Western Europe. This repositioning led to materially lower limits in selected peak peril regions, reducing premium volume while improving portfolio resilience and lowering volatility. In parallel, KRSA broadened its participation in more diversified and profitable lines of business, including new opportunities in Motor, Cyber, and Casualty, supported in part by structured quota share arrangements that reduced the relative weight of the more volatile Property segment. Engineering and Marine continued to deliver stable results, backed by sound underlying market conditions.

Despite persistent pricing pressure in the property catastrophe business, KRSA delivered strong bottom-line results in 2025. Gross written premiums amounted to EUR 128.3 million, and the company generated a gross profit of EUR 19.4 million. KRSA reported a technical combined ratio of 87.9%¹⁾ including administration expenses, reflecting



disciplined underwriting and effective portfolio steering. Claims experience remained moderate, with natural peril losses well within expected ranges, while strong performance across most business lines and positive prior-year developments enabled KRSA to exceed internal financial targets.

The January 2026 renewals took place in a more competitive yet broadly disciplined market environment. For the remainder of 2026, KRSA will continue to prioritize portfolio balance and resilience while originating profitable new mid-year opportunities across Europe and South Africa, with a focus on deepening long-term partnerships and maintaining a stable and credible market presence. Continued investment in advanced analytics, combined with enhanced cross-regional knowledge sharing, will support more agile underwriting decisions and sharper risk selection. KRSA remains committed to supporting the Korean Re Group's international ambitions through sustainable growth, disciplined underwriting, and its continued evolution into a European hub for the Group.

1) This figure refers to the combined ratio including administrative expenses under the Swiss GAAP.



London

Korean Re Underwriting Limited (KRUL)

Korean Re Underwriting Limited (KRUL) was established in 2015 as a subsidiary of Korean Re and has been providing its capital to select syndicates as a corporate member of Lloyd's. Since its beginning in the 1680s, Lloyd's has been a pioneer in insurance and has evolved into the world's leading market for specialist insurance over the last 300-plus years. As a market that specializes in unusual risks, Lloyd's has built a leadership position in supplying insurance capacity for specialty lines, including satellites, terrorism, cyber, and other emerging risks.

KRUL shares the operating results of various syndicates by deploying its capacity to them. It also seeks strategic cooperation with major players in the market to monitor the latest trends in product development, pricing, and capacity throughout advanced markets. By doing so, KRUL supports Korean Re in its efforts to expand into overseas markets and strengthen its global network. Serving as Korean Re's dedicated platform for the Lloyd's market, KRUL invests in top-performing syndicates within this global hub for specialty risks. Through this strategic approach, KRUL effectively extends the company's reach into niche Lloyd's markets that are otherwise inaccessible to the headquarters directly, playing a pivotal role in Korean Re's global market penetration.



Dubai

Our DIFC branch in Dubai, which commenced operations in January 2018, has established itself as a key platform for Korean Re's business across the Middle East and surrounding regions. Since its inception, the branch has delivered solid and stable performance, supported by the consistent transfer of existing contracts from the head office, as well as the successful development of new business opportunities in the region.

The Dubai branch covers a broad and diverse geographic footprint, including the Middle East, Africa, Türkiye, Greece, Cyprus, and the Commonwealth of Independent States (CIS). Leveraging Dubai's position as a regional financial and reinsurance hub, the branch has strengthened relationships with both local and international cedants, contributing to the continued enhancement of Korean Re's brand recognition in the region.

In recent years, the branch has focused on building a well-diversified portfolio through disciplined underwriting, while supporting clients' evolving risk management needs across regional markets. Going forward, it aims to further strengthen its presence in core markets and expand into underpenetrated markets, leveraging its technical expertise to drive sustainable growth and portfolio diversification.



Market **Overview**



019 Korean Economy
022 Korean Insurance Market

Korean Economy

2025 in Review

The Korean economy is estimated to have expanded by approximately 1.0% in 2025, marking a significant deceleration from the prior year. This slowdown was driven primarily by subdued domestic demand and a steep decline in construction investment, even as exports and the semiconductor sector maintained their underlying strength.

Private consumption recorded a moderate increase of around 1.3%, supported by relatively stable employment conditions and improved income prospects in IT-related industries. However, consumption growth remained limited due to structural constraints such as elevated household debt, demographic aging, and uneven economic recovery between IT and non-IT sectors.

Exports continued to support economic activity. Notably, semiconductor exports remained strong amid robust global demand related to AI infrastructure, high-performance computing, and data centers. Nevertheless, overall export growth slowed to around 3.1%, reflecting weaker global trade momentum and uncertainties surrounding international trade policies.

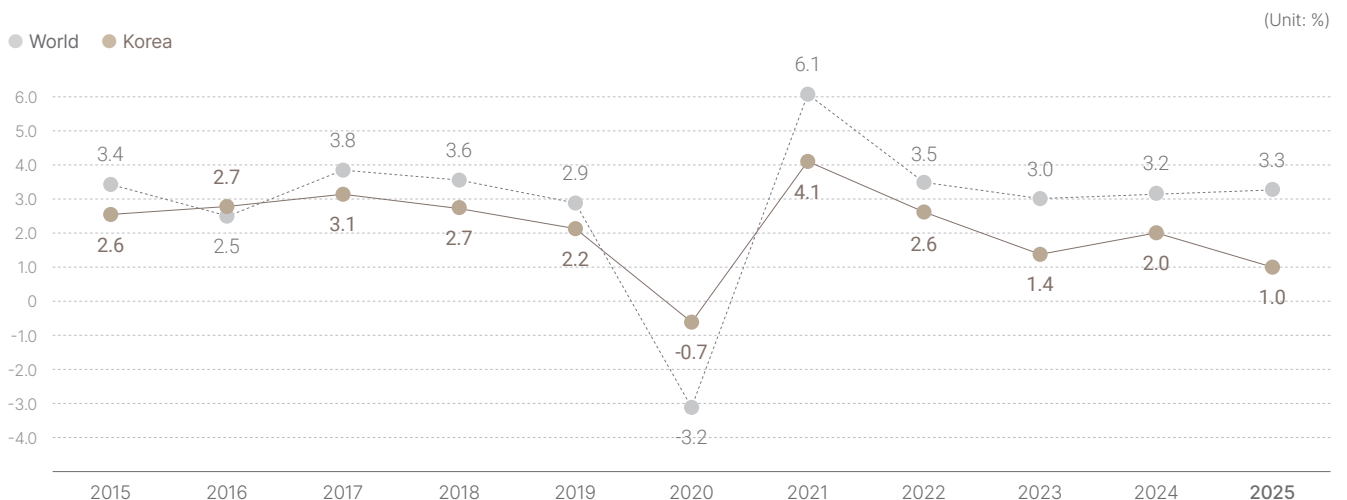
Investment trends diverged significantly across sectors. Equipment investment expanded by around 2.0%, driven mainly by semiconductor-related capital expenditure. In contrast, construction investment contracted sharply by approximately 9.9%, reflecting high construction costs, delays in housing construction projects, and persistent regional housing oversupply.

Inflation continued to stabilize during the year. Consumer price inflation slowed to around 2.1%, as subdued demand-side pressures offset cost-push factors such as rising service prices and insurance premiums. Core inflation also remained moderate amid a persistent negative output gap.

The labor market remained relatively stable. Employment increased by around 190,000 persons, although the pace of job creation gradually slowed compared with the previous year. Job gains were mainly concentrated in the service sector, while employment in construction and some manufacturing industries weakened.

Overall, the Korean economy in 2025 was characterized by slow growth featuring clear sectoral divergence, as strong performance in semiconductors and exports contrasted with weak domestic demand and construction activity.

■ GDP Growth Trends



(Sources: IMF, World Economic Outlook Update, January 2026, Bank of Korea, February 2026)

Prospects for 2026

The Korean economy is expected to recover to around 2.0% growth in 2026, backed by improving domestic demand and continued strength in the semiconductor industry.

Private consumption is projected to grow by around 1.8%, supported by rising wages in IT-related sectors, improving corporate earnings, and favorable financial market conditions. Nevertheless, structural factors such as high household debt and population aging are expected to limit the pace of consumption recovery.

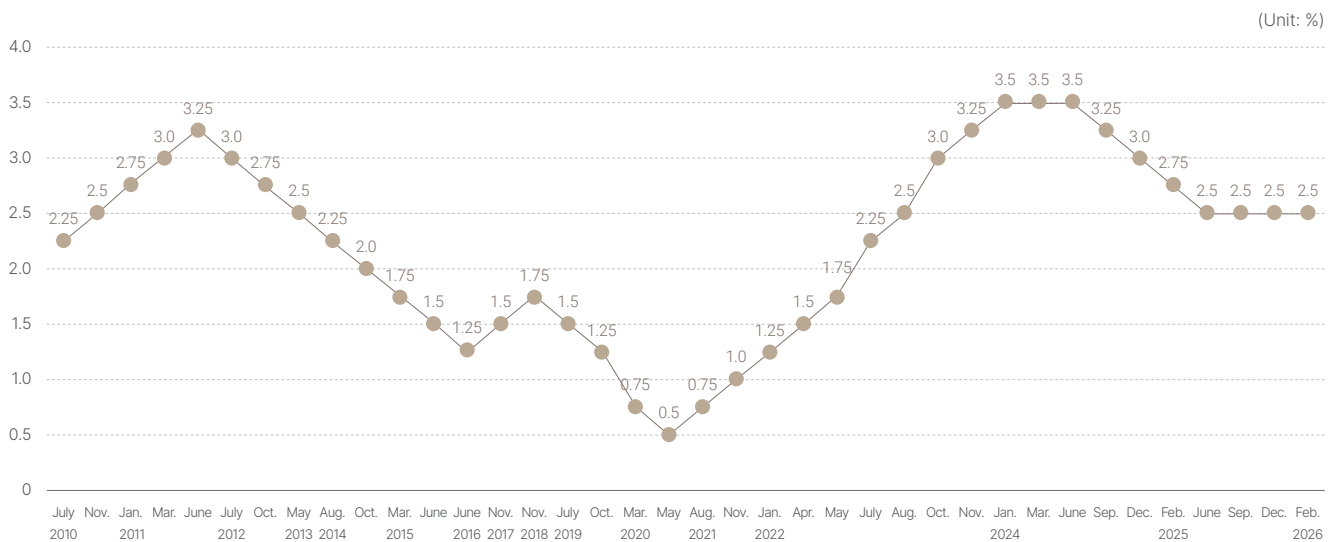
Exports are forecast to increase by around 2.1%, driven primarily by sustained global demand for semiconductors associated with the expansion of AI-related industries. However, uncertainties related to global trade conditions and potential tariff policies remain key downside risks.

Equipment investment is expected to expand by approximately 2.4% thanks to continued capital expenditure in semiconductor manufacturing and AI-related infrastructure. Meanwhile, construction investment is projected to recover modestly, growing by around 1.0%, although the pace of recovery will remain limited due to delays in housing projects and structural challenges in the property market.

Inflation is expected to rise slightly to around 2.2%, reflecting moderate cost pressures in services and regulated prices such as insurance premiums. However, overall inflationary pressures are expected to remain contained due to relatively subdued demand conditions.

The Bank of Korea (BOK) is expected to maintain a neutral monetary policy stance in 2026, balancing support for the nascent economic recovery with the need to manage

BOK Benchmark Interest Rate (2010-2026)



(Source: Bank of Korea, March 2026)

financial stability risks, particularly elevated household debt and exchange rate volatility. The BOK is likely to remain vigilant regarding inflationary pressures stemming from oil price increases amid conflicts in the Middle East, which may constrain the scope for further easing. Market expectations suggest that any shift toward rate hikes is unlikely in the near term.

Employment growth is projected to remain stable, with the number of employed persons increasing by around 170,000. Service sector improvements and a gradual stabilization in construction activity are expected to support job growth.

Looking ahead, the Korean economy's trajectory will depend largely on several external factors, including:

- the sustainability of a global semiconductor cycle driven by AI investment;
 - developments in global trade policies, particularly U.S. tariff measures;
 - financial market volatility and exchange rate movements; and
 - the pace of economic recovery in China and global trade
- If global semiconductor demand remains robust, Korea's export sector will continue to support economic growth. However, persistent weakness in non-IT sectors and structural challenges in domestic demand may constrain the overall recovery.

■ Key Economic Indicators

(Unit: %)

	2024	2025	2026(F)		
			First Half	Second Half	Annual
Real GDP	2.0	1.0	2.4	1.6	2.0
Consumer Spending	1.1	1.3	2.3	1.3	1.8
Equipment Investment	1.7	2.0	2.4	2.3	2.4
Construction Investment	-3.3	-9.9	-0.8	2.6	1.0
Unemployment Rate	2.8	2.8	3.1	2.6	2.8
Current Account Surplus (USD billion)	100.0	123.1	86.3	83.7	170.0
Exports	6.4	3.1	3.5	0.8	2.1
Imports	1.3	2.1	3.4	1.5	2.5
Consumer Price Inflation	2.3	2.1	2.1	2.2	2.2
Average Three-Year Treasury Yield	3.1	2.5	2.4	2.3	2.4
KRW/USD Exchange Rate (KRW per USD 1)	1,470	1,435	1,440	1,420	1,420

* Exchange rates for 2024 and 2025 are based on the Bank of Korea's year-end closing rates. The 2026 forecast is the median of Bloomberg's consensus exchange rate estimates as of March 2026.

(Sources: Bank of Korea, February 2026, Korea Institute of Finance, December 2025, Bloomberg, March 2026)

Korean Insurance Market

2025 in Review

In 2025, the Korean insurance market recorded solid growth in premium income, supported by continued expansion in protection-type products and strong growth in the retirement annuity business in the life insurance sector.

According to preliminary results released by the Financial Supervisory Service in early 2026, the insurance industry saw a robust double-digit increase in total premium income compared to the previous year. Within the life insurance sector, substantial growth was fueled by a surge in retirement annuities and steady gains in protection-type products, which more than offset a moderate decline in savings-type insurance premiums. Similarly, the non-life insurance sector experienced a solid upward trend backed by significant expansion in retirement annuities and steady performance in long-term and general insurance, despite a marginal dip in motor insurance premiums.

Despite the robust growth in premium income, the insurance industry in Korea saw net income decrease by 14.5% to KRW 12.2 trillion in 2025. In the life insurance sector, net income declined due to worsening underwriting performance, driven by an increase in loss-making contracts and actuarial assumption changes, as well as weaker investment income. In the non-life insurance sector, underwriting performance deteriorated significantly due to rising loss ratios in long-term and motor insurance, although investment income improved, supported by higher interest and dividend income.

The profitability ratios of the insurance industry declined in 2025 compared to the prior year. The return on assets (ROA) decreased by 0.21%p to 0.94%, while the return on equity (ROE) fell by 1.35%p to 7.86%. Both life and non-life insurers experienced declines in profitability, with non-life insurers still maintaining relatively higher profitability levels than life insurers.

ROA and ROE

(Unit: %)

		2024	2025	Change (%p)
ROA	Life Insurers	0.63	0.53	-0.10
	Non-Life Insurers	2.46	1.93	-0.53
	Total	1.15	0.94	-0.21
ROE	Life Insurers	6.02	5.39	-0.63
	Non-Life Insurers	14.06	11.47	-2.59
	Total	9.21	7.86	-1.35

(Source: Financial Supervisory Service, March 2026)

As of the end of December 2025, the total assets of insurance companies stood at KRW 1,344.2 trillion, up KRW 75.2 trillion (+5.9%) from the previous year. Total liabilities increased to KRW 1,175.6 trillion (+4.3%), while shareholders'

equity rose significantly to KRW 168.5 trillion (+18.5%), reflecting a stronger capital position compared to the previous year.

Prospects for 2026

The Korean insurance market is expected to maintain moderate growth in 2026, although the pace of expansion is projected to slow compared with the previous year. According to a report released by the Korea Insurance Research Institute, the overall insurance market is forecast to grow by 2.3% in 2026, significantly lower than in 2025. Total insurance premiums are expected to reach approximately KRW 265 trillion, reflecting continued but moderating expansion in the industry.

Growth is expected to remain uneven across sectors. Life insurance premiums are projected to increase by 1.0%, reaching approximately KRW 125 trillion, while non-life insurance premiums are expected to grow by 3.5%, rising to around KRW 140 trillion. The non-life sector is therefore likely to remain the primary driver of overall market growth.

Despite this expansion, the overall growth trajectory of the insurance industry is expected to weaken amid a challenging macroeconomic environment characterized by low economic growth, declining profitability, and heightened financial

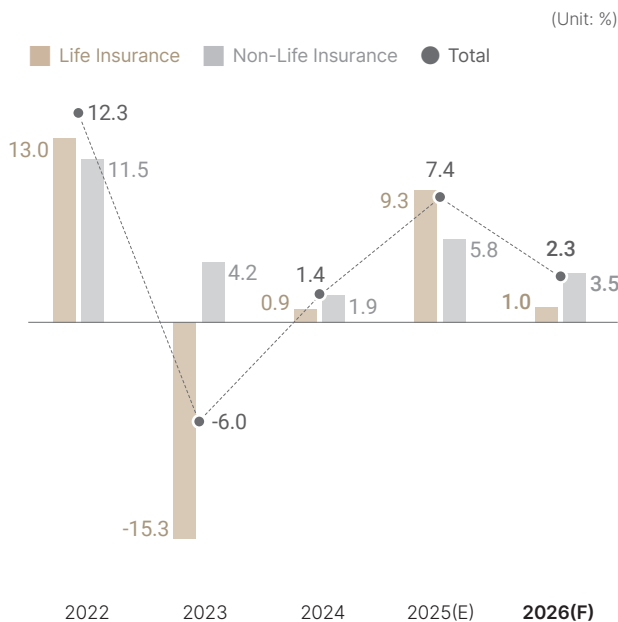
market uncertainty. Over the longer term, these factors could constrain insurers' risk-bearing capacity and limit their ability to sustain strong growth.

The growth of the Contractual Service Margin (CSM) is expected to diverge between life and non-life insurers in 2026.

The CSM of life insurers is projected to decline slightly to KRW 64.3 trillion in 2026, representing a 0.6% decrease from the previous year, reflecting slower growth in new business volumes and increased pressure on profitability. In contrast, the CSM of non-life insurers is expected to continue expanding, reaching KRW 71.8 trillion, an increase of 2.1% year on year.

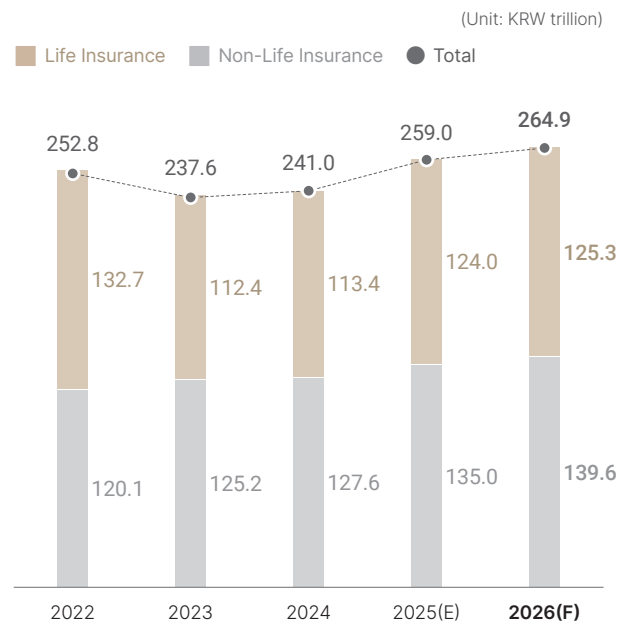
However, the outlook for CSM remains sensitive to actuarial assumptions such as policy lapse rates and loss ratios. For example, increases in lapse rates for life insurers or higher loss ratios for non-life insurers could significantly reduce CSM levels, highlighting the growing importance of managing actuarial assumptions and risk factors under the IFRS 17 framework.

Korean Insurance Market Growth Rates



(Source: Korea Insurance Research Institute, October 2025)

Trends of Premium Income



(Source: Korea Insurance Research Institute, October 2025)

Life Insurance

The life insurance market is expected to remain relatively subdued in 2026, reflecting ongoing structural changes in product demand. Total premiums are projected to reach approximately KRW 125.3 trillion, representing a modest 1.0% increase (KRW 1.3 trillion) compared to 2025.

Protection-type products are expected to continue driving growth, as insurers focus on securing new business CSM through protection-oriented policies, particularly health insurance. Premiums in the protection segment are forecast to increase by 7.6%, rising from KRW 61.5 trillion in 2025 to KRW 66.2 trillion in 2026.

In contrast, savings-type products are expected to continue declining due to structural shifts in consumer preferences and the prolonged high interest rate environment. Premiums are projected to decrease by 4.8%, from KRW 27.4 trillion in 2025 to KRW 26.1 trillion in 2026.

Variable insurance products are also expected to show a slight contraction, reflecting market volatility and cautious investor sentiment. Premiums are forecast to decline by 2.3%, from KRW 12.7 trillion in 2025 to KRW 12.4 trillion in 2026.

Retirement annuity premiums are expected to decrease by 7.8%, falling from KRW 22.4 trillion in 2025 to KRW 20.6 trillion in 2026, partly reflecting base effects following strong growth in the previous year.

As a result, while protection-oriented products continue to expand, overall growth in the life insurance market is expected to remain limited due to a continued contraction in savings and investment-type products.

Life Insurance Market Outlook by Line of Business

(Unit: KRW trillion)

	2023		2024		2025(E)		2026(F)	
	Premium	Growth Rate (%)	Premium	Growth Rate (%)	Premium	Growth Rate (%)	Premium	Growth Rate (%)
Total (including retirement annuity)	112.4	-15.3	113.4	0.9	124.0	9.3	125.3	1.0
Protection	48.6	3.2	55.0	13.1	61.5	11.8	66.2	7.6
Savings	28.1	-38.0	28.8	2.7	27.4	-4.9	26.1	-4.8
Variable	12.2	-4.0	12.3	0.4	12.7	3.3	12.4	-2.3
Retirement annuity	23.5	-14.7	17.3	-26.2	22.4	29.1	20.6	-7.8
Total (excluding retirement annuity)	88.9	-15.4	96.1	8.1	101.6	5.7	104.7	3.0

(Source: Korea Insurance Research Institute, October 2025)

Non-Life Insurance

The non-life insurance market is expected to continue serving as the primary growth engine of the Korean insurance industry in 2026, with total premiums projected to reach approximately KRW 139.6 trillion, representing a 3.5% increase (KRW 4.6 trillion) compared to 2025.

Long-term non-life insurance is anticipated to maintain steady growth, primarily driven by accident and health insurance, although the pace of expansion is expected to

moderate compared to recent years. Premiums are projected to rise by 4.9%, increasing from KRW 72.3 trillion in 2025 to KRW 75.9 trillion in 2026.

Motor insurance is expected to remain largely stable, reflecting the mature nature of the market and ongoing competition among insurers. Premiums are forecast to remain broadly flat, with a marginal decrease of 0.2%, staying at approximately KRW 20.3 trillion in both 2025 and 2026.

General P&C insurance is projected to show solid growth, supported by continued demand across fire, marine, and specialty lines. Premiums are expected to increase by 5.9%, from KRW 15.6 trillion in 2025 to KRW 16.5 trillion in 2026.

Meanwhile, individual annuity products within the non-life segment are expected to continue their declining trend, reflecting weak demand and structural shifts in savings behavior, with premiums projected to fall by 15.0%, from KRW 1.4 trillion in 2025 to KRW 1.2 trillion in 2026.

Retirement annuity premiums are expected to grow modestly by 1.7%, increasing from KRW 25.3 trillion in 2025 to KRW 25.7 trillion in 2026, although growth is likely to remain constrained by competition from banks and securities firms.

■ Non-Life Insurance Market Outlook by Line of Business

(Unit: KRW trillion)

	2023		2024		2025 (E)		2026 (F)	
	Premium	Growth Rate (%)	Premium	Growth Rate (%)	Premium	Growth Rate (%)	Premium	Growth Rate (%)
Total (including retirement annuity)	125.2	4.2	127.6	1.9	135.0	5.8	139.6	3.5
Long-term	64.3	4.0	68.0	5.8	72.3	6.3	75.9	4.9
Individual annuity	1.9	-10.7	1.7	-13.0	1.4	-15.5	1.2	-15.0
Motor	21.1	1.4	20.7	-1.8	20.3	-2.0	20.3	-0.2
General P&C	13.9	8.5	14.9	7.4	15.6	4.9	16.5	5.9
Retirement annuity	24.0	6.6	22.3	-7.2	25.3	13.5	25.7	1.7
Total (excluding retirement annuity)	101.2	3.7	105.3	4.1	109.6	4.1	113.9	3.9

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

(Source: Korea Insurance Research Institute, October 2025)

Retirement Annuity

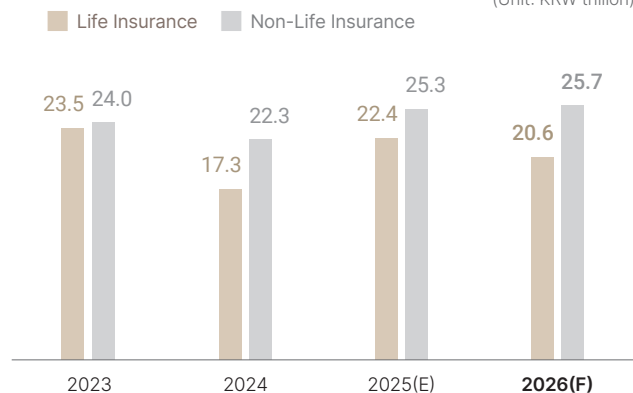
Retirement annuity products are expected to remain an important growth segment for the insurance industry as demographic aging continues to strengthen demand for retirement income security.

The expansion of the Individual Retirement Pension (IRP) market and supportive government policies encouraging long-term retirement savings are expected to sustain demand for retirement annuity products. However, insurers continue to face strong competition from banks and securities firms, which currently account for a larger share of retirement pension assets.

As a result, while retirement annuity premiums are expected to grow steadily, insurers' share of the overall retirement pension market is likely to remain relatively limited.

■ Retirement Annuity Premiums

(Unit: KRW trillion)



(Source: Korea Insurance Research Institute, October 2025)



Management's **Discussion & Analysis**

- 
- 027 Vision and Strategy
 - 027 Overview of Business Environment
 - 028 Highlights of Business Results
 - 030 Analysis of Business Results
 - 036 Dividend and Stock Price Performance
 - 037 Other Matters Necessary for Investors
 - 038 Outlook
 - 039 Caution on Forward-Looking Statements
 - 040 Risk Management Report

Vision and Strategy

Korean Re continues to advance its vision of becoming a truly global top-tier reinsurer. Moving beyond ranking-driven aspirations, we are committed to qualitative excellence rather than mere quantitative expansion. Our focus remains on strengthening underwriting expertise, financial resilience, risk management discipline, and superior client service — the fundamental pillars of sustainable competitiveness.

Our mid-term strategic slogan, “Challenge Ourselves, Change the World,” reflects our commitment to cultivating a corporate culture grounded in innovation, accountability, and continuous improvement. It embodies our determination to transcend conventional boundaries, embrace transformation, and proactively shape the future of the global reinsurance market. By constantly challenging ourselves, we aim not only to respond to change, but also to lead it.

Across both reinsurance underwriting and investment operations, we will actively pursue AX and DX initiatives to maximize operational efficiency. This presents an optimal opportunity to streamline our organization, reduce rising expenses, enhance productivity per employee, and

fundamentally improve our cost structure. Through digital acceleration and process innovation, we aim not only to enhance efficiency but also to strengthen our long-term competitiveness in an evolving market environment.

In 2025, we achieved the milestone of securing an S&P A+ rating — an accomplishment realized for the first time in 11 years since obtaining an A rating in 2014. This upgrade affirms Korean Re's growth potential and global competitiveness, signifying that we have evolved beyond an Asia-centered reinsurer into a capable global market player. We will leverage this new rating across our organization to maximize its impact on business development and market expansion. Indeed, it will mark the beginning of our full-fledged leap toward becoming a truly global top-tier reinsurer. Going forward, our journey of overcoming challenges and embracing transformation will continue.

Overview of Business Environment

In 2025, the Korean insurance market recorded solid premium growth, driven by both the life and non-life sectors, although profitability weakened compared to the previous year.

In the life insurance market, growth was primarily supported by continued strong sales of protection-type products and a steady expansion in the retirement pension business. Insurers maintained their focus on higher-margin protection products under the IFRS 17 framework to reinforce portfolio profitability. While savings insurance showed a slight decline, the overall growth momentum in the life segment remained robust.

In the non-life insurance market, long-term insurance and general property and casualty (P&C) lines delivered stable growth, reflecting sustained demand for protection coverage. However, motor insurance premiums declined due to rate adjustments and slower growth in the number of insured vehicles. Meanwhile, liability-related lines continued to show firm demand, contributing to the expansion of the general insurance business.

Despite stronger premium growth, overall profitability declined in 2025, as weaker insurance service results offset improvements in investment performance. Although investment income benefited from a KOSPI rally and stable

interest and dividend income, rising loss ratios and pressure on underwriting margins weighed on insurance operating results. Consequently, key profitability indicators, including ROA and ROE, declined compared to the previous year.

The IFRS 17 and K-ICS frameworks continued to shape insurers' strategic priorities in 2025. Most insurers remained focused on enhancing product margins, strengthening

portfolio quality, and actively managing capital adequacy through the issuance of subordinated debt and hybrid capital instruments, as well as expanding the use of reinsurance and coinsurance. While asset growth and capital levels remained stable, insurers are expected to maintain a cautious stance amid ongoing financial market volatility and broader macroeconomic uncertainties.

Highlights of Business Results

Key Figures

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Gross Written Premiums	8,220.8	5,730.8	7,924.8	5,791.1
Insurance Revenue (gross) ¹⁾	4,975.8	3,468.7	5,136.6	3,753.6
Insurance Service Result (net)	226.5	157.9	198.7	145.2
Insurance Finance Result (net) ²⁾	-215.0	-149.9	-183.5	-134.1
Technical Result ²⁾	11.5	8.0	15.2	11.1
Investment Income ³⁾	475.1	331.2	389.3	284.5
Net Income	322.0	224.5	316.7	231.4
ROE		9.0%		9.4%

1) Income from insurance contracts issued

2) Excluding exchange rate effects

3) Excluding the insurance finance result and gains/losses from foreign exchange and interest rate hedging for insurance liabilities

Korean Re delivered stable financial performance in 2025 while continuing to strengthen the quality and diversification of its business portfolio. Our gross written premiums (GWP) increased by 3.7% year on year to KRW 8,220.8 billion, while insurance revenue declined by 3.1% to KRW 4,975.8 billion. As we maintained disciplined underwriting and focused on improving investment performance, our net income increased to KRW 322.0 billion, with a return on equity (ROE) of 9.0%.

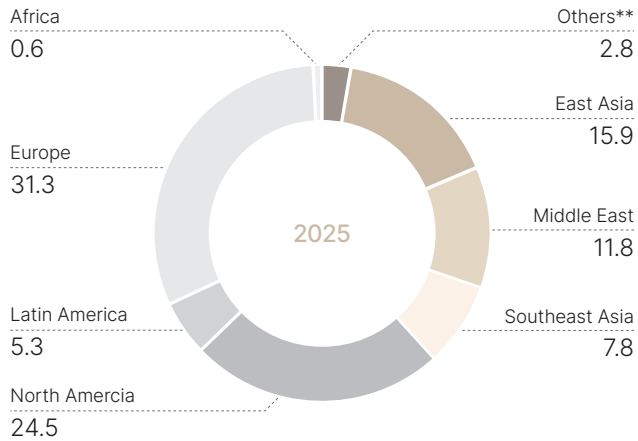
There was an improvement in the insurance service result, which amounted to KRW 226.5 billion in 2025, reflecting strengthened underwriting discipline and enhanced operational performance. However, our technical result, which includes the insurance service result and insurance finance result, declined by KRW 3.7 billion year on year to KRW 11.5 billion. The decrease was mainly attributable to a

loss in the insurance finance result, which widened to KRW 215.0 billion in 2025 from KRW 183.5 billion in the previous year due to changes in market-based assumptions.

Meanwhile, active portfolio management enabled us to diversify our global business portfolio, increasing our presence in Europe and the Americas, which accounted for a greater share of the total business. According to a geographical breakdown of our gross written premiums, markets in Europe and the Americas accounted for 31.3% and 29.8%, respectively, of the entire overseas business portfolio in 2025. Their combined share reached 61.1% in 2025 compared to 57.6% in the prior year. It is also noteworthy that the share of the Asian market declined to 35.5% in 2025 compared to the previous year as a result of our portfolio adjustments aimed at improving overall business results.

Overseas Business Portfolio* by Region in 2025

(Unit: %)



* Based on gross written premiums

** Others include multi-territory accounts.

We achieved strong investment performance for the year, with investment income rising by KRW 85.8 billion to KRW 475.1 billion. The increase was supported by stable interest and dividend income as well as favorable equity market performance. While financial market volatility and discount rate movements under IFRS 17 continued to affect earnings volatility, we maintained a stable capital position supported by steady net income generation.

The total value of our assets continued to grow in line with our business expansion. We reported KRW 14,259.8 billion in total assets as of the end of 2025, up KRW 1,099.4 billion year over year. There was a substantial increase of KRW 1,081.2 billion in invested assets, which totaled KRW 11,915.3 billion. This growth was mainly driven by an increase in net cash inflows from insurance operations and asset valuation gains following changes in foreign exchange rates and interest rates. Moreover, our capital position remained solid, with total shareholders' equity increasing to KRW 3,683.4 billion as of the end of December 2025. The increase in total shareholders' equity from the previous year is primarily due to our stable net income performance.

Breakdown of Insurance Revenue by Line of Business

(Units: KRW billion, USD million)

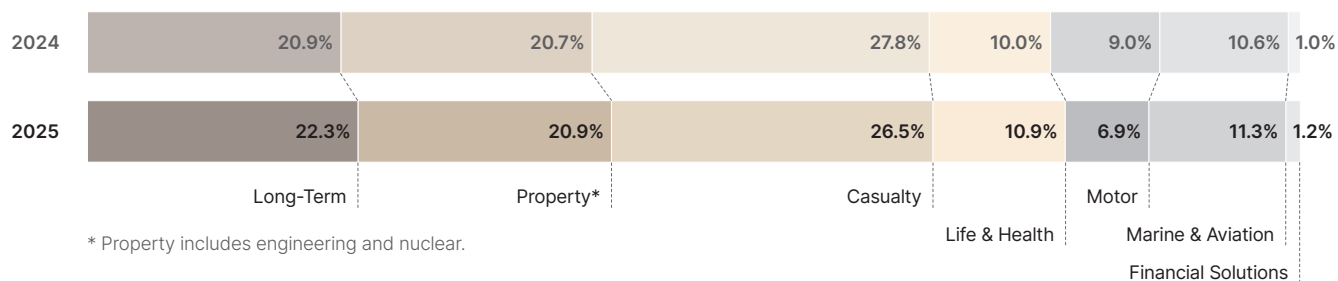
	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)	YoY Change ³⁾
Property ¹⁾	1,735.4	1,209.8	1,744.3	1,274.7	-0.5%
Marine & Aviation	468.3	326.4	457.9	334.6	2.3%
Casualty	1,054.6	735.1	1,111.4	812.2	-5.1%
Motor	364.6	254.2	448.7	327.9	-18.7%
Long-Term	608.6	424.3	613.3	448.2	-0.8%
Life & Health	711.0	495.7	730.5	533.8	-2.7%
Financial Solutions	33.3	23.2	30.4	22.2	9.5%
Total²⁾	4,975.8	3,468.7	5,136.6	3,753.6	-3.1%

1) Property includes engineering and nuclear.

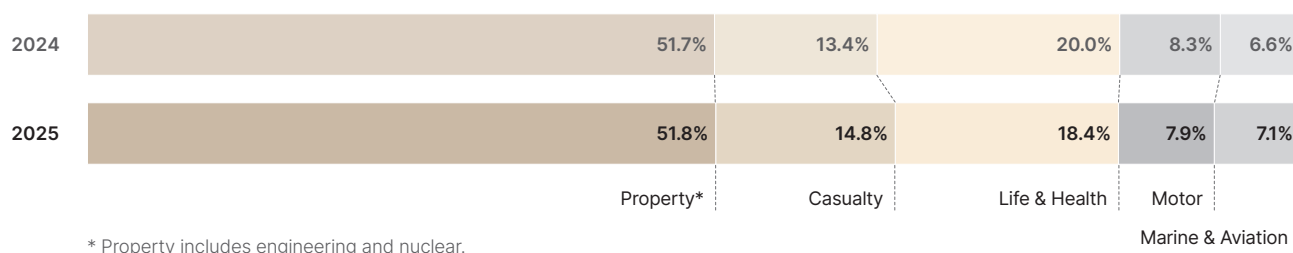
2) Individual figures may not add up to the total shown due to rounding.

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

Domestic Insurance Revenue Portfolio by Line of Business



Overseas Insurance Revenue Portfolio by Line of Business



Analysis of Business Results

Property and Casualty (P&C) Reinsurance

P&C Key Figures

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Insurance Revenue (gross) ¹⁾	3,622.9	2,525.5	3,762.3	2,749.4
Domestic	1,787.4	1,246.0	2,020.3	1,476.3
Overseas	1,835.5	1,279.5	1,742.1	1,273.0
Insurance Service Result (net) ²⁾	282.5	197.0	348.4	254.6
Insurance Finance Result (net) ³⁾	-84.8	-59.1	-65.1	-47.6
Technical Result ^{2) 3)}	197.7	137.9	283.3	207.0
Combined Ratio (%) ⁴⁾	88.2		85.7	

1) Income from insurance contracts issued

2) The 2024 figures have been restated to reflect a change in the calculation method, whereby other insurance expenses are excluded from insurance service expenses.

3) Excluding exchange rate effects

4) The combined ratio is calculated as insurance service expenses (net) divided by insurance revenue (net). The 2024 figure has been restated to reflect a change in the calculation method, whereby other insurance expenses are excluded from insurance service expenses.

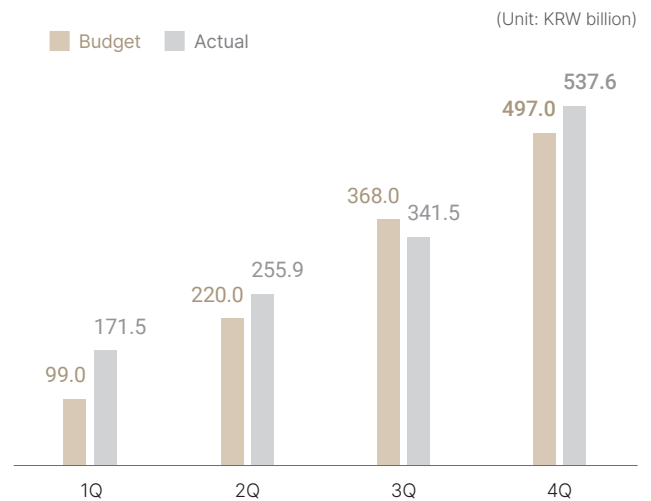
Our P&C insurance revenue decreased from KRW 3,762.3 billion in 2024 to KRW 3,622.9 billion in 2025, marking a 3.7% decline. Domestic insurance revenue fell by 11.5% to KRW 1,787.4 billion in 2025 due to portfolio adjustments. Throughout the year, we placed a strategic focus on strengthening our business portfolio and improving our long-term profitability. Accordingly, we restricted growth targets to prioritize reinforcing our business fundamentals and significantly reduced our underwriting volume for low-profitability contracts.

On the other hand, overseas P&C insurance revenue increased by 5.4% to KRW 1,835.5 billion in 2025, driven by the expansion of new treaties and rate increases in some markets. This growth in the overseas market partially offset the revenue decline in the domestic market.

The P&C insurance service result decreased by 18.9% to KRW 282.5 billion in 2025 from KRW 348.4 billion in 2024, while the technical result fell by 30.2% to KRW 197.7 billion in 2025. Although the year saw lower attritional losses, a rise in large-loss activity had an adverse impact on underwriting performance. As a result, the combined ratio rose from 85.7% in 2024 to 88.2% in 2025. Despite higher costs from large loss events, the ratio remained comfortably below 100%, indicating robust underwriting profitability.

Based on a review of our claim budget established at the beginning of each year, attritional losses were managed within budget expectations. The claim budget represents the annually defined acceptable level of losses required to achieve profit targets. However, in 2025, large losses exceeded our budgeted expectations due to catastrophe events such as the LA wildfires and the Myanmar earthquake, partially offsetting the favorable attritional loss experience.

Claim Budget vs Actual Large Losses in 2025 (Quarterly Cumulative)



Building on the underwriting discipline demonstrated in 2025, we are well-positioned to further strengthen our underwriting performance in the years ahead. The market has been responding to increasing claims costs by correcting prices and restricting terms and conditions. In step with these market movements, we will continue to exercise strict underwriting discipline to improve our technical profitability. Favorable pricing dynamics, coupled with our disciplined underwriting approach, are expected to support solid results going forward.

Major Large Losses in 2025

(Units: KRW billion, USD million)

Major Large Losses	Month of Loss	2025 (KRW)	2025 (USD)
LA Wildfires	Jan. 2025	45.9	32.0
Myanmar Earthquake	Mar. 2025	36.3	25.3
Hong Kong Wang Fuk Court Fire	Nov. 2025	33.8	23.6
Southern Thailand Floods	Nov. 2025	33.4	23.3
South Korea Yeongnam Wildfires	Mar. 2025	24.5	17.1

Life and Health (L&H) Reinsurance

L&H Key Figures

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Insurance Revenue (gross) ¹⁾	1,353.0	943.2	1,374.2	1,004.2
Domestic	938.4	654.2	936.2	684.1
Overseas	414.5	289.0	438.0	320.1
Insurance Service Result (net) ²⁾	45.8	32.0	-44.3	-32.4
Insurance Finance Result (net) ³⁾	-130.2	-90.7	-118.4	-86.5
Technical Result ^{2) 3)}	-84.3	-58.8	-162.7	-118.9
Combined Ratio (%) ⁴⁾	96.5		103.3	
Contractual Service Margin (net)	967.7	667.9	953.0	642.0

1) Income from insurance contracts issued

2) The 2024 figures have been restated to reflect a change in the calculation method, whereby other insurance expenses are excluded from insurance service expenses.

3) Excluding exchange rate effects

4) The combined ratio is calculated as insurance service expenses (net) divided by insurance revenue (net). The 2024 figure has been restated to reflect a change in the calculation method, whereby other insurance expenses are excluded from insurance service expenses.

In 2025, the insurance revenue of Life and Health (L&H) decreased by 1.5% to KRW 1,353.0 billion compared to the prior year. Domestic L&H insurance revenue slightly increased by 0.2% to KRW 938.4 billion, reflecting adjustments in business volume and portfolio strategy, while overseas L&H insurance decreased by 5.4% to KRW 414.5 billion.

From a profitability perspective, our L&H business saw a significant turnaround in 2025. The insurance service result turned positive at KRW 45.8 billion, compared to a loss of KRW 44.3 billion in 2024. This improvement reflects enhanced underwriting discipline and the absence of large-scale precautionary valuation adjustments that had weighed on the prior year's results. Accordingly, the combined ratio improved significantly to 96.5% in 2025 from 103.3% in 2024, indicating strengthened underwriting profitability and improved risk management.

However, the insurance finance result recorded a loss of KRW 130.2 billion, slightly widening from the previous year, mainly due to discount rate movements and financial market volatility under the IFRS 17 framework. As a result, the technical result remained in deficit, but the loss narrowed substantially to KRW 84.3 billion, compared to KRW 162.7 billion in the previous year.

Following the introduction of IFRS 17, revenue recognition in L&H continues to rely on the amortization of the Contractual Service Margin (CSM), which represents the unearned profit embedded in insurance contracts. As the CSM is released into earnings as insurance contracts are fulfilled as expected, it remains a key indicator of future insurance business performance.

To ensure the robust management of the CSM, which forms the foundation of future earnings, we are committed to meticulously analyzing the intrinsic value of each contract from an actuarial perspective and then incorporating the results into our portfolio strategy. When acquiring new treaties, we measure the Value of New Business (VNB) to verify if the incoming CSM aligns with our targets. For our in-force treaties, we identify loss-making contracts that negatively impact the CSM through the measurement of the Value of In-Force Business (VIF).

By the end of 2025, the CSM increased by 1.5% year on year to KRW 967.7 billion. The increase was mainly supported by the growth in our long-term business and new coinsurance transactions with local insurers in 2025. In light of the CSM movement, we will continue to actively manage the CSM by prioritizing profitable new business and optimizing the in-force portfolio to enhance long-term earnings stability.

Investment Performance

We delivered remarkable investment results with an investment yield of 4.3%, backed by the steady expansion of invested assets and stable net income generation, along with favorable equity market conditions. Our investment profit reached KRW 475.1 billion, excluding the insurance finance result and gains or losses from foreign exchange hedging for insurance liabilities.

The improvement in investment performance was largely attributable to increased valuation gains driven by a strong stock market rally. Reflecting our positive outlook for a potential rebound in the Korean equity market in 2025, we proactively increased our equity exposure. In the bond portfolio, we focused on acquiring high-yield domestic corporate bonds amid elevated interest rates to enhance portfolio yields, while concentrating overseas bond purchases in the first half of the year in anticipation of potential interest rate declines. In addition, enhancements to our asset management processes enabled us to steadily reduce our allocation to low-yield short-term funds.

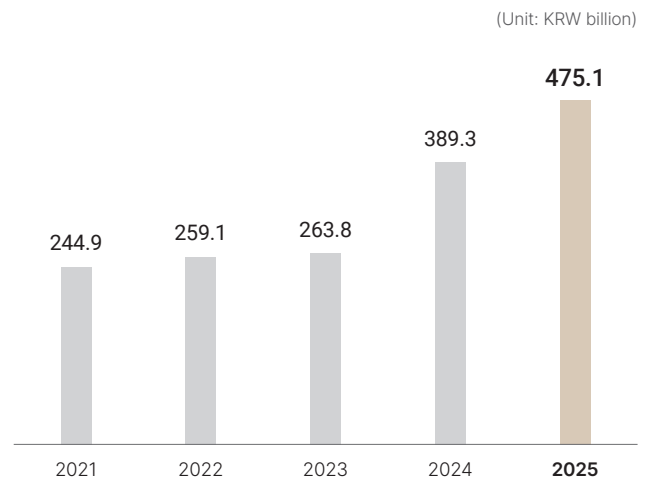
Over the next three years, we plan to rebalance our portfolio by gradually adjusting our asset mix in a way that increases portfolio strength and improves overall returns. We will execute this strategy prudently, closely monitoring macroeconomic conditions and market volatility in the face of continued uncertainties.

Within our alternative investment portfolio, we will pursue a balanced approach across corporate investments, real

estate, and infrastructure. In particular, we aim to build a balanced infrastructure portfolio by investing in traditional assets that generate stable cash flows, while also allocating capital to AI-related and power infrastructure where strong growth momentum is expected.

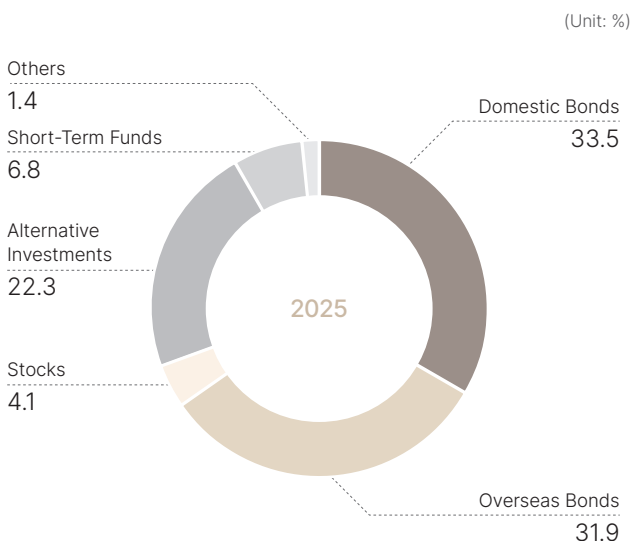
We will also respond proactively to major regulatory developments to ensure stable investment performance, while exploring new investment opportunities to further enhance overall profitability.

Investment Income

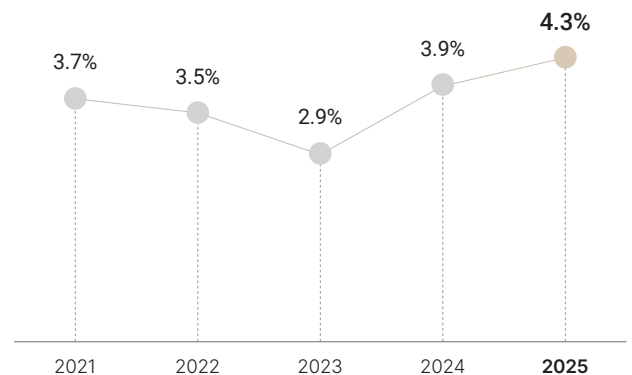


* Excluding gains/losses from foreign exchange and interest rate hedging for insurance liabilities for 2021 – 2025 and the insurance finance result for 2022 – 2025

Investment Portfolio Mix in 2025



Investment Yield



* Excluding gains/losses from foreign exchange and interest rate hedging for insurance liabilities for 2021 – 2025 and the insurance finance result for 2022 – 2025

** The investment yield from 2023 is based on IFRS 9, while the rest are based on IAS 39.

Liquidity

Korean Re maintains sufficient liquidity to meet all financial obligations under both stable and uncertain conditions. In 2025, liquid assets increased by 0.4% (KRW 12.2 billion) compared to the previous year-end, while average insurance claims rose by 2.6% (KRW 33.9 billion). The liquidity ratio declined from 254.7% to 249.2%, but remained at a sound and stable level.

To maintain an adequate liquidity ratio, we operate and maintain bank overdraft facilities to prepare for potential liquidity stress events, such as losses from alternative investments or large-scale insurance claim payments. As of late 2025, the size of our bank overdraft facilities stood at KRW 40 billion. In addition, we continue to enhance the management of our foreign currency liquidity, including that of our overseas branches. As part of these efforts, we utilize foreign currency money market fund (MMF) transactions to ensure a more efficient and stable liquidity management system.

Capital Strength

Korean Re always aims to optimize its capital structure and hold sufficient capital in excess of solvency requirements, thus generating a strong solvency margin ratio (or K-ICS ratio). In 2025, our K-ICS ratio increased by 6.1%p to 197.8% compared to the previous year thanks to our stable net income growth driven by enhanced insurance and investment income.

Despite the switching of the solvency margin ratio system from the RBC regime to the K-ICS regime in 2023, as well as the associated increase in confidence levels related to capital requirements measurement, we have maintained a robust K-ICS ratio, demonstrating our financial health.

Korean Re maintained efficient capital management by issuing new hybrid capital securities in line with the requirements of regulatory authorities and the expectations of credit rating agencies. This has enabled us to maintain a sound solvency margin ratio and to further strengthen our balance sheet as evidenced by our credit rating upgrade to A+ (Stable) by S&P Global Ratings. Utilizing the buffer on the capital, we have been able to grow in more profitable businesses and diversify the portfolio. In the long term, we will pursue organic growth of capital from consistently solid net income results and CAT reserve accumulation.

Liquidity Ratio

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Liquid Assets (A) ¹⁾	3,319.9	2,291.3	3,307.7	2,228.3
Average Claims Paid (B) ²⁾	1,332.4	919.6	1,298.5	874.8
Liquidity Ratio (A/B)	249.2%		254.7%	

1) Liquid assets (A): current assets with remaining maturities of 3 months or less

2) Average claims paid (B): average claims paid for a 3-month period

Hybrid Capital Securities

(Unit: KRW billion)

	Issue Date	Coupon	2025	2024
3 rd issuance	May 30, 2022	4.90%	230	230
4 th issuance	Oct. 28, 2022	6.70%	100	100
5 th issuance	Mar. 16, 2023	5.50%	250	250
6 th issuance	Oct. 11, 2024	4.27%	230	230
Total			810	810

Solvency Margin Ratio

	2025	2024	YoY Change
Solvency Margin Ratio (K-ICS Ratio*)	197.8%	191.7%	6.1%p

* The ratio refers to the solvency margin ratio under the Korean Insurance Capital Standard (K-ICS).

Credit Ratings

The financial strength of a reinsurer is one of the most critical factors for primary insurers when selecting reinsurance counterparties. Korean Re remains committed to maintaining a robust financial position, backed by sound risk-based capitalization and stable earnings.

S&P Global Ratings: A+ (Stable)

In July 2025, S&P Global Ratings (S&P) upgraded Korean Re's Financial Strength Rating to A+ from A, with a Stable outlook. This upgrade reflects S&P's assessment of our strengthened capital position and consistent underwriting performance. According to the rating agency, the upgrade was driven by Korean Re's "very strong capital adequacy" and its ability to maintain a strong market position while successfully navigating the transition to IFRS 17. S&P highlighted that our increased visibility into future profits and enhanced risk diversification provide a solid foundation for long-term financial stability.

Moody's Investors Service: A1 (Stable)

Earlier in May 2025, Moody's Ratings (Moody's) assigned a first-time Insurance Financial Strength Rating (IFSR) of A1 to Korean Re, with a Stable outlook. This high-grade rating underscores our solid capital base and leading position in the domestic market. Moody's noted that the rating reflects Korean Re's disciplined underwriting and the successful implementation of its global diversification strategy, which has bolstered the company's resilience against localized market volatility.

AM Best: A (Stable) / Long-Term ICR a+ (Stable)

Korean Re's creditworthiness is further validated by AM Best, which maintains our Financial Strength Rating (FSR) of A (Excellent) and a Long-Term Issuer Credit Rating (Long-Term ICR) of a+ (Excellent). These ratings reflect a balance sheet strength that AM Best assesses as "very strong."

According to AM Best, our ratings are supported by a noticeable rise in risk-adjusted capitalization—as measured by Best's Capital Adequacy Ratio (BCAR)—and continued

solid profit retention. The agency noted that our strategic restructuring of the business portfolio and the offloading of unprofitable lines have effectively contained underwriting risk. Furthermore, Korean Re has demonstrated sophisticated asset-liability management (ALM), ensuring a stable solvency ratio and resilience against interest rate fluctuations.

Credit Ratings of Korean Re

Rating Agency	Ratings Details	
S&P	Financial Strength Rating Local Currency	A+ / Stable
	Issuer Credit Rating Local / Foreign Currency	A+ / Stable
AM Best	Financial Strength Rating	A (Excellent) / Stable
	Long-Term Issuer Credit Rating	a+ (Excellent) / Stable
Moody's	Insurance Financial Strength Rating	A1 / Stable

(As of December 2025)

Credit Ratings of Korean Reinsurance Switzerland AG

Rating Agency	Ratings Details	
S&P	Financial Strength Rating Local Currency	A+ / Stable
	Issuer Credit Rating Local Currency	A+ / Stable

(As of December 2025)

Dividend and Stock Price Performance

Distributions to Shareholders

Korean Re has a long history of returning value to shareholders based on its consistent dividend policy to offer attractive and sustainable returns to shareholders. Its total dividend payout amount increased by KRW 9.7 billion to KRW 100.7 billion in 2025 due to higher net income,

with the payout ratio climbing to 31.3% from 28.7% in the previous year. We remain committed to delivering consistent shareholder returns, provided that the returns are supported by a level of capital strength that ensures our long-term financial stability.

■ Dividend Performance

	2021	2022	2023	2024	2025
Total Dividend Amount (KRW billion)	53.7	52.8	79.5	91.0	100.7
Payout Ratio (%)*	35.0	33.4	28.0	28.7	31.3
Dividend per Share (KRW)	525	430	540	515	570
Dividend Yield (%)	5.5	5.9	6.8	6.3	4.6

* The payout ratios for 2021 – 2022 are based on IFRS 4, while the 2023-2025 ratios are based on IFRS 17.

Stock Price Performance

In 2025, South Korea's stock market was marked by a historic rally, with the long-standing "Korea Discount" being significantly diminished. The Korean Composite Stock Price Index (KOSPI) recorded an extraordinary annual growth of approximately 75.6%, the highest among major global markets. Starting at the 2,400 level early in the year, it surged to surpass the 4,000-point milestone in the second half.

This rally was fueled by semiconductor and artificial intelligence (AI) stocks, particularly heavyweight names like Samsung Electronics and SK Hynix, amid rising global demand for AI chips and memory products. The new administration's Value Up initiatives to support capital markets and corporate reform also helped boost investor confidence in the stock market. Policy measures aimed at improving corporate governance and enhancing shareholder returns heightened market sentiment. Reforms included more explicit fiduciary duties for directors and moves to reduce dividend taxes.

The insurance sector also saw strong growth. The Korea Exchange (KRX) insurance index jumped by 41.0%, mainly driven by heightened expectations for shareholder returns and regulatory relaxation. By year-end, the sector's market capitalization soared by 45.4%, with life and non-life insurers rising by 62.9% and 31.7%, respectively.

In alignment with this upward trend, Korean Re's share price increased by 45.1% from KRW 7,950 at the end of 2024 to KRW 11,540 at the end of 2025. While the explosive growth of the semiconductor-heavy KOSPI set a high bar, Korean Re's trajectory reflects robust earnings, credit excellence, and a consistent dividend policy.

Although the global reinsurance pricing softened in 2025, Korean Re managed to deliver strong net income, reflecting our long-standing focus on prudent underwriting, efforts to strengthen risk management, and reorganizing portfolio toward higher profitability.

It is also worth noting that the company has reached a major milestone, with financial strength and long-term issuer credit ratings upgraded from A (Positive) to A+ (Stable) by S&P. The A+ rating underscores Korean Re's position not only as a leading reinsurer in Asia but also as a truly global reinsurer.

As of year-end 2025, Korean Re's stock remains undervalued, with a price-to-book ratio (PBR) of 0.59 or lower. From a valuation perspective, this presents an attractive investment opportunity, further reinforcing the positive outlook for the company.

Other Matters Necessary for Investors

Regarding Material Accounting Policies and Estimates

We prepared financial statements in accordance with the accounting standards adopted by Korea, which are based on the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as specified in Article 5(1)1 of the Act on External Audit of Stock Companies.

For details regarding the significant accounting policies applied in the preparation of the financial statements, please refer to the Notes to the Consolidated Financial Statements for 2025, particularly sections "2. Basis of Preparation and Summary of Material Accounting Policies" and "3. Material Accounting Judgments, Estimates, and Assumptions."

Regarding Matters Concerning Employees

Our company operates employee benefit programs such as financing support for housing purposes, education assistance, and medical support systems to enhance the well-being and job stability of employees. Furthermore, we manage the risks associated with the turnover of key personnel and strengthen organizational competitiveness

by incorporating various educational opportunities and individualized professional career management into our human resources administration. As a reinsurance specialist company, we strive to maintain the highest level of technical expertise and secure specialized personnel to support this endeavor.

Regarding Legal and Regulatory Factors

While regulatory amendments aimed at enhancing the capital strength of insurers and internal controls are underway, there are no specific regulations scheduled for the next fiscal

year that are anticipated to significantly impact our business operations.

Outlook

Economic Outlook

Global growth is projected to remain resilient at 3.3% in 2026 before slightly moderating to 3.2% in 2027, according to the International Monetary Fund (IMF). The 2026 forecast marks a slight upward revision compared to late 2025, driven by the balancing of divergent forces: headwinds from shifting global trade policies are being offset by tailwinds from surging investment in AI and technology, particularly in North America and Asia.

Global headline inflation is expected to continue its downward trajectory, declining from an estimated 4.1% in 2025 to 3.8% in 2026 and further to 3.4% in 2027. While advanced economies are nearing their targets, inflation in the United States is projected to return to target more gradually than previously anticipated due to resilient domestic demand.

Medium-term risks remain tilted to the downside. Key concerns include a potential reevaluation of AI productivity gains, which could trigger financial market corrections, and the possibility of renewed trade tensions. On the upside, faster-than-expected AI adoption and a sustained easing of geopolitical frictions could provide a significant boost to global output.

World Economic Outlook

Real GDP Growth (%)	Estimate	Projections	
	2025	2026	2027
World	3.3	3.3	3.2
Advanced Economies	1.7	1.8	1.7
United States	2.1	2.4	2.0
Euro Area	1.4	1.3	1.4
Germany	0.2	1.1	1.5
France	0.8	1.0	1.2
Italy	0.5	0.7	0.7
Spain	2.9	2.3	1.9
Japan	1.1	0.7	0.6
Korea	1.0	1.9	2.1
United Kingdom	1.4	1.3	1.5
Emerging Market and Developing Economies	4.4	4.2	4.1
China	5.0	4.5	4.0
India	7.3	6.4	6.4
Russia	0.6	0.8	1.0
Brazil	2.5	1.6	2.3
Saudi Arabia	4.3	4.5	3.6

* For India, data and projections are presented on a fiscal year basis, with FY 2025/26 (starting in April 2025) shown in the 2025 column. India's growth projections are 6.3% for 2026 and 6.5% for 2027 based on the calendar year.

(Source: IMF, World Economic Outlook Update, January 2026)

Insurance Market Outlook

The global primary insurance market is expected to maintain a steady growth trajectory in 2026, supported by a resilient global economy and the continued normalization of inflation. While the aggressive premium rate hikes seen in previous years have largely moderated, demand remains robust. This is particularly evident in emerging markets and sectors tied to the "green transition" and digital infrastructure, which are driving new premium volume.

In the non-life sector, profitability is projected to remain solid throughout 2026. The industry is benefiting from higher interest

rates, which continue to support strong investment income. Furthermore, as inflation stabilizes, the gap between premium growth and claims costs has narrowed, leading to improved underwriting margins across property and casualty lines.

The life insurance sector is also poised for sustained performance. Higher reinvestment yields and a growing middle-class demographic in Asia—specifically in markets like India and Southeast Asia—are fueling sales of savings and protection products, helping the sector maintain a healthy return on equity.

The global reinsurance sector enters 2026 in a position of significant strength. While the pricing cycle has moved past its absolute peak, the market remains “firm,” with reinsurers maintaining strict underwriting discipline. Key highlights for the 2026 outlook include:

- **Strong Capitalization:** The industry's balance sheets have reached record levels of resilience, bolstered by the strong earnings of 2024 and 2025. This capital cushion allows reinsurers to absorb the volatility of increasing catastrophe frequency.
- **Shift in Focus:** As property rates plateau, competition is shifting toward casualty and specialty lines. However, reinsurers remain cautious regarding “social inflation” and litigation trends in Western jurisdictions.

- **Technological Transformation:** 2026 marks a turning point where AI-driven modeling and advanced data analytics are becoming standard for risk assessment. This transition is helping reinsurers like Korean Re refine their portfolios toward higher-margin business while managing the rising costs of secondary perils.
- **Alternative Capital:** The catastrophe bond market continues to see high activity, providing essential capacity and helping to stabilize overall market pricing even as demand for protection against climate-related risks grows.

Outlook for Korean Re's Business in 2026

In 2026, our reinsurance portfolio is projected to grow by approximately 5%, underpinned by disciplined underwriting and continued expansion in strategically selected markets, which is what we call “Smart Growth.” This outlook reflects baseline effects stemming from the previous year's coinsurance volume as well as our strengthened market presence, particularly following the establishment of our India branch, which commences operations in April 2026 and enhances our access to high-potential markets.

We will continue to pursue a profitability-driven growth strategy, maintaining rigorous underwriting discipline and prudently managing retention levels in lines of business that demonstrate sustainable margins. Although competitive pressures persist amid soft market conditions, we remain committed to selective participation and ongoing portfolio optimization to ensure that growth translates into resilient, risk-adjusted returns.

We expect to achieve an investment yield of approximately 3.9% in 2026, supported by a balanced asset allocation strategy designed to deliver sustainable returns while effectively managing market risks. We will continue to emphasize high-quality assets and diversified investments to reinforce stable income generation.

As of 2025, overseas business accounted for 45.1% of our total portfolio in terms of insurance revenue. With continued international expansion and the launch of our India branch, the share of overseas business is expected to increase further. By establishing a globally diversified portfolio structure, we aim to enhance risk diversification and strategically capture growth opportunities across global markets.

Caution on Forward-Looking Statements

This report contains forward-looking statements, including statements regarding Korean Re's future operations, strategies, financial condition, and business prospects. These statements are based on current expectations and assumptions and are subject to risks and uncertainties that

could cause actual results to differ materially. Korean Re undertakes no obligation to update or revise any forward-looking statements to reflect future events or circumstances.

Risk Management Report

Risk Management Framework

Our risk management framework upholds an efficient and effective risk management environment to support the achievement of the company's business goals and strategies. The framework sets out how Korean Re defines, manages, monitors, and reports risks based on its risk governance.

Objectives

Korean Re implements enterprise risk management initiatives to achieve a stable set of risk management objectives. The objectives are as follows:

- Continuously enhancing shareholder value
- Maintaining a high level of credibility with stakeholders, credit rating agencies, and supervisory agencies
- Diversifying insurance and investment portfolios, while also enhancing risk management with regard to overseas business growth

Strategic Risk Management

Korean Re's business strategy is aligned with its risk management strategy and risk appetite. The Risk Appetite Framework provides the main direction to steer the company as it moves forward, with all risks managed under this framework. Based on the capital plan and financial targets linked to our risk appetite, we establish business plans and operate the business in a stable manner by monitoring and evaluating business performance according to risk indicators.

Risk Appetite Framework

Korean Re's risk appetite framework is an enterprise-wide risk management guideline made up of three important components: risk appetite, risk tolerance, and risk limit.

Risk appetite defines the amount of risk we should accept in consideration of the company's vision and business objectives. The risk appetite statement is as follows:

- Maintain the solvency ratio within an optimal range (160%-200%)
- Focus on our comparative advantage businesses and achieve a target ROE
- Diversify our insurance and investment portfolios through overseas growth
- Continue to improve our risk-adjusted profitability (RAROC)

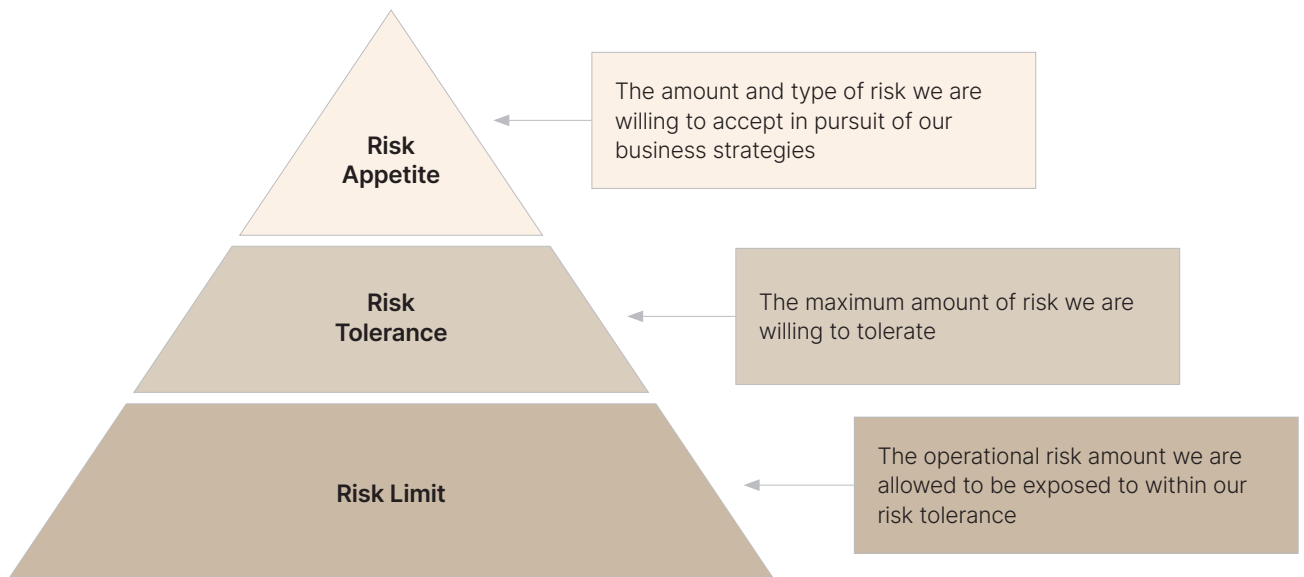
Risk appetite plays a significant role in maintaining our risk profile within the boundaries defined by different objectives, such as profitability, solvency, growth, and liquidity. Risk appetite also provides a solid foundation for decision-making with regard to strategic asset allocation, capital planning, portfolio management, and more.

Risk tolerance represents a quantitative level of risk acceptance within the risk appetite and helps create macro guidelines for capital adequacy, liquidity, and concentration. The risk tolerance statement is as follows:

- Maintain the solvency ratio within a stable range (above 130%)
- Maintain a credit rating of A or above
- Ability to meet day-to-day financial obligations (liquidity)

Risk limit describes the risk capacity constraints determined by capital and liquidity resources to ensure compliance with our risk appetite and risk tolerance.

■ Risk Appetite Framework



Capital Management

Korean Re's capital is managed through a framework which provides a robust foundation for capital management. To ensure Korean Re's sound capital management, we align our risk management strategy with our long-term business strategy. Strategic objectives are examined from the perspective of our risk management strategy to be certain if they are in accordance with our risk appetite, and the results are then reflected in our business plans. We also have a detailed capital management plan in place based on the levels of solvency ratio in order to maintain the optimal range of solvency. Korean Re's capital management framework is comprised of three main modules: capital planning, business planning, and risk planning. Each module is structured to ensure full compliance with Korean Re's risk appetite and tolerance.

Portfolio Optimization

Korean Re performs business planning by analyzing the risks and profitability of its businesses. We measure return on risk-adjusted capital (RORAC) for each line of our insurance business and investment asset portfolio through our own internal model. Based on this, the Strategic Planning Office

draws up plans for optimal portfolios and then finalizes annual plans that can achieve capital efficiency with respect to risk appetite and improve our RORAC.

Risk Governance

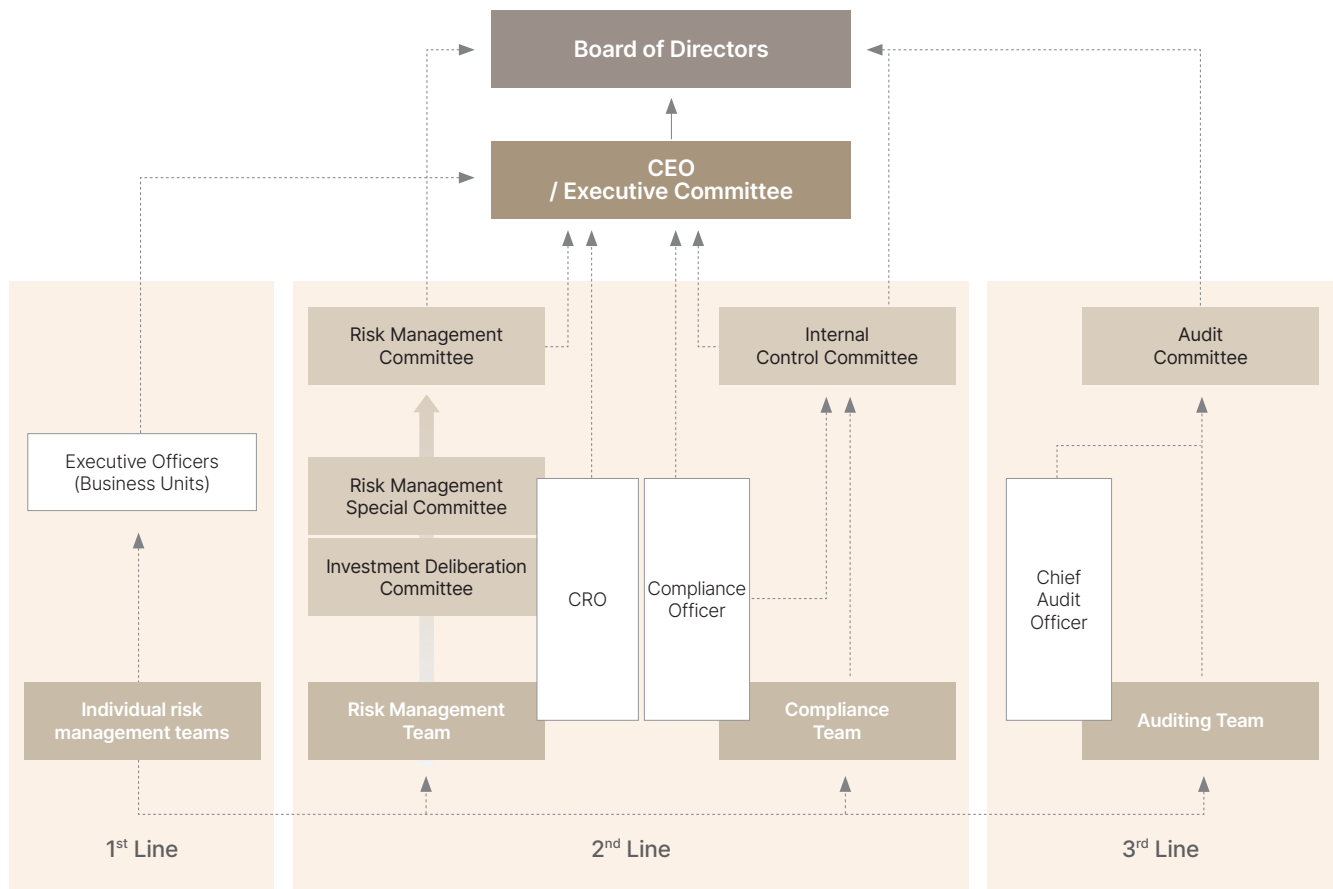
Korean Re has built a comprehensive framework for risk governance based on central oversight and controls of risks with clear accountability. This structure supports risk-based decision-making and oversight across all operations of our businesses. Risk governance defines the roles and responsibilities of the Board of Directors, committees, management structures, and related teams. It also involves the implementation of three lines of defense as part of the structure.

The Three Lines of Defense model that we implement demonstrates our risk governance, laying out the roles of business and oversight organizations in managing our risk profile. The first line of defense includes front-line managers and staff who are responsible for day-to-day risk management and decision-making. (Overseas office staff are also a first line of defense.) Their primary responsibility is to maintain an effective control environment and ensure that all activities are within our risk appetite. The second line of

defense deals with setting risk policies and overseeing our risk management status. This involves the Risk Management Team, the Chief Risk Officer (CRO), the Risk Management Committee (RMC), the Risk Management Special Committee (RMSC), the Investment Deliberation Committee, and compliance functions, that is, the Compliance Team, the

Compliance Officer, and the Internal Control Committee. The third line of defense provides independent assurance through an internal audit and validates the effectiveness of the first and second lines of defense in fulfilling their responsibilities and managing our risk profile.

Three Lines of Defense



Risk Landscape of Korean Re

In the course of its business operations, Korean Re is confronted with a wide range of risks. These risks are consciously embraced, guided, and monitored in line with the actions taken toward the corresponding opportunities. The Board of Management's parameters and decisions regarding Korean Re's risk appetite, which are grounded

in risk-bearing capacity calculations, are essential for risk acceptance. In this regard, our risk management plays a pivotal role in ensuring that risks to the reinsurance portfolio remain measurable and that even extraordinary major losses do not excessively impact the outcome.

Risk Landscape of Korean Re



Key Risks

We manage five key risks—insurance risk, financial risk (credit & market), liquidity risk, emerging risk, and operational risk (which includes strategy, reputation, regulation and legal risks)—all of which are likely to have a significant impact on our financial results and/or operational viability. In doing so, we implement a series of procedures that include risk identification, measurement, control, analysis, and reporting.

Insurance Risk

Korean Re defines insurance risk as the risk of unexpected financial losses arising from the inadequacy of premiums or reserves for natural catastrophe or non-catastrophe events, or from the unpredictability of biometric risks, such as the mortality rate.

We manage insurance risks in a consistent manner across the company by assessing and monitoring them in accordance with clearly defined underwriting guidelines.

Furthermore, we utilize a natural catastrophe modeling program and an accumulation management system to effectively control catastrophe risk at the corporate level.

Market Risk

Korean Re defines market risk as the risk of losses arising from fluctuations of the value of assets and liabilities due to changes in relevant factors, such as interest rates, stock prices, and foreign exchange rates. We manage this risk in our day-to-day operations and, more specifically, hedge against foreign exchange risk using derivatives in order to keep our exposure at a safe level.

At the same time, we closely monitor global economic and financial market conditions and outlooks that can affect our investment performance in order to analyze their potential impact and come up with effective countermeasures.

Credit Risk

Our credit risk system focuses on any losses arising from the failure of the counterparty to a reinsurance contract to meet its contractual obligations or from deterioration in the credit quality of invested assets.

We conduct an analysis of potential losses before making any high-risk business decisions, including whether to write new business contracts or invest in derivatives. When

necessary, these decisions are made through the review process of the Risk Management Special Committee and the Investment Deliberation Committee. Identifying any abnormal signs related to retained risks is also an essential element of our preemptive risk management system.

Liquidity Risk

Korean Re defines liquidity risk as the risk of incurring losses from abnormal asset disposals or high-interest funding due to sudden cash outflows. We plan and manage our liquidity positions to ensure we can meet future claims payments and expenses as they arise. To this end, we set liquidity limits based on our future cash flow and monitor them regularly.

Generally, our liquidity is managed based on short-term and mid-term working capital management plans by the Accounting Team and Investment Strategy & Operations Team. On this basis, we regularly monitor the liquidity status of the company.

We also manage liquidity risk through the regulatory liquidity ratio and S&P liquidity ratio to meet short-term and future payment obligations. Specifically, we establish our tolerance and limit based on our S&P liquidity ratio, which is measured by dividing stressed liquid assets by stressed insurance liability outflows. We set and manage the minimum liquid asset level on an ongoing basis to meet our daily business obligations, settlements, and expenses in a normal situation.

Operational Risk

Korean Re defines operational risk as the risk of potential losses arising from inadequate or failed internal processes or systems or human errors, and/or from external events. We have identified a set of operational risks that cover various business units and activities, including strategy, reputation, new product development, and claims management.

We manage these risks through effective policies and procedures that have a clear separation of duties, timely internal controls, and reporting systems. Through the internal control system, operational risks are managed systemically based on our Code of Conduct and other internal regulations.

Emerging Risk

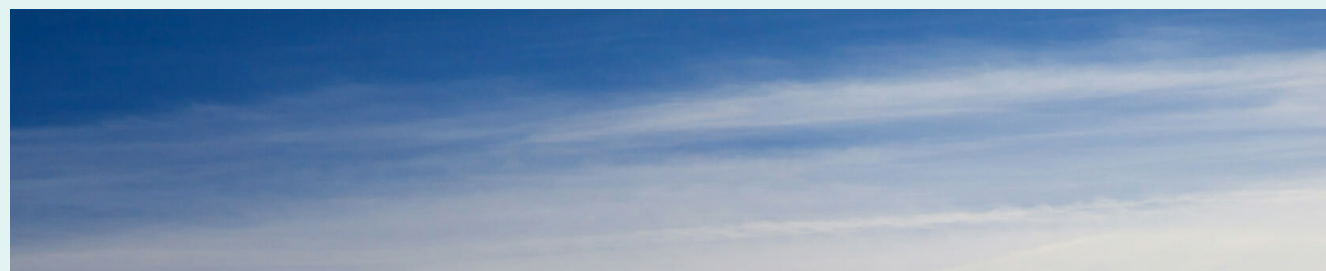
Emerging risks are defined as types of risks that were either not recognized or not considered of significant interest in the past, but have started to gain attention due to evolving environmental, technological, and/or socio-economic developments.

Our approach to managing emerging risks involves a comprehensive analysis, and each team establishes management strategies for their respective risks based on a detailed analysis report on potential emerging risks.

The emerging risks that we have identified for 2026 are as follows:

- Extreme Heat
 - Increased composite risks across health, infrastructure, productivity, and financial markets due to extreme heat may have growing long-term and structural impacts on underwriting risk assessment and reserves.
 - Extreme heat may also trigger large-scale losses across all insurance sectors, including both Property & Casualty and Life & Health (e.g., wildfires, crop damage, structural cracks, road damage, livestock/aquaculture mortality, and a surge in health insurance claims due to higher mortality and hospitalization rates).
- AI & Disinformation
 - Rising AI-related litigation risks, involving issues such as data contamination, deepfakes, autonomous driving, and AI-related medical malpractice
 - Data breach incidents where vulnerabilities in legacy software systems are exploited, including the exposure of personal information
 - Increasing complexity in underwriting models, risk management frameworks, and pricing strategies due to the rising frequency and severity of cyber-related incidents.

By proactively identifying and addressing these emerging risks, we aim to enhance our resilience and ensure the effectiveness of our risk management strategies. These efforts align with our commitment to staying ahead of evolving challenges and safeguarding the interests of our stakeholders.



Review of Operations



046 Domestic Property & Casualty (P&C)

- Property
- Engineering, Marine & Aviation
- Casualty
- Motor, Surety & Agriculture

054 International Property & Casualty (P&C)

- Treaty Business
- Facultative Business

059 Life & Health (L&H)

- Long-Term
- Domestic Life & Health
- Overseas Life & Health
- Financial Solutions

064 Investment

Note: This section covers business results for the head office only, with gross written premiums used to measure business volume and the combined ratio calculated under IFRS 4.

Domestic Property & Casualty (P&C)

Property

In 2025, the Korean property insurance market operated in a challenging environment characterized by negative premium growth and a significant deterioration in underwriting performance. On a year-to-date basis through November, gross written premiums declined by 3.6% year on year to KRW 2,633 billion, primarily due to intensified competition for market share. By line of business, fire insurance premiums decreased by 2.0% to KRW 308 billion, while comprehensive insurance premiums fell by 3.8% to KRW 2,325 billion. The market loss ratio rose sharply from 29.8% to 75.5%, mainly driven by large individual loss events, most notably the Kumho Tire fire.

Treaty Business

We maintain private treaty relationships with 14 primary insurers. In 2025, premium income from these treaties increased by 6.0% year on year to KRW 191 billion. In terms of portfolio composition, Korean Re rate-based contracts account for approximately 14% of our domestic property treaty portfolio while the remaining 86% comprises predominantly tariff-based contracts.

Since 2023, we have made continuous efforts to improve the profitability of our inward treaty portfolio. To mitigate adverse selection by primary insurers, we narrowed the cession ranges of variable quota share treaties or converted them into pure quota share structures. In addition, we reduced commission rates and introduced Loss Participation Clauses (LPCs), which have been consistently maintained to ensure the stability of treaty performance.

In 2026, we will continue to prioritize profitable growth while maintaining robust performance protection measures, including low minimum commission levels and LPC structures.

Facultative Business

Korean Re's facultative strategy has focused on underwriting mega-sized accounts - defined as those with total sums insured (TSI) exceeding KRW 1 trillion - which provide reinsurers with more stable payback opportunities compared to small

and medium-sized (SME) accounts, where primary insurers can exercise greater pricing discretion. This strategic focus reflects heightened competition in SME accounts following the adoption of judgment rates in 2019. As a result, our facultative portfolio is currently composed of approximately 80% mega-sized accounts and 20% SME accounts. We will continue to selectively underwrite SME accounts that demonstrate stable performance with adequate pricing.

Amid ongoing market softening and intensified competition in the primary market, we remained committed to disciplined underwriting and prudent business selection. Despite the Kumho Tire loss, we achieved a combined ratio of 58% in 2025, reflecting sound underwriting performance.

At the same time, we actively expanded our KIA portfolio by capitalizing on growing demand driven by Korean conglomerates' increasing overseas investments, particularly in North America. As a result, written premiums from KIA accounts grew by 13% to KRW 142 billion in spite of the challenging market environment. However, due to weaker domestic market conditions, total facultative premiums declined by 6% year on year to KRW 429 billion.

In 2026, the domestic property insurance market is expected to remain soft, driven by an influx of overseas reinsurance capacity. While maintaining a profitability-focused underwriting stance in our facultative business, we will pursue growth by capitalizing on rising KIA demand generated by Korean conglomerates' expanding overseas investments.

Gross Written Premiums: Domestic Property

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Treaty	191.2	133.3	180.4	131.8
Facultative	429.1	299.1	456.6	333.7
Nuclear Insurance	9.8	6.9	8.4	6.1
Total	630.1	439.3	645.4	471.6

* Domestic property covers Korean Interest Abroad (KIA), while nuclear insurance includes overseas business.

Korea Atomic Energy Insurance Pool (KAEIP)

In Korea, nuclear risks are insured by the Korea Atomic Energy Insurance Pool (KAEIP), which is managed by Korean Re. With 11 member companies, KAEIP is a voluntary, unincorporated association. On behalf of its members, we support the operation of KAEIP based on our expertise in risk management and underwriting so that the pool can provide risk transfer solutions to the nuclear industry that would otherwise be unable to obtain insurance coverage. The pool jointly underwrites domestic and international nuclear risks.

There are 28 nuclear power plants (NPPs) in Korea, of which 26 NPPs are in operation and two NPPs have been permanently shut down (Kori Unit 1 in June 2017 and Wolsong Unit 1 in December 2019). At present, four additional units are under construction. Globally, a total of 413 reactors are in commercial operation, while 66 reactors are currently being built. Major countries with nuclear reactors under construction include China (32 units), India (6 units), and Türkiye (4 units).

In 2025, KAEIP achieved growth in gross written premiums, which increased by KRW 8.2 billion to KRW 75.7 billion.

The domestic direct business is expected to grow in line with the ongoing construction of nuclear reactors. At the Shin-Hanul site, two units started construction in November 2024. Saeul Unit 3, whose construction began in April 2017, is scheduled to be fueled and begin commercial operation in 2026. Globally, the premium size is expected to remain stable or increase only marginally, as the market expansion driven by the Revised Paris Convention has already been accounted for in previous years.

As a specialized insurance provider for the nuclear industry, KAEIP remains committed to supporting nuclear operators by offering insurance capacity and risk management services. While maintaining stable insurance capacity domestically, it will also seek new growth opportunities worldwide by adapting to market trends. Korean Re will continue to play a leading role in these efforts, working alongside KAEIP to ensure stable growth of the pool.

Gross Written Premiums: Korea Atomic Energy Insurance Pool (KAEIP)

(Units: KRW billion, USD million)

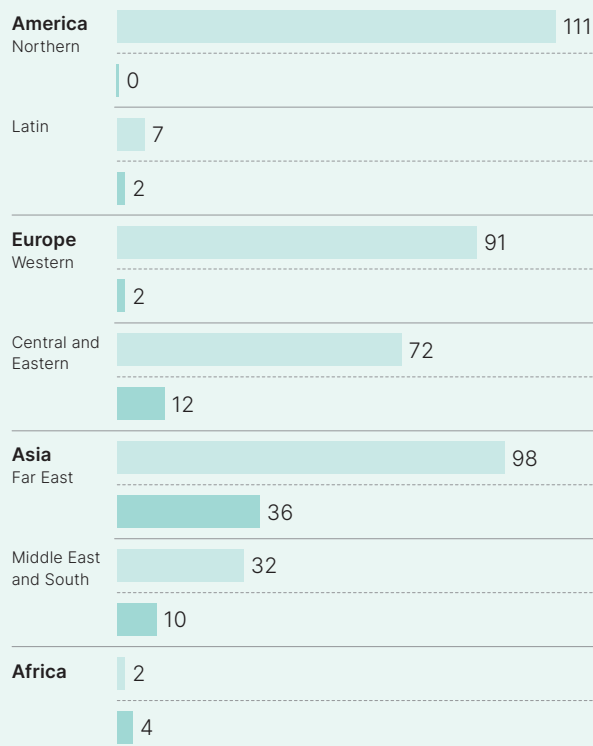
	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Domestic Direct	46.5	32.4	43.2	31.5
Overseas Reinsurance Inward	29.2	20.4	24.3	17.8
Total	75.7	52.8	67.5	49.3

Global Reactor Status by Region



Total **413** in Operation

Total **66** under Construction



(Source: Power Reactor Information System (PRIS), International Atomic Energy Agency (IAEA), as of February 6, 2026)

Domestic Property & Casualty (P&C)

Engineering, Marine & Aviation

Engineering

In 2025, the engineering insurance market faced a challenging landscape, characterized by sluggish premium growth amid a prolonged slowdown in construction activity. In Korea, construction investment remained subdued as reduced public-sector spending and the lingering effects of high interest rates continued to delay both public and private-sector projects. Private construction was further constrained by a downturn in the domestic housing market—particularly in regional areas—as well as rising cost pressures caused by sharp increases in material and labor costs.

Meanwhile, intense competition among primary insurers to secure market share has continued. In particular, the severity of natural catastrophe losses—such as large-scale wildfires and heavy rainfall caused by extreme weather conditions—was higher than in previous years, leading to pressure on profitability in 2025.

Despite these headwinds, Korean Re continued to lead the domestic reinsurance market by focusing on risk management and maintaining a stable and sound portfolio. At the same time, we are actively pursuing business opportunities in domestic and international mega-projects, such as offshore wind power, nuclear power plants (including SMRs), and giga-scale data centers, to secure new growth drivers.

These efforts align with emerging signs of recovery in construction-related demand growth toward the latter part of 2025, as the government's budget signaled a shift toward infrastructure-led growth. Reflecting a more proactive fiscal stance, the total national budget for 2026 was set at KRW 728 trillion, an 8.1% increase from 2025, with the Social Overhead Capital (SOC) budget expanding by 9.1% to KRW 27.7 trillion.

In addition, the rapid transition to an Artificial Intelligence (AI) era is expected to become an important driver of private-sector investment from 2026 onward. Growing demand for

AI services is leading to increased investment in AI-related infrastructure, such as data centers, power generation facilities, transmission networks, and other supporting infrastructure globally.

Going forward, Korean Re will actively utilize AI and other technologies to further strengthen underwriting expertise and risk management capabilities, while striving to provide customers with stable reinsurance capacity through a well-balanced and optimized portfolio.

Marine & Aviation

In 2025, our marine and aviation business maintained its upward momentum, with gross written premiums increasing to KRW 427.4 billion. Hull premiums rose by 1.8% to KRW 227.7 billion, reflecting continued growth in the builder's risk segment, fleet expansion, and additional premiums imposed in high-risk areas amid heightened geopolitical tensions across many parts of the world. This growth came in the midst of market softening, extending the trend observed in the previous year. This softening has been driven primarily by the influx of overseas capacity in large fleet segments, together with the absence of major losses.

As the market softened, cargo premiums declined by 6.4% to KRW 93.5 billion in 2025. The decrease was largely due to continued rate pressure in a soft market environment, along with the effects of U.S. tariff measures on major cargo items, such as steel products. In contrast, aviation premiums grew by 7.5% year on year to KRW 106.1 billion, supported by new business in the defense aviation sector, despite a modest rate reduction driven by global market softening.

Although inflation remains a key concern for the marine and aviation industry, we have yet to experience any significant inflationary impact. In hull insurance, inflationary pressure on claims costs has been limited, as most ship repair claims are typically settled within one year. Moreover, the absence of major losses has reduced the need for large-scale



repairs, further muting the impact of inflation. On the other hand, long-tail cases such as General Average or Liability for Collision may take up to a decade to resolve, making their ultimate financial impact difficult to assess in the short term.

In the South Korean shipbuilding industry, new order volumes have remained stable with continued growth in high-value LNG vessels. This trend has supported both premium volumes and the insured values of builder's risk policies, a pattern expected to persist in the near future. Additionally, as the defense industry continues to expand, risk exposure is expected to increase, with profitability in this segment remaining strong.

While the degree of rate reductions varied by line of business, the overall market came under downward pressure across hull, cargo, and aviation in 2025. Nevertheless, our bottom line continued to demonstrate stable growth and profitability, underpinned by a benign loss experience and sustained top-line growth.

Looking ahead to 2026, we expect the softening trend to persist, with downward rate pressure in the hull segment continuing at a pace similar to, or slightly more pronounced than that observed in 2025. Fleet volumes are projected to remain stable, although overall premium growth is expected to moderate. In the cargo segment, premium volume is likely

to remain under mild downward pressure, reflecting ongoing global uncertainty related to tariff policies and geopolitical tensions. Muted trade volumes, together with a soft rate environment, are set to continue to weigh on market conditions. Aviation premiums, however, are expected to record a gradual increase, driven by additional satellite launches and continued growth in new business in the defense sector.

Given these conditions, and consistent with our profit-focused underwriting strategy and pricing guidelines, we will continue to conduct in-depth analyses of loss patterns. This includes examining loss ratios by vessel type, cargo category, as well as aircraft and pilot ages. Based on these insights, we will take a strategic approach to renewals, selectively adjusting exposure to ensure long-term profitability.

Gross Written Premiums: Domestic Engineering, Marine & Aviation

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Engineering	280.8	195.7	262.8	192.0
Hull	227.7	158.8	223.6	163.4
Cargo	93.5	65.2	99.9	73.0
Aviation	106.1	73.9	98.7	72.1
Total	708.1	493.6	685.0	500.6

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

Domestic Property & Casualty (P&C)

Casualty



The Korean casualty insurance market maintained a steady growth trajectory in 2025, albeit at a slower pace, as softening market conditions led to rate reductions. Although competition intensified, particularly in traditionally high-margin business lines, our domestic casualty portfolio demonstrated strong resilience. Through disciplined underwriting and portfolio management, we maintained profitability and delivered stable performance.

In line with our strategic focus on prioritizing profitability over top-line growth, we substantially reduced underperforming personal accident accounts in 2025, resulting in a 35.6% year-on-year decline in premiums. Consequently, special risk insurance became the second-largest contributor to total domestic casualty premiums, accounting for 29%, supported by our expanded presence in new liability business. Liability insurance continues to be

our core business line, representing 51% of total premiums, with ongoing efforts to mitigate premium declines through value-added service offerings. Personal accident insurance accounted for the remaining 20%.

Throughout the year, we further strengthened collaboration with our clients, remaining committed to delivering timely and effective responses to evolving market conditions. Our engagement focused on supporting clients in addressing key industry challenges, particularly cyber risks and ESG-related considerations.

As we move into 2026, we expect competition from overseas reinsurers to intensify, alongside increased retention by domestic primary insurers. In this environment, we will continue to differentiate ourselves by delivering value beyond reinsurance pricing. In particular, we provide clients with insights into market dynamics and international trends, drawing on targeted risk analysis where appropriate. We will also remain agile in responding to changes in the domestic regulatory landscape and continue to lead key domestic accounts through our underwriting expertise.

At the same time, we will strategically allocate resources to further enhance risk management through proactive and comprehensive risk assessments, ensuring preparedness for potential market developments. With a commitment to sustainable growth and profitability, we remain confident in our ability to provide stable reinsurance capacity and tailored solutions that respond to rapidly evolving market conditions and client demand.

Gross Written Premiums: Domestic Casualty

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Liability	279.4	194.8	281.8	205.9
Personal Accidents	109.9	76.6	170.8	124.8
Special Risks & Others	159.1	110.9	153.8	112.4
Total	548.5	382.4	606.3	443.1

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

Motor, Surety & Agriculture

Motor

In 2025, the Korean motor insurance market continued to face headwinds, as growth in the number of registered vehicles moderated compared to the previous year. Although the market reverted to an underwriting loss in 2024 after a period of post-pandemic profitability, premium rates continued to decline for a fourth consecutive year, largely driven by government-led pricing measures and guidance aimed at mitigating inflationary pressure. While these initiatives have supported consumer affordability, they have significantly eroded major insurers' profitability, leaving leading carriers with sustained underwriting deficits amid persistently low average premium levels.

Loss ratios continued to deteriorate throughout 2025, as rate adequacy was undermined by additional premium rate cuts while medical expenses and vehicle repair costs remained on an upward trajectory. The sustained loss cost inflation is expected to push the market-wide loss ratio up by a further 3%p year on year, resulting in the largest underwriting loss since the COVID-19 period.

Despite this tough market environment, Korean Re maintained solid underwriting performance, recording a loss ratio of 77.0% in 2025 — an improvement of 2.6%p from the prior year. While all primary insurers reported underwriting losses, the reinsurance segment remained relatively stable, supported by lower accident frequency and severity as well as the absence of major natural catastrophe events.

On the top line, however, Korean Re recorded negative growth, as demand for quota share reinsurance from primary insurers continued to soften following the adoption

of IFRS 17. The termination of additional proportional treaties further weighed on premium volume, which totaled KRW 204.1 billion in 2025. In response, we sharpened our focus on delivering reinsurance solutions more closely aligned with cedants' needs, while selectively expanding existing programs covering higher-risk exposures.

Looking ahead to 2026, the Korean motor insurance market is expected to remain centered on restoring underwriting profitability, with direct premiums projected to stay around KRW 21 trillion. Although premium rate increases may be considered in light of the significant deterioration in profitability, the scope for meaningful hikes is likely to be constrained by continued government efforts to stabilize prices. At the same time, upward pressure from medical and repair cost inflation is expected to persist, limiting the pace of loss ratio improvement.

Against this backdrop, Korean Re has set a gross written premium target of KRW 227.0 billion for its domestic motor insurance portfolio in 2026, representing approximately 11% year-on-year growth. This target is underpinned by the anticipated growth in business from mutual associations. To support this growth target, we will continue to strengthen cooperation with primary insurers and develop innovative reinsurance solutions tailored to their evolving needs, while maintaining a disciplined focus on sustainable growth.

Gross Written Premiums: Domestic Motor

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Domestic Motor	204.1	142.3	245.9	179.7

Domestic Property & Casualty (P&C)

Surety & Credit

Korea recorded GDP growth of 1.0% year on year in 2025. However, fourth-quarter GDP declined by 0.3% quarter on quarter, indicating increased uncertainty regarding the pace of economic recovery. While exports, particularly in the semiconductor sector, provided partial support to growth, contractions in construction activity and capital investment during the fourth quarter constrained overall momentum. These developments are considered to reflect the lingering effects of elevated household debt levels and the prolonged high interest rate environment.

In response to moderating economic growth, the Bank of Korea maintained its accommodative monetary policy stance in 2025, reducing the policy rate by a total of 50 basis points, from 3.0% at the end of 2024 to 2.5% at the end of 2025. Nevertheless, concerns regarding financial stability, including household debt and asset market conditions, put a drag on the pace of monetary easing, and policy rate cuts did not fully translate into lower effective borrowing costs for corporations and households.

Despite the easing cycle in policy rates, effective lending rates remained relatively high, limiting improvements in overall credit conditions. In this environment, loss ratios in the surety and credit insurance segments showed early signs of stabilization following the increase observed in 2024, but a meaningful recovery has yet to materialize. In the real estate market, transaction activity increased,

and upward trends in housing prices and lease deposits continued. However, persistent disparities between metropolitan and non-metropolitan regions slowed the pace of loss ratio improvement.

Mindful of these conditions, Korean Re implemented portfolio adjustments aimed at enhancing profitability and reducing volatility, with a continued focus on disciplined underwriting and rigorous risk management. In the coming year, we plan to pursue expansion not only in the domestic market but also selectively in overseas markets despite ongoing market volatility and economic uncertainty. Given the cyclical and economically sensitive nature of surety and credit lines, such expansion will be undertaken on a cautious and selective basis, and supported by conservative underwriting standards.

Agriculture

Korean Re has been closely involved in the domestic agricultural and public policy insurance industries since the introduction of various related programs, and continues to serve as a reliable provider of reinsurance capacity. Insurance coverage plays a vital role in safeguarding the well-being of the public and ensuring the stability of farmers' livelihoods. In this context, we have contributed to the sound development of the local insurance market not only by providing robust reinsurance capacity, but also by acting as a bridge between the domestic market and global reinsurance markets.

Gross Written Premiums: Surety & Credit

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Surety & Credit	177.2	123.5	181.6	132.7

* Surety & credit includes overseas business.

The domestic agricultural insurance market—including crop and livestock lines—has continued to expand through active research initiatives and the launch of new products. As a result, gross premiums reached KRW 1,397 billion in 2025, representing a year-on-year growth of 2%. The market is currently entering another transitional phase, driven by developments such as the expansion of revenue insurance. Amid this evolving environment, Korean Re provided stable reinsurance support, writing gross premiums of KRW 173 billion in 2025. The loss ratio stood at 95.6%, reflecting the impact of wildfires in Gyeongsang Province in March 2025 as well as fruit spring frost losses.

The domestic public policy insurance market—including agricultural machinery, natural perils, and environmental liability insurance—remained in a period of subdued growth. The direct insurance market contracted by 10% from the previous year to around KRW 173 billion, while Korean Re's written premiums amounted to KRW 73 billion, thus maintaining its position as a leading reinsurer. Supported by the stabilization of underlying direct insurance portfolios and a decline in major loss events across the lines, the market recorded a stable loss ratio of 68.0% in 2025.

Building on our extensive experience as a core reinsurer in the domestic market, Korean Re also plays an active role as a reinsurance capacity provider in overseas agricultural insurance markets. Following a risk-based portfolio restructuring focused on earnings stability since 2020, we



returned to profitability in 2023. In 2025, overseas written premiums reached KRW 11 billion, with a favorable loss ratio of 35.4%, thereby sustaining our positive performance momentum.

In 2026, in the face of uncertainties posed by climate change that affects our business worldwide, we will continue our efforts to build a more diversified and profitable portfolio, with the aim of improving the bottom line of our business. As a major capacity provider in the domestic market, we will not waver from our commitment to promoting the growth of agricultural insurance and public policy insurance markets. For our overseas business, we will continue to prioritize portfolio management, emphasizing profitability through selective underwriting.

Gross Written Premiums: Agriculture

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Domestic Agriculture	246.1	171.5	268.3	196.1
Overseas Agriculture	11.0	7.7	4.3	3.1
Total	257.1	179.2	272.6	199.2

International Property & Casualty (P&C)

Treaty Business



In 2025, the reinsurance market shifted further toward a more buyer-friendly environment amid record levels of capital and intensifying competition. Global insured catastrophe losses exceeded USD 120 billion for the sixth consecutive year, driven primarily by U.S. wildfires and severe convective storms. However, the absence of a named hurricane landfall in North America contributed to a comparatively moderate level of reinsured losses, allowing reinsurers to maintain robust profitability and returns above the cost of capital.

Supply continued to outpace demand across most lines, resulting in a softening pricing environment. In the property catastrophe segment, abundant capacity led to significant risk-adjusted rate reductions globally, accompanied by selective improvements in terms and conditions. Casualty renewals also experienced a softening trend, albeit to a lesser extent than in property. U.S. liability lines were a notable exception, with rates continuing to increase amid heightened scrutiny over social inflation and reserve adequacy. In contrast, international casualty markets saw declining rates, as sustained profitability intensified competition and additional capacity flowed into the segment, driven by reinsurers' efforts to diversify away from the U.S.

International Treaty Portfolio by Region - All Lines of Business (FY 2023 – FY 2025)

(Unit: %)

■ Europe ■ Americas ■ Middle East ■ East Asia



* The concentric rings represent fiscal years, from inner to outer: FY 2023, FY 2024, and FY 2025.

In 2025, the international treaty business written by our head office recorded an increase of 8.8% in gross written premiums, totaling KRW 1,261.7 billion (USD 879.5 million, an increase of 3.8%). We achieved balanced growth across key regions, navigating softening market conditions through disciplined underwriting and targeted portfolio expansion.

Our portfolio composition reflects both a commitment to diversified growth and dynamic adjustments to evolving market opportunities. Europe and the Americas accounted for 40.1% and 27.6% of total premiums, respectively, followed by the Middle East at 17.0% and East Asia at 15.3%. Both Europe and the Americas showed double-digit growth of 24.1% and 19.7%, respectively, in line with our strategic targets.

We remain committed to expanding non-property classes of business as part of our broader diversification strategy. Over the past year, the share of non-property business grew from 50.4% to 54.8%, reinforcing a well-balanced risk profile and enhancing resilience against natural catastrophe volatility.

Disciplined underwriting and prudent exposure management supported another year of solid technical performance. In 2025, we recorded net underwriting income of KRW 177.4 billion (USD 123.6 million) and a technical combined ratio of 84.7%, underscoring our sustained profitability in an increasingly competitive market environment.

Amid ongoing uncertainties related to natural disasters and economic conditions, we continue to place emphasis on enhancing profitability by strictly managing natural catastrophe exposures and maintaining a cautious underwriting stance. Moreover, we are actively exploring opportunities in emerging sectors while utilizing both traditional and alternative reinsurance solutions to optimize our capital efficiency in an evolving reinsurance landscape.

Gross Written Premiums: International Treaty by Line of Business

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Property	522.8	364.5	527.9	385.8
Casualty	414.1	288.7	347.2	253.7
Motor	233.8	163.0	191.4	139.9
Engineering	47.2	32.9	47.4	34.7
Marine	41.7	29.1	43.2	31.6
Others	2.0	1.4	2.3	1.7
Total	1,261.7	879.5	1,159.5	847.3

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

International Property & Casualty (P&C)

Facultative Business

Property

UY2025 closed with results exceeding our bottom-line targets. Gross written premiums slightly increased from KRW 167.5 billion in 2024 to KRW 180.9 billion in 2025. This growth was driven by a steady flow of new accounts written across all lines of business, as we continued to explore opportunities in untapped markets. Throughout the year, our disciplined and conservative underwriting philosophy remained central to preserving profitability amid evolving market conditions.

Our underwriting (U/W) guidelines for 2026 will stay unchanged, as our priority continues to be on bottom-line performance. We refine our U/W discipline through risk selection, line size management, analysis of discrepancies between actual premium rates and technical rates, and the application of coverage restrictions. We will consistently take a conservative approach toward high-hazardous occupancies, as well as risks vulnerable to inflation and economic cycles, including those with high business interruption exposure.

Over the years, we have improved our underwriting approach to better reflect regional market dynamics and local client expectations. This adaptive approach has enhanced our ability to access new opportunities. In particular, North America has remained a key growth region, where pricing has been comparatively resilient and demand for facultative capacity has been robust, even as broader market conditions have softened.

We have also made tangible progress toward achieving a more geographically balanced portfolio. Exposure in Asia has gradually moderated, while North America has

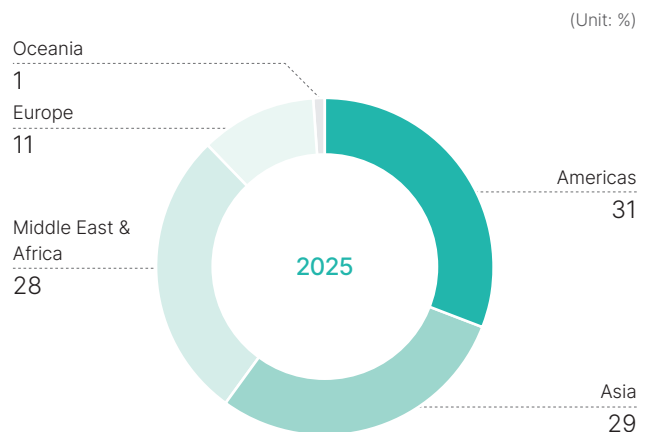
increased its relative contribution, supporting diversification and reducing regional concentration risk.

Our premium breakdown by territory is illustrated below, with Asia and MEA together accounting for more than half of total premium income, followed by the Americas (31%), Europe (11%), and Oceania (1%). Given the relatively modest exposure of Europe within our current portfolio, we plan to expand our exposure in Europe through new business opportunities from 2026 onward.

The favorable pricing momentum that previously supported both growth and profitability has largely transitioned into a softer market phase.

Looking ahead, we recognize that ongoing uncertainties driven by large-scale catastrophe losses and an increasingly competitive environment amid ongoing market softening

International Facultative Portfolio by Region in 2025 (Property)



Gross Written Premiums: International Property Facultative

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
International Property Facultative	180.9	126.1	167.5	122.4

will present challenges to achieving our objectives. Nevertheless, we remain confident in our ability to navigate these conditions by adhering to disciplined underwriting principles and by consistently providing our clients with technical expertise and reliable capacity. Through a balanced approach combining outward retrocession strategies and prudent risk retention, we aim to sustain a consistently profitable portfolio despite increasingly competitive market conditions. These core strengths have long underpinned our performance and will remain fundamental to the sustainable, long-term development of our facultative portfolio.

Engineering & Construction

Korean Re's international engineering & construction business continues to operate under a profitability-driven underwriting strategy. We have further strengthened our underwriting discipline with portfolio optimization at its core, consistently prioritizing risk selection and in-depth technical analysis. Although market conditions have gradually shifted toward a softer phase amid increasing competition, we remain firmly committed to a quality-over-volume approach. Through this disciplined strategy, we aim to secure sustainable and resilient long-term profitability.

The global construction market has broadly entered a phase of stabilization, though the pace of investment activities varies by region and sector. In several advanced economies, private investment in housing and industrial sectors is gradually recovering alongside a steady pipeline of public projects. Meanwhile, emerging economies continue to promote large-scale, government-led infrastructure

projects. In particular, AI-related infrastructure—including data centers, power grid expansion, and energy storage facilities—is expected to sustain mid- to long-term growth momentum, driven by structural demand.

In the energy sector, investments in energy transition are increasingly being pursued in parallel with conventional power generation and natural resource development projects aimed at enhancing energy security and supply chain stability. This dual-track investment dynamic is accelerating diversification within the global energy portfolio and providing a stable demand base for construction activities.

At the same time, volatility in natural catastrophe losses and ongoing geopolitical uncertainties continue to shape the global project risk landscape. As a result, accumulation control and natural catastrophe exposure analysis have become increasingly important, and we have embedded these disciplines as core elements of our portfolio management framework.

In 2026, we will continue to pursue sustainable and profitable growth through rigorous risk selection and proactive portfolio management, supported by early detection of loss ratio deterioration indicators. We will also further strengthen collaboration among our claims specialists, risk engineers, and underwriters to enhance our integrated risk management capabilities. Amid a continuously evolving market environment, we will maintain consistent underwriting principles while delivering stable and reliable risk transfer solutions, thereby reinforcing our long-term competitiveness in the global market.

Gross Written Premiums: International Engineering & Construction Facultative

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
International Engineering & Construction Facultative	85.4	59.5	85.2	62.3

International Property & Casualty (P&C)

Marine & Energy

The global marine and energy insurance markets experienced another year of competitive pressure in 2025 amid abundant capacity and prolonged rate softening. While global maritime trade remained resilient, intensified competition exerted downward pressure on pricing across most hull & machinery and upstream energy classes. Insurers continued to compete aggressively for well-managed accounts, leading to sharper rate reductions in some segments. Despite this competitive landscape, the market remained vulnerable to volatility stemming from casualty events and inflation-driven increases in repair costs. Consequently, insurers prioritized risk differentiation based on risk management quality, loss records, and geopolitical exposure.

Against this backdrop, we strengthened our client-focused marketing efforts with a view to ensuring the retention of high-quality marine and energy accounts, while also selectively pursuing new opportunities to enhance portfolio diversification. We remained steadfast in our underwriting discipline, deliberately reducing participation in inadequately priced or volatility-prone risks. These reductions were successfully offset by selective growth in the fast-growing offshore wind and renewable energy sectors, as well as the stable retention of core blue-chip accounts.

As a result of these strategic initiatives, gross written premiums reached KRW 91.6 billion in 2025, representing a 17.4% year-on-year increase. Our focus on disciplined risk selection and portfolio optimization significantly improved the profitability of the marine & energy business, with a technical profit of approximately KRW 25.8 billion (before management expenses), a remarkable 124%



increase from the previous year. Ongoing re-underwriting of underperforming sub-classes and proactive claims management played a pivotal role in consistently delivering underwriting profits.

As we enter 2026, we expect the international marine and upstream energy markets to remain competitive, with limited prospects for material rate hardening, absent major loss events. In response, we will continue to emphasize underwriting discipline and signed line protection, while accelerating our expansion into the energy transition and renewable sectors. By integrating technical risk engineering insights and optimizing the balance between conventional marine & energy risks and green energy projects, we aim to achieve sustainable growth while preserving long-term underwriting profitability.

Gross Written Premiums: International Marine & Energy Facultative

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
International Marine & Energy Facultative	91.6	63.9	78.0	57.0

Life & Health (L&H)

Long-Term

The Korean long-term insurance market maintained its upward trajectory in 2025. This continued growth was mainly backed by the rapid growth of personal accident and health insurance premiums.

In the wake of the implementation of IFRS 17, sales competition intensified, as insurers strived to increase their Contractual Service Margin (CSM). Major insurers have adopted proactive sales strategies, leveraging general agency (GA) channels. This trend is likely to persist and remain a key driver of market growth.

Against this backdrop, Korean Re recorded long-term insurance premiums of KRW 1,668 billion in 2025. The combined ratio before management expenses rose to 99.8%, reflecting a deterioration in profitability within the health insurance sector. The compression of margin stemmed from a market-wide easing of underwriting standards by primary insurers aiming to drive top-line growth. In response, we have been strengthening our portfolio analysis and collaboration with partners to reinforce pricing discipline and restore underwriting profitability.

In 2026, the long-term insurance market is expected to grow at a steady rate of 5.0%. This outlook is driven by the continued rise in medical expense insurance premium rates and insurers' coordinated marketing initiatives to promote newly developed products, particularly those offering premium discounts for preferred policyholders.

In response to these market trends, we will continue to support our clients in terms of product development based on an extensive analysis of their product portfolios. We will also provide underwriting services and the necessary



reinsurance programs, as well as risk transfer solutions, in a way that contributes to the sustainable growth of insurers offering long-term insurance coverage.

As insurers further adapt to IFRS 17, we will make sure that our efforts are directed toward responding to their needs, such as providing risk management services and solvency capital relief, by being more attentive to their individual business profiles and conditions. Through these efforts, we will seek to refine our cooperation with direct insurers. Based on our strengthened portfolio analysis, we will selectively engage in new product development so that we can build a more profitable business portfolio.

Gross Written Premiums: Long-Term

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Long-Term	1,667.9	1,162.7	1,590.0	1,161.9

Life & Health (L&H)

Domestic Life & Health

In 2025, the domestic life insurance market achieved modest growth, sustaining the upward trend in premium income from the previous year. Under the IFRS 17 framework, life insurers continued to focus on protection insurance products as a primary driver for securing the Contractual Service Margin (CSM) and enhancing financial soundness. However, the total CSM is projected to stagnate or decline marginally, weighed down by a slowdown in new business growth and limited upside for premium growth, coupled with revisions to actuarial assumptions such as lapse rates and loss ratios.

The protection insurance market experienced robust growth, driven by expanded demand for short-term payment whole life insurance and increased sales of no-cash value and low-cash value health insurance products. In contrast, savings insurance struggled to gain growth momentum, hampered by its lower profitability profile under IFRS 17 and downward adjustments to credited interest rates.

Despite our strategic efforts to improve profitability by reducing low-margin contracts and portfolio optimization, Korean Re recorded gross written premiums of KRW 906.3 billion in 2025, representing a 2.2% increase from the previous year. This growth was driven by improved underwriting terms for in-force policies and a proactive strategy to acquire high-margin new business. Notably, the continued optimization of terms and conditions for reinsurance treaties for medical expense insurance and a conservative underwriting strategy based on precise profit and loss analysis led to a KRW 500 million increase in net profit to KRW 35 billion, exceeding our profit target.

In parallel with our profitability improvement efforts, we are also contributing to the advancement of the domestic life reinsurance market by introducing AI-driven underwriting techniques to primary insurers, hosting specialized medical seminars, and providing technical collaboration and support.

In 2026, competition in the protection insurance market is expected to intensify as insurers strive to secure new business CSM, while GAs further solidify their market dominance. Premium income from protection insurance is projected to reach KRW 66.2 trillion, reflecting a 7.6% year-on-year growth. On the other hand, savings insurance premiums are anticipated to decline by 4.8% to KRW 26.1 trillion, amid a downward interest rate outlook and concerns over an economic slowdown, despite structural growth drivers such as population aging and the increasing need for retirement planning. Overall, the total premium income from protection and savings insurance is expected to increase by 3.8% to KRW 92 trillion, reflecting a shift in product portfolio dynamics within the life insurance industry.

In response to these market conditions, we will focus on securing profitability in the midst of intensifying market competition in protection insurance through sophisticated pricing techniques based on data-driven conservative underwriting strategies. Additionally, we will continue to provide technical marketing support to primary insurers and facilitate joint product development efforts to counteract growth stagnation. By leveraging decades of accumulated experience in domestic reinsurance operations, we will also strengthen stable business relationships with primary insurers while implementing capital-efficient portfolio strategies in alignment with IFRS 17.

Gross Written Premiums: Domestic Life & Health

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Domestic Life & Health	906.3	631.8	886.5	647.8

Overseas Life & Health

The global life insurance industry experienced a mix of uncertainty and positive developments in 2025. Despite relatively favorable macroeconomic conditions, uncertainty surrounding post-pandemic mortality trends and long-term health impacts continued to pose challenges to market relevance and the establishment of appropriate pricing assumptions. Additionally, emerging risks, such as potential new pandemics, rising drug use, and increasing suicide rates, have added complexity to life reinsurance pricing and risk assessment. In the face of these challenges, we maintained a profit-focused underwriting approach, ensuring sustainable and responsible growth in an evolving market landscape.

Korean Re continued to strategically adjust its overseas life and health portfolio in 2025, with gross written premiums decreasing by 11.3% to KRW 411.4 billion. This adjustment was driven by our strategic decision aimed at enhancing portfolio profitability through the discontinuation of new business in underperforming segments, aligning with our focus on profitability-driven underwriting. From a regional perspective, North America accounted for the largest share at 64%, followed by Asia at 28%, with China and Japan contributing 19% and 9%, respectively. South America and Europe each represented approximately 4% of the total portfolio.

In terms of profitability, performance in 2025 improved compared to the previous year, primarily due to a base effect from reserve increases recognized in the prior year arising from in-force business. While uncertainties persist, and competition in the life reinsurance sector is still intense, we



continue to strengthen profitability through the expansion of business in high-margin products, ongoing research into new markets, and the development of supporting infrastructure. These efforts enable us to respond effectively to evolving market conditions and emerging risks.

In the coming year, we will continue to closely monitor mortality and morbidity market trends, with a strong emphasis on maintaining low volatility and stable profitability through diversification across regions and product lines. At the same time, we will further enhance collaboration with our overseas branches, leveraging our expertise in life and health reinsurance to develop tailored solutions that address the evolving needs of our partners. Through this strategic approach, we aim to reinforce our market position and drive sustainable growth in the global life and health reinsurance landscape.

Gross Written Premiums: Overseas Life & Health

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Asia	115.5	80.5	163.5	119.5
Americas & Oceania	280.5	195.5	286.7	209.5
Europe, Middle East & Africa (EMEA)	15.4	10.8	13.7	10.0
Total	411.4	286.8	463.8	338.9

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

Life & Health (L&H)

Financial Solutions

With the introduction of IFRS 17 and K-ICS in 2023, the standards for assessing primary insurers' financial soundness have been strengthened, resulting in demand for capital management solutions. Major life insurers are increasingly utilizing coinsurance to improve asset-liability management (ALM) and mitigate profit and loss (P&L) volatility, thereby enhancing capital available to shareholders. Looking ahead to 2026, amid a shifting interest rate environment and evolving regulatory requirements, insurers are expected to further strengthen duration management. This is likely to support growing demand for funds-withheld (FWH) coinsurance.

Under K-ICS, primary insurers have also sought effective solutions to manage solvency ratios, and mass lapse reinsurance has been introduced and transacted as one such tool. In particular, the mass lapse reinsurance market is expected to see renewed demand in 2026, supported by a higher interest rate environment.

We will continue to enhance our expertise in pricing and risk management to further strengthen our leading position through the origination and execution of new structured reinsurance transactions. Where appropriate, we may also leverage our strategic alliance with The Carlyle Group to reinforce our business capabilities and reinsurance capacity. Through these efforts, we aim to contribute to insurers' capital efficiency while delivering sustainable growth and long-term profitability.

Coinsurance

Since its introduction into the domestic market in 2020, coinsurance has grown to exceed KRW 6 trillion in total gross premium reserves. Within this market, Korean Re has completed eight coinsurance transactions totaling KRW 2.1 trillion in gross premium reserves, paving the way for domestic market growth and solidifying its leading position. The market continues to gain momentum, driven by an

enhanced regulatory framework and increasing participation from offshore reinsurers, with transactions also expanding beyond life insurers to include non-life insurers.

Since 2022, we have executed multiple coinsurance transactions, beginning with a bank-owned life insurer in January 2022, followed by deals with a major life insurer in November 2022 and November 2023. These transactions were structured as traditional asset-transfer coinsurance arrangements, under which the reinsurer receives upfront consideration at inception.

Building on this track record, we expanded into FWH coinsurance with a global life insurer in December 2024. Under this structure, the cedant retains the initial consideration and pays interest on the withheld funds, while we seek to generate stable earnings through derivatives-based hedging to manage the associated interest rate risk, subject to market conditions and hedge effectiveness.

In 2025, we completed a small transaction with a non-life insurer as an initial step toward broader engagement with the non-life sector. We further strengthened our track record by executing both an asset-transfer and an FWH coinsurance transaction with a major domestic life insurer in October 2025, followed by an asset-transfer coinsurance transaction with a life insurer in November 2025.

Based on our established FWH track record and growing cedant preference for this structure, we intend to expand participation in FWH transactions in an active yet prudent manner. In addition, beginning in 2026, we initiated discussions with life insurers to underwrite flow reinsurance arrangements that provide coinsurance solutions for new business.

While we have achieved strong results in the early stages of the domestic coinsurance market, the competitive landscape continues to evolve. Global reinsurers with established operations in Korea are seeking to expand

their domestic footprint, leveraging financial and technical support from their headquarters. At the same time, other offshore reinsurers specializing in coinsurance—often backed by private equity—are also evaluating opportunities in the Korean market.

Mass Lapse Reinsurance

Mass lapse reinsurance, introduced in Korea in 2023, expanded rapidly to an estimated market size of approximately KRW 2 trillion in terms of required capital. However, over the past two years, interest rate cuts and regulatory developments have reduced the number of insurers eligible to cede such reinsurance, resulting in a material contraction of the market. Notwithstanding this decline, demand for mass lapse reinsurance has rebounded since 2026, driven by the sharp rise in interest rates and the strengthening of the K-ICS framework, as insurers seek effective solutions to reduce required capital and enhance available capital.

In addition to mass lapse reinsurance, we have been developing a comprehensive suite of structured reinsurance solutions. Specifically, we have been providing our clients with various options, including a stop loss reinsurance program, sufficient retrocession capacity supported by our credit rating, and competitive premium rates enabled through retrocession arrangements. Notably, through a conservative underwriting approach—carefully selecting



portfolios to be reinsured—we have achieved a strong balance between stability and profitability.

Looking ahead, we view mass lapse reinsurance as a highly secure line of business given the structural characteristics of the coverage and its remote risk profile under the reinsurance arrangement. Accordingly, we are exploring whether similar opportunities may arise in other Asian markets where new solvency regimes are being introduced.

Gross Written Premiums: Financial Solutions

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Coinsurance	454.8	317.0	209.5	153.1
Mass Lapse Reinsurance	2.1	1.5	6.2	4.5
Total	456.9	318.5	215.7	157.6

Investment

In 2025, the capital markets were supported by improving corporate earnings and growing expectations of policy rate cuts. Equity markets delivered strong performance, while moderating inflation contributed to a gradual recovery in fixed income markets. However, elevated U.S. equity valuations and concerns over a potential economic slowdown continued to weigh on overall market sentiment, sustaining a degree of uncertainty.

Against this backdrop, we implemented an asset management strategy designed to balance profitability and capital efficiency, taking into account the potential for interest rate declines and regulatory considerations related to K-ICS. We increased our allocation to fixed income assets to enhance portfolio stability, selectively managed alternative and loan investments, and gradually expanded our equity exposure to improve returns. In addition, we improved overall funding efficiency by reducing short-term funds and optimizing the management of foreign currency assets.

As a result, total investment income increased by 22.7% to KRW 474.9 billion, while total invested assets grew by 9.4% to KRW 11.68 trillion, reflecting effective portfolio management. As of year-end, bonds accounted for 64% (approximately KRW 7.48 trillion) of total invested assets, while alternative investments, including loans, comprised 22.6% (KRW 2.65 trillion), demonstrating portfolio adjustments aligned with our risk management strategy.

In the U.S., economic conditions showed mixed signals amid moderating inflation and policy adjustments by the Federal Reserve. Although policy rate cuts were implemented gradually, financial market volatility persisted due to uncertainties regarding the direction of monetary policy, increased government bond issuance, and geopolitical risks. Equity markets remained sensitive to developments in the technology sector and global trade policies, while bond markets fluctuated in response to shifting expectations for the pace of rate cuts.

In Korea, GDP growth stood at 1.0% in 2025, reflecting a modest recovery driven by exports and domestic demand, although structural economic challenges remained. The

Bank of Korea adjusted its policy rate in consideration of both domestic and global economic conditions. In this environment, insurers strengthened investment diversification and risk management frameworks to respond effectively to changing financial market conditions.

The growth in our investment assets and operating income was driven by two key factors. First, net inflows from insurance operations amounted to approximately KRW 732 billion, expanding our investment capacity. Second, foreign exchange valuation gains of KRW 66.9 billion arising from exchange rate movements contributed to strengthening our financial position.

Bond investments delivered solid performance in 2025, with domestic bonds generating KRW 143.0 billion in returns and overseas bonds producing KRW 135.8 billion in investment income. Relatively high interest rates also had a positive impact on interest earnings.

During the second half of the year, we increased our allocation to domestic equities, generating KRW 64.8 billion in investment income.

Meanwhile, alternative investment income amounted to KRW 128.6 billion. Although we moderated the pace of new alternative investments amid continued global uncertainties, stable interest and dividend income supported overall portfolio stability.

Investment Results¹⁾

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Invested Assets	11,684.0	8,064.1	10,680.2	7,195.0
Investment Income ²⁾	474.9	331.1	387.1	282.9
Investment Income ³⁾	507.3	353.7	657.6	480.6
Yield (%) ²⁾	4.3	4.3	3.9	3.9
Yield (%) ³⁾	4.6	4.6	6.7	6.7

1) Investment results are based on IFRS 9

2) Excluding the insurance finance result and gains/losses from foreign exchange and interest rate hedging for insurance liabilities

3) Excluding the insurance finance result

Looking ahead, the global economy is expected to experience moderate growth alongside stabilizing inflation. However, uncertainties related to monetary policy normalization, geopolitical risks, and fiscal policy changes are likely to persist. Domestically, gradual economic stabilization is anticipated, but exchange rate volatility and structural economic challenges remain key risk factors.

Against this backdrop, our 2026 investment strategy focuses on achieving stable growth and enhancing risk-adjusted returns in an environment characterized by slowing global growth and a gradual monetary easing cycle. While major economies are expected to maintain accommodative policy stances, market volatility will likely be here to stay due to structural growth constraints, geopolitical risks, and the potential resurgence of inflationary pressures.

In this context, we will continue to advance our mid-term Strategic Asset Allocation (SAA) framework. Taking into comprehensive consideration capital regulations and international credit rating requirements, we will refine the optimal portfolio mix and seek to enhance profitability

relative to current allocations. Through these efforts, we aim to improve long-term expected returns, strengthen capital efficiency, and establish a portfolio structure aligned with regulatory standards and credit rating considerations.

Invested Assets

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Domestic Bonds	3,995.2	2,757.4	3,833.8	2,582.7
Overseas Bonds	3,486.0	2,406.0	2,804.7	1,889.5
Stocks	695.5	480.0	389.4	262.3
Alternative Investments (including loans)	2,645.4	1,825.8	2,274.6	1,532.3
Short-Term Funds	691.7	477.4	1,203.3	810.6
Others	170.2	117.5	174.4	117.5
Total	11,684.0	8,064.1	10,680.2	7,195.0

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

Investment Income

(Units: KRW billion, USD million)

	2025 (KRW)	2025 (USD)	2024 (KRW)	2024 (USD)
Domestic Bonds	143.0	99.7	145.8	106.5
Overseas Bonds	135.8	94.7	93.3	68.2
Stocks	64.8	45.2	7.7	5.6
Alternative Investments ¹⁾	128.6	89.7	124.3	90.8
Short-Term Funds	18.4	12.8	27.9	20.4
Others	-15.7	-11.0	-11.9	-8.7
Total (excluding derivatives)	474.9	331.1	387.1	282.9
Derivatives ²⁾	32.4	22.6	270.5	197.7
Total	507.3	353.7	657.6	480.6

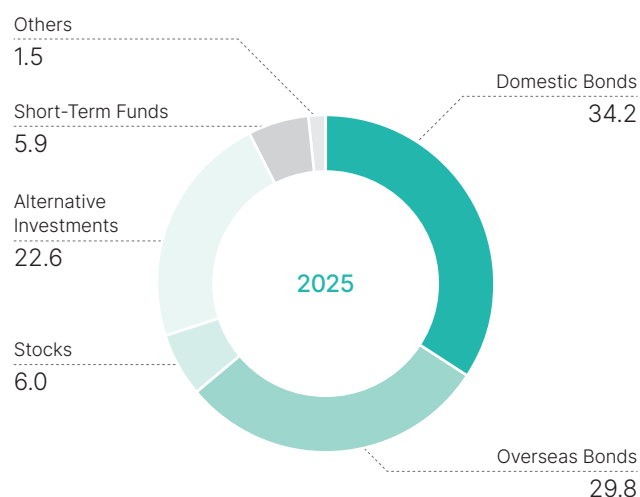
1) Alternative investments include loans and structured notes.

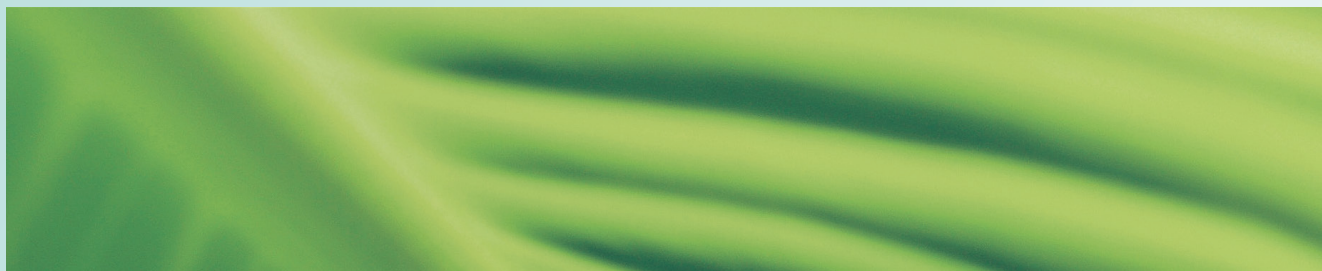
2) Gains and/or losses from foreign exchange and interest rate hedging for insurance liabilities

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

Investment Portfolio Mix in 2025

(Unit: %)





Non-Financial **Report**



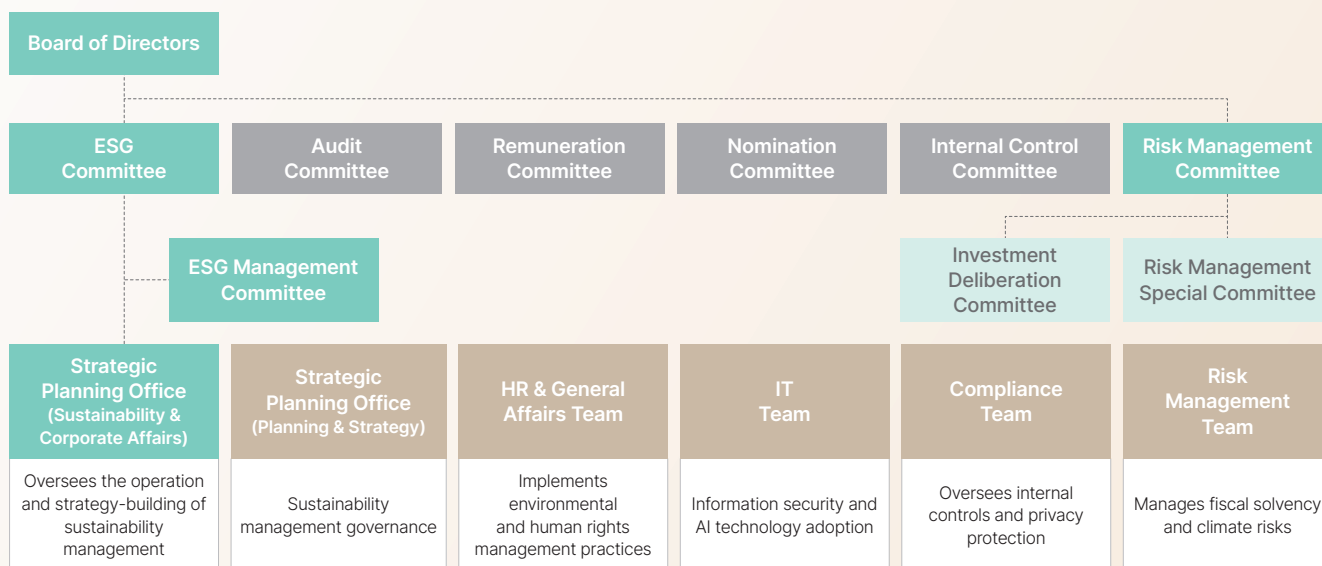
- 067 Overview
- 069 Addressing Climate Change
- 072 Delivering Social Value
- 076 Ensuring Stable and Transparent Governance

Overview

At Korean Re, we are committed to providing reinsurance services of the highest possible standards, with a focus on sound environmental, social, and governance (ESG) practices. Our commitment to ESG is based on the values of promoting transparency in corporate governance, protecting the environment, and being a socially responsible member of the communities we work and live in. Upholding these values is not only the right thing to do but also helps us ensure sustainable business operations. Our success as a reinsurer will be driven not just by how well our business is operated commercially, but by how actively we participate in climate crisis response initiatives and support the communities in which we operate as well.

Sustainability Management Governance

Sustainability Decision-Making Bodies



ESG Committee

The ESG Committee formulates the foundational policies and mid- to long-term goals for sustainable management. By continuously monitoring implementation outcomes and addressing areas for improvement, the committee plays a pivotal role in ensuring Korean Re's fulfillment of its environmental and social responsibilities and in establishing transparent governance.

Comprised of two external directors with expertise in insurance and finance, the committee is structured to effectively carry out its mandate and actively seeks advice from external experts as needed.

As the cornerstone of Korean Re's ESG governance, the ESG Committee identifies key sustainability issues, assesses associated risks and opportunities, and develops appropriate response strategies.

ESG Management Committee

The ESG Management Committee, comprising all managing directors, serves as a consultative body for the ESG Committee's resolutions and reporting matters.

It reviews the ESG Committee's deliberations and coordinates the detailed strategies, goals, and initiatives for sustainable management. By promoting alignment across operational functions, the committee helps ensure the consistent execution of the company's sustainability strategies and reinforces enterprise-wide implementation.

ESG Function

The Strategic Planning Office identifies core issues related to sustainable management and develops company-wide ESG policies and strategies. It also sets phased goals—short-, mid-, and long-term—and detailed implementation plans, which are then submitted to the ESG Committee and ESG Management Committee for deliberation and approval.

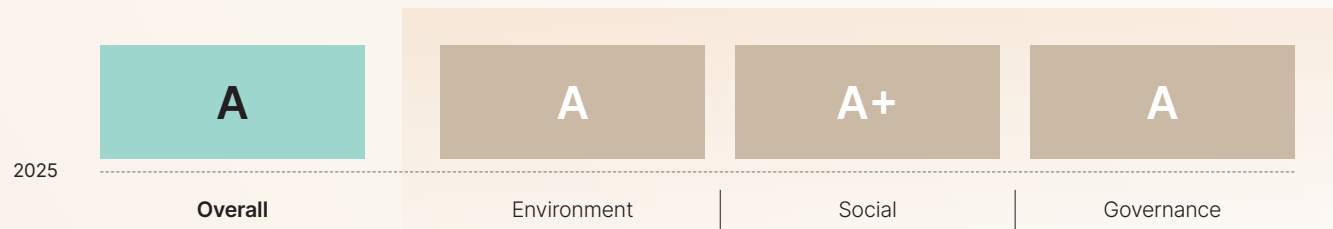
At the same time, the Strategic Planning Office regularly shares updates on the company's ESG activities, performance, and plans with all employees, while also running ESG training programs to enhance employees' competencies and support their informed, responsible decision-making.

ESG Rating

Korean Re achieved an ESG integrated rating of A (Outstanding) in a 2025 ESG evaluation conducted by the

Korean Institute of Corporate Governance and Sustainability (KCGS), maintaining this rating for the third year in a row.

Korean Re's ESG Ratings from KCGS



Addressing Climate Change

Climate Change Governance

Climate-related governance at Korean Re is led by the ESG Committee, with oversight provided by the board and executive management, who are responsible for decision-making on climate risk management.

Climate Change Governance



Responding to Climate Change

Declaration on the Phase-Out of Coal Financing

There are increasing demands for responsible investment by financial institutions. For the insurance industry, in particular, underwriting and managing assets with internalized ESG factors are becoming increasingly important.

In November 2022, Korean Re declared its intention to phase out coal financing, following a resolution by the ESG Committee. This initiative aims to contribute to the transition to a carbon-neutral economic system as a global reinsurer and internalize ESG factors across our management practices.

We are committed to achieving net-zero carbon emissions by 2050 through phasing out coal financing and setting eco-friendly underwriting and investment goals.

Responsible Investment Standards

In May 2023, Korean Re established the Responsible Investment Standards to recognize its social responsibility and impact on sustainability and to strengthen its asset management policies related to the coal phase-out declaration and carbon neutrality goals as part of its active participation in the 2015 Paris Agreement. The standards contain a set of principles that should be applied from the stage of the identification and proposal of businesses and projects to the final deliberation and resolution.

• ESG Investment Criteria and Process

Korean Re bases its investments on socially responsible investment (SRI*) criteria. We allocate funds raised through the issuance of sustainable bonds to areas with clear ESG advancement objectives, such as renewable energy. In the process of making investment decisions regarding stocks, bonds, and other securities, we prioritize companies demonstrating outstanding ESG performance. Additionally, we strive to reduce the net greenhouse gas emissions from our investment portfolio in line with our 2050 Net-Zero goals.

* Socially Responsible Investment (SRI): A financial activity that invests in companies based on a wide range of performance metrics, including human rights, environment, labor, and community contributions, in addition to financial performance.

• Investment Restrictions and Exceptions

Korean Re proactively reviews and restricts investments in companies and industries that negatively impact the environment and society. We gradually limit investments in the following areas, and we regularly update our investment restrictions list for certain listed companies and bond issuers as necessary:

- Coal mining and coal-fired power plant construction
- Tar sands, Arctic, and deep-sea oil and gas
- Other companies and industries deemed not to be in support of social responsibility

However, exceptions may be considered for special purpose bonds and funds that align with ESG objectives or for investments in socially necessary areas, such as national energy policies, support for the socially disadvantaged, and assistance to underdeveloped countries. In such cases, prior coordination with the Manager of Sustainability & Corporate Affairs is required to minimize social and environmental risks associated with any investments.

CAT Modeling

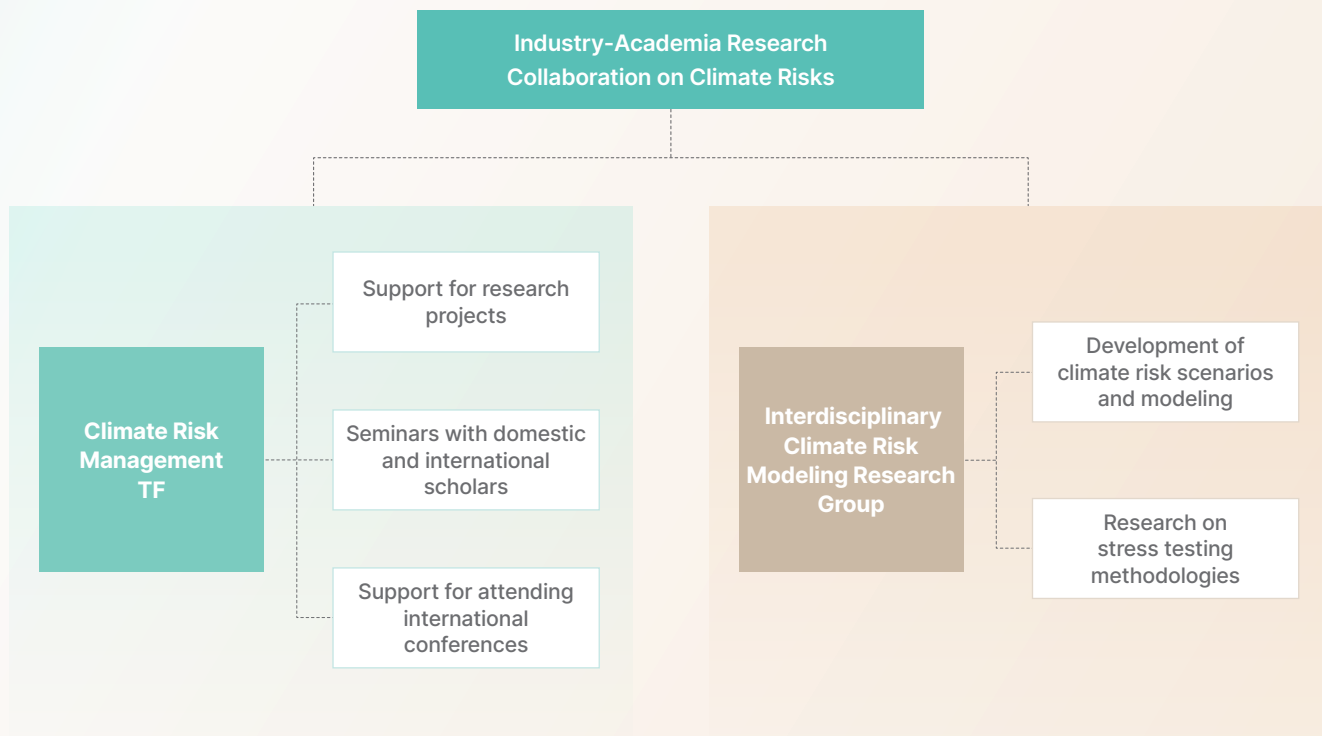
To effectively manage catastrophe risk, one of the major physical risks for our company, we have an organizational unit dedicated to CAT modeling that consists of experts in natural disaster risks. The team utilizes leading industry CAT models, including RMS (by Moody's) and AIR (by Verisk), to conduct in-depth analyses of natural disaster risks such as typhoons. These models support continuous monitoring to ensure that financial losses arising from climate risks remain within Korean Re's established risk tolerance thresholds. Based on the analyses, Korean Re has developed proprietary optimization tools for portfolio adjustment and profitability analysis, further enhancing its overall catastrophe risk management capabilities.

To address the growing risks associated with nonpeak perils driven by climate change, we are also strengthening our risk management measures, including the implementation of an updated hazard map system.

Industry-Academia Research Collaboration on Climate Risks

Korean Re actively engages in collaborative research and seminars with academic institutions to proactively address the risks and opportunities posed by climate change.

Through these efforts, we aim to foster industry-wide dialogue on climate risk response strategies and to reinforce our role as a leading voice in the insurance and reinsurance sectors.



• Climate Risk Management Task Force

Korean Re operates a Climate Risk Management Task Force (TF) in collaboration with the Korea Risk Management Society, enhancing its climate action capabilities by actively sharing its expert knowledge and insights on the climate crisis with both academia and industry.

The Climate Risk Management TF expands the scope of climate crisis research by integrating disciplines such as insurance, climate science, meteorology, and engineering. Today, it continues to support academic studies by providing a platform for emerging researchers.

• Interdisciplinary Climate Risk Modeling Research Group

Increasing extreme weather events impact economic systems in the form of physical and transitional risks. Therefore, precisely predicting potential climate risks and

modeling their financial and insurance impacts is essential to the insurance business. To address this, Korean Re has formed an Interdisciplinary Climate Risk Modeling Research Group in collaboration with leading university researchers. Together, they are developing an integrated climate risk management model that incorporates future climate change impacts into our existing CAT models. This initiative ultimately aims to establish a more advanced climate risk management framework.

The research comprises three stages: climate change scenario development, climate risk quantification, and financial and insurance impact analysis. Each research area is sequentially and interdependently linked. In addition, we have hosted industry-academia research seminars on each of these research stages to share knowledge and discuss response strategies with industry and academic stakeholders.

Delivering Social Value

Human Rights Management

Korean Re supports human rights protection and respects the guidelines and principles set forth by the UN Human Rights Council, the International Labour Organization, and domestic labor laws.

Our Human Rights Management Declaration and Code of Conduct provide a behavioral code applicable to all stakeholders. It is clearly stated that in the event of a human rights issue, the responsibility and obligation to resolve the problem is imposed on all members, including the top management of Korean Re, so that all members need to take responsibility for diligently resolving and correcting any issue that comes up.

Raising Awareness of Respect for Human Rights

Since 2023, Korean Re has annually conducted a human rights impact assessment survey among internal stakeholders to identify the perceived likelihood and severity of various human rights risks within the company. The assessment also considers stakeholders vulnerable to human rights risks, such as local residents and partner companies. Korean Re plans to continuously strengthen the human rights issue management process to address the significant risk factors identified in all of our future human rights impact assessments.

Korean Re provides human rights education on an annual basis to foster a healthy organizational culture of mutual respect among employees. The education, which is offered to all employees, including those dispatched abroad and locally hired staff, covers topics such as the prevention of workplace and sexual harassment, as well as improving awareness of disabilities.

Human Rights Grievance Channels

Korean Re operates several anonymous channels to protect the human rights of stakeholders and to prevent unjust discrimination. For internal reporting of employee grievances, difficulties, and workplace misconduct, we utilize a system called Sinmungo,* a whistleblowing channel under the direction of the CEO. Recently, we added a grievance check to the regular employee survey on our corporate culture to collect feedback for improving our grievance system.

The Compliance Reporting Form is available on the Korean Re website for anyone wishing to report human rights violations, such as unfair benefit requests by employees, sexual harassment, gender discrimination, and discrimination against disabled persons. The confidentiality of both the reporter and the report content is strictly maintained. The Compliance Officer and the Head of the Compliance Team must inform the reporter of the investigation results following a fair probe into the reported issue.

Under internal control regulations, Korean Re ensures that information about reports and reporters received through the grievance channels is not disclosed or leaked. It is explicitly stated that reporters will not face any form of personnel disadvantage as a result of filing a report, thereby ensuring the system's effectiveness.

* The term "Sinmungo" refers to the traditional Korean grievance mechanism, in which the monarch used to handle the grievances of commoners.

Enhancing Corporate Social Responsibility (CSR) Efforts

Korean Re has been continuously undertaking CSR activities in consideration of the social role of the reinsurance business to promote prosperous coexistence between the private sector and society.

Global CSR Activities

As a global reinsurer, Korean Re is dedicated to fulfilling its social responsibility and continuously promotes global CSR activities to make a significant societal impact.

In February 2025, Korean Re dispatched an overseas volunteer team of employees, including new recruits, to rebuild houses for low-income residents living in poor housing conditions in Tangerang, Indonesia. The team assisted in carrying bricks and materials, as well as mixing mortar and plastering, thereby contributing to the reconstruction of homes for families in vulnerable living conditions.

We will continue to support various regions in need through ongoing international projects.

Patronage of Wings Cello Ensemble

In 2017, Korean Re established a mecenat partnership with the Miral Welfare Foundation. Since then, we have sponsored the Wings Cello Ensemble, comprising children and adolescents with developmental disabilities. Our patronage helps them develop their artistic talents, further their dreams, and grow into valued members of society.

Employee Engagement Activities

Korean Re pegs employees' CSR participation with its credit system to encourage employee participation in the company's CSR initiatives.

This system awards credits to employees for engaging in job-related self-learning (such as job competency building courses and underwriting communities of practice), in-house training programs, and company task forces, which are then factored into performance evaluations. Employees earn preset credits based on their volunteer hours.

Furthermore, to ensure participation in our Employee Volunteer Service program, we announce the company's annual CSR activity plans and schedules at the beginning of each year, giving employees the opportunity to schedule their volunteer activities well in advance and at their convenience.

We believe these efforts provide our employees with a wide array of opportunities and motivation to voluntarily participate in social contribution activities. Of particular note, Korean Re has been participating in Habitat for Humanity Korea's Building Houses of Hope project since 2013. In fact, over that time, it has become our signature program for employee volunteerism.



A Healthy Work-Life Balance

Korean Re operates a range of welfare programs designed to support employees in achieving a harmonious balance between their work and personal lives, and tailored to each stage of their life journey.

These initiatives enhance personal well-being and work engagement, while also reflecting our commitment to contributing to a healthier, more sustainable society.

Marriage Support Program

Korean Re recognizes diverse forms of families in tandem with social and cultural changes. In 2023, we introduced criteria for recognizing common-law marriages, allowing employees in such unions to access the same fringe benefits as their legally married colleagues, such as medical expense subsidies and congratulatory/condolence allowances.

Pregnancy and Childbirth Support Program

Korean Re provides congratulatory gift bags containing essential items to help expecting employees prepare for childbirth. We also offer reduced working hours for pregnant employees to support a healthy work-life balance during this important time.

For employees experiencing infertility, we provide financial support for treatment and related medical examinations, along with a paid infertility leave program that allows employees to focus on treatment and recovery in a supportive environment.

Furthermore, we offer an egg-freezing subsidy program for female employees planning for pregnancy, delivering meaningful support during the family planning process.

Korean Re also operates an Employee Stock Ownership Plan (ESOP) as an incentive to support childbirth among employees. In addition, the company provides a range of support measures to help employees give birth and raise their children in a more secure and stable environment.

These measures include childbirth congratulatory allowances, medical expense subsidies, and maternity leave before and after childbirth.

Childcare and Education Support Program

Korean Re shares the cost of raising a child with employees through various support programs. Each employee is entitled to one year of parental leave per child. If they choose not to use this leave, they can opt for reduced working hours for up to two years. Additionally, the company provides financial support for employees' child education across all school levels. For example, employees receive tuition subsidies for their children who are attending high school or university.

In addition, Korean Re operates an in-house cooperative childcare club that hosts various family-focused events. Through these activities, we foster a sense of community among employees, enabling shared childcare experiences while creating special memories for both parents and children.

Family-Friendly Corporation Certification

In recognition of our strong family support policies and commitment to employee well-being, Korean Re was certified as a Family-Friendly Corporation by the Ministry of Gender Equality and Family. Furthermore, we were honored by the Presidential Committee on Aging Society and Population Policy as an exemplary enterprise for work-life balance, in particular for our advanced programs supporting pregnancy, childbirth, and childcare in response to Korea's low birth rate challenge.

Fostering Cooperative Labor Relations

At Korean Re, we strive to develop a flexible organizational culture grounded in open communication between the company and our workforce. To achieve this, we are committed to fostering cooperative labor relations. In compliance with all relevant laws, Korean Re guarantees employees' freedom of association and respects union activities. The union regularly communicates with the company's top management to address employee grievances and provide input on a wide range of issues.

We also operate a Labor-Management Council—composed of an equal number of representatives from both labor and management (four each)—on an ongoing basis throughout the year. This council actively gathers opinions and concerns regarding the working environment, assesses and identifies areas for improvement in employee rights, and discusses a variety of consultation topics.

Talent Development

To foster globally competitive reinsurance professionals, we provide customized training for each work function to strengthen employees' core competencies. We also actively encourage employees' self-development with a variety of supports and incentives for certification prep programs.

At the same time, we offer numerous opportunities for overseas training and language programs to strengthen our employees' global competitiveness.

Furthermore, to enhance organizational competitiveness and minimize risks associated with the turnover and retirement of key personnel, we have developed individual professional career management programs to systematically operate our human resources administration.

Korean Re offers a number of different opportunities to enhance employees' job expertise through its Core Competency-Building Program. This includes job skills enhancement training, training with field experts, and commissioned training, all delivered through diverse platforms and channels tailored to individual needs. Notably, our certification prep courses support education and exam costs for professional certifications like the Chartered Property Casualty Underwriter (CPCU) and actuary credentials.



Ensuring Stable and Transparent Governance

Korean Re is committed to promoting sound corporate governance practices so as to create enduring value for our business, clients, employees, and all other stakeholders.

Governance fundamentally involves how Korean Re makes decisions and provides oversight of business management.

Governance Charter

In 2023, Korean Re established and promulgated its Governance Charter, a set of corporate governance principles, based on the recognition that establishing efficient and transparent governance is essential to protecting the interests of our stakeholders.

The management board of Korean Re will continue to carry out responsible management under the supervision of a professional and independent BOD, aiming for shared growth with stakeholders based on a sound governance framework.

The Governance Charter codifies the principles of shareholder and stakeholder protection, the roles and responsibilities of the Board of Directors (BOD) and audit organization, and fair corporate activities, providing a benchmark for sound governance.

Board Independence, Diversity, and Expertise

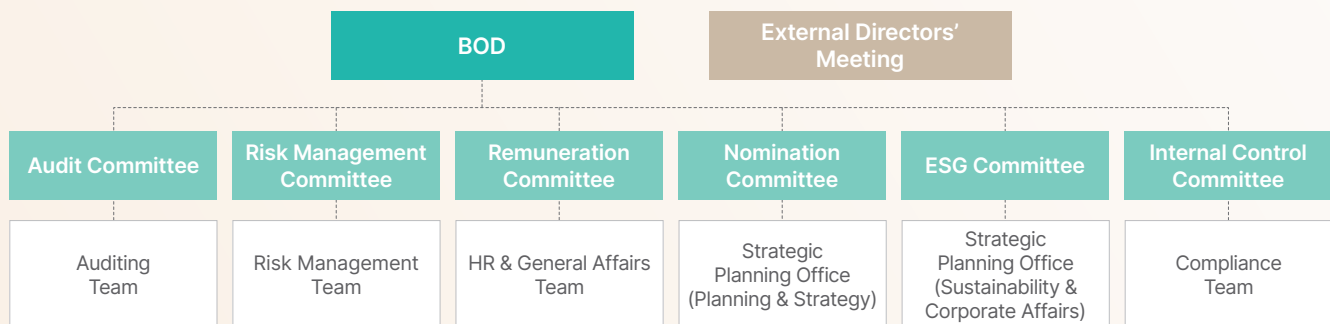
BOD Composition

Korean Re's BOD is the company's top decision-making body. It consists of seven members: two internal, one non-executive, and four external directors.

The BOD deliberates and decides on matters prescribed by law or Articles of Incorporation, issues delegated by the GSM, and major issues related to the company's management policies and business operations. The BOD also has the authority to appoint and dismiss the CEO and the chairman of the board.

A director's tenure is determined by the general shareholders' meeting (GSM) within a range of three years, while external directors can serve for up to five years to ensure continuity in their functions.

The BOD operates six subcommittees under it so as to ensure expertise and independence in its activities.





Independence

Over the years, Korean Re has enhanced the independence of its BOD by separating the roles of the CEO and the chair of the BOD, thereby strengthening the company's accountability management system.

To establish effective checks and balances on management, the majority of the BOD consists of external directors, with the lead external director presiding over all regular meetings of the external directors.

All of the BOD's committees, except the Nomination Committee, are entirely composed of external directors. When appointing two or more Audit Committee members at the annual GSM, they are elected independently.

Additionally, to strictly protect the committee's independence, regulations prohibit re-voting on any decisions made by the Audit Committee.

BOD and Executive Remuneration

Korean Re's executive performance-based pay scheme aligns with the fundamental principles to balance with the company's capital management. To that end, we peg the remuneration scheme to performance indicators that check profitability, sustainability, and soundness.

Notably, for sustainable growth, the key performance indicators (KPIs) for internal directors incorporate major ESG

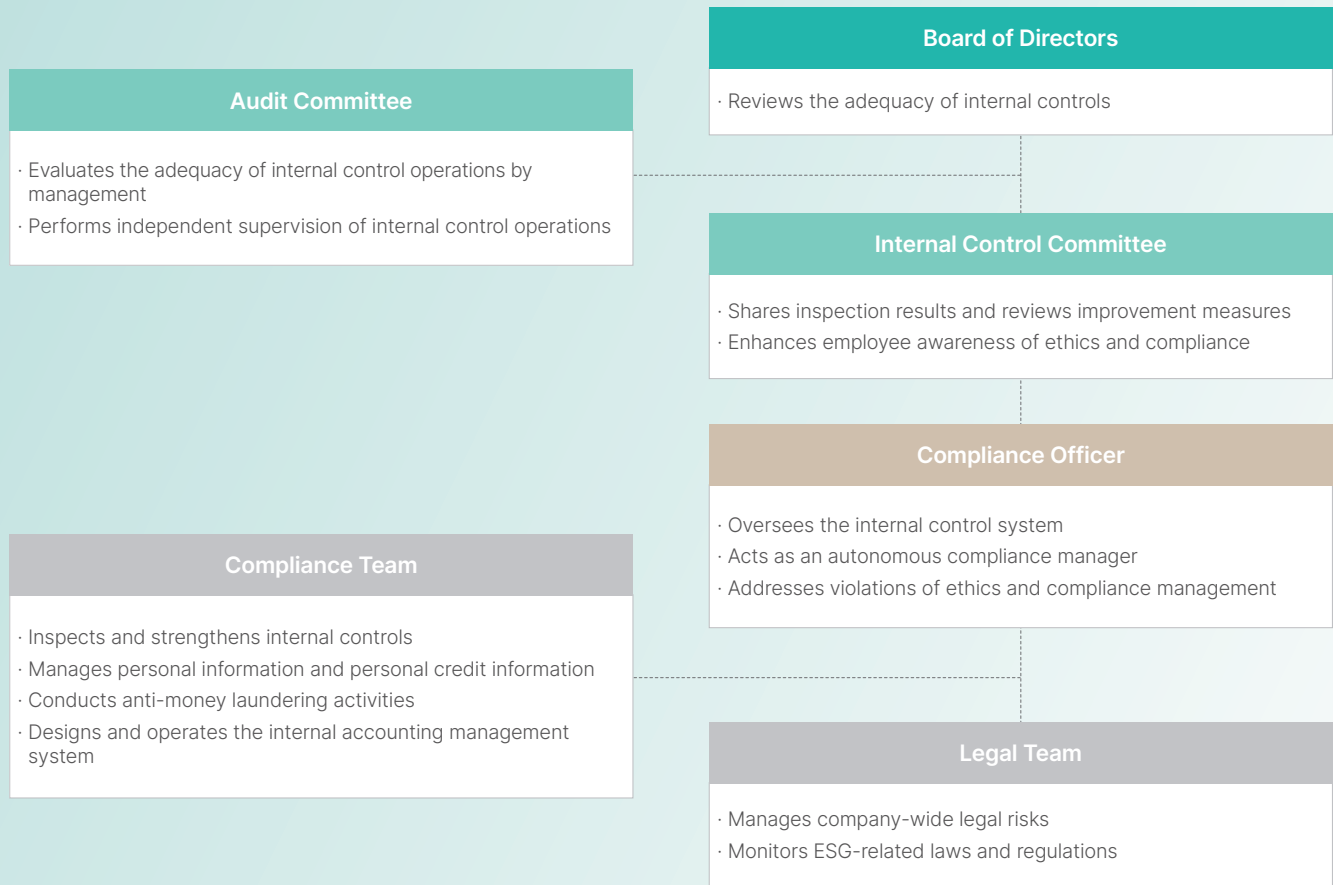
Diversity and Expertise

Korean Re upholds a commitment to fairness and inclusivity in the nomination and appointment of board members, without discrimination based on gender, age, or any other personal attributes. We also actively consider diversity in background and profession to prevent overrepresentation from any single group and to ensure balanced perspectives within the BOD.

The Nomination Committee prioritizes professional expertise and relevant industry experience when selecting candidates, particularly in areas such as finance, insurance, accounting, and investment. Per applicable regulations, at least one member of the Audit Committee is designated as an expert in accounting or finance. Additionally, the Risk Management Committee is composed of individuals with demonstrated knowledge and competencies in risk management, thus strengthening the BOD's overall strategic and oversight capabilities.

issues reviewed by the BOD, securing new growth drivers and business innovation. At the same time, Korean Re's remuneration scheme considers the scope and nature of executives' job duties, as well as their performance results, to determine their remuneration within the limits approved by the GSM.

Ethics and Compliance Governance



The Audit Committee evaluates the adequacy of management's operation of the internal control system and reports its findings and any deficiencies to the BOD. The committee also has the authority to independently oversee internal control operations as needed.

The Internal Control Committee is a subcommittee of the BOD of Korean Re that oversees the internal control framework of the company, including the basic internal control policies, rules, and strategies. The Committee also evaluates and approves the company's responsibilities map, and develops initiatives to enhance compliance awareness among officers and employees.

Korean Re appoints its Compliance Officer by BOD resolution. The Compliance Officer is tasked with overseeing the internal control system and operations. The independence of this role is guaranteed to ensure

the impartiality of their work, with the Compliance Officer reporting the compliance status of internal control regulations to the Internal Control Committee.

The Compliance Team handles the implementation and monitoring of internal controls as a supporting operative body of the Compliance Officer. Their responsibilities include designing and operating internal accounting control systems; and managing compliance tasks related to the daily activities of the company including personal information and data protection; managing antitrust and competition policies; and overseeing anti-money laundering and sanctions policies. The Legal Team also reports to the Compliance Officer, proactively addressing legal risks faced by the company through the monitoring of all related laws and regulations.

Ethics and Compliance Management

Korean Re aims to cultivate strong ethical awareness among employees in the promotion of an ethical and trustworthy society, and to develop the insurance business through transparent, ethics-based management.

Grounded in principles of good faith, fiduciary duty, legal compliance, and a customer-first attitude, we have implemented a company-wide ethics and compliance management system to foster an esteemed culture of business ethics.

Customer-First

The company and its members shall recognize that the development of clients is the development of the insurance industry and always think and act from the clients' perspective.

Good Faith

The company and its members shall perform their duties fairly and in a moral and ethical manner based on honesty and trust.

Exemplary Insurer

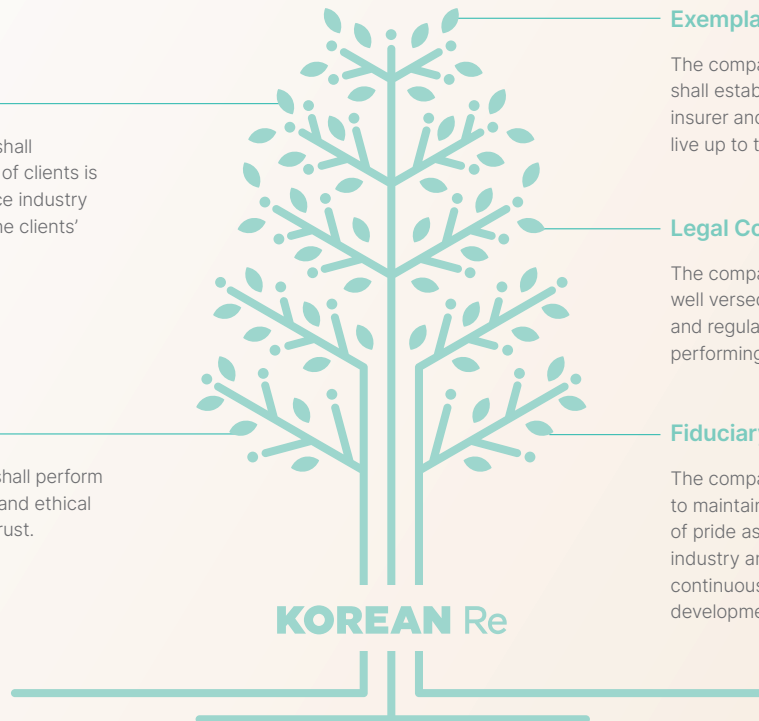
The company and its members at all levels shall establish the desired image of an insurer and strive for self-development to live up to that standard.

Legal Compliance

The company and its members shall be well versed in and fully comply with all laws and regulations related to insurance in performing their duties.

Fiduciary Duty

The company and its members shall strive to maintain professionalism with a sense of pride as members of the insurance industry and shall fulfill their duties for the continuous growth of the company and the development of the insurance industry.



Compliance Practices

Fair Trade Compliance and Anti-Bribery Systems

Korean Re implements fair trade compliance and anti-bribery systems to achieve its business goals through fair and free competition. The Compliance Team ensures that there are no gaps in compliance management by conducting mandatory preliminary reviews of internal transactions between the company and its employees, affiliated groups, and related parties.

In addition, we conduct preliminary checks on all types of transactions exceeding a certain threshold amount and, if necessary, report them to the relevant executives for further review. To reinforce our commitment to a culture of fair trade, Korean Re sends out biannual notices to all business partners, seeking their cooperation.

Anti-Money Laundering (AML) Measures

Korean Re has established its Anti-Money Laundering Task Processing Rules to prevent illegal money laundering through financial transactions and enhance transparency. Under these rules, we are required to report suspicious transactions and large cash transactions, and implement internal control activities, including customer due diligence (CDD), to strictly prevent money laundering attempts.

We verify information on business partners located in non-cooperative countries identified by the Financial Action Task Force (FATF)* to prevent any illegal or criminal activities related to money laundering in our operations.

* The Financial Action Task Force (FATF) was established in 1989 to combat money laundering and terrorist financing.



Financial Report



- 081 Consolidated Statements of Financial Position
- 082 Consolidated Statements of Comprehensive Income
- 083 Consolidated Statements of Changes in Equity
- 085 Consolidated Statements of Cash Flows
- 086 Notes to Consolidated Financial Statements
- 094 Independent Auditor's Report

Consolidated Statements of Financial Position

As of December 31, 2025 and 2024

(Units: KRW million, USD thousand)

	FY 2025 (KRW)	FY 2025 (USD)	FY 2024 (KRW)	FY 2024 (USD)
Assets				
I. Cash and cash equivalents	283,786	195,863	399,416	269,076
II. Deposits	208,435	143,857	280,639	189,059
III. Financial assets measured at fair value through profit or loss	2,930,066	2,022,269	2,591,617	1,745,902
IV. Financial assets measured at fair value through other comprehensive income	6,260,348	4,320,759	4,821,730	3,248,269
V. Financial assets measured at amortized cost	2,055,312	1,418,533	2,565,507	1,728,312
VI. Derivative financial assets designated as hedges	11,620	8,020	45,363	30,560
VII. Other receivables	185,917	128,316	160,591	108,186
VIII. Investments in associates	13,021	8,987	7,848	5,287
IX. Insurance contract assets	30,611	21,127	29,658	19,980
X. Reinsurance contract held assets	1,992,036	1,374,861	2,017,243	1,358,962
XI. Property and equipment	49,717	34,314	106,419	71,692
XII. Investment properties	123,743	85,405	66,771	44,982
XIII. Intangible assets	30,204	20,846	38,327	25,820
XIV. Other assets	84,955	58,634	29,263	19,714
Total assets	14,259,771	9,841,791	13,160,392	8,865,801
Liabilities				
I. Insurance contract liabilities	9,757,721	6,734,572	9,103,335	6,132,670
II. Reinsurance contract held liabilities	53,058	36,620	63,986	43,106
III. Financial liabilities measured at fair value through profit or loss	2,032	1,402	385	259
IV. Financial liabilities measured at amortized cost	62,049	42,825	37,910	25,539
V. Derivative financial liabilities designated as hedges	73,180	50,507	12,241	8,246
VI. Current income taxes liabilities	116,092	80,124	33,714	22,712
VII. Deferred tax liabilities	381,433	263,257	344,065	231,787
VIII. Net defined benefit liabilities	42,091	29,050	40,965	27,597
IX. Provisions	2,599	1,794	289	195
X. Other liabilities	86,094	59,420	70,633	47,584
Total liabilities	10,576,349	7,299,571	9,707,523	6,539,695
Equity				
I. Capital stock	97,411	67,231	97,411	65,623
II. Capital surplus	139,152	96,040	139,152	93,743
III. Hybrid securities	808,234	557,826	808,180	544,449
IV. Capital adjustments	(134,289)	(92,683)	(134,858)	(90,850)
V. Accumulated other comprehensive income	260,694	179,925	219,684	147,995
VI. Retained earnings	2,512,220	1,733,881	2,323,300	1,565,146
Total shareholders' equity	3,683,422	2,542,220	3,452,869	2,326,106
Total liabilities and shareholders' equity	14,259,771	9,841,791	13,160,392	8,865,801

Note: For the B/S section, Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,448.9 per USD 1 for FY 2025 and KRW 1,484.4 for FY 2024. For the I/S section, the applicable exchange rate was KRW 1,434.49 per USD 1 for FY 2025 and KRW 1,368.45 for FY 2024.

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

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(Units: KRW million, USD thousand)

	FY 2025 (KRW)	FY 2025 (USD)	FY 2024 (KRW)	FY 2024 (USD)
I. Insurance service	226,496	157,892	198,691	145,195
1. Insurance income	5,796,771	4,040,997	5,860,763	4,282,775
(1) Income from insurance contracts issued	4,975,839	3,468,716	5,136,558	3,753,559
(2) Income from reinsurance contracts held	820,932	572,281	724,205	529,216
2. Insurance service expenses	5,570,275	3,883,105	5,662,072	4,137,580
(1) Expenses from insurance contracts issued	4,208,562	2,933,839	4,189,272	3,061,326
(2) Expenses from reinsurance contracts held	1,259,825	878,239	1,367,421	999,248
(3) Other insurance expenses	101,888	71,027	105,379	77,006
II. Investment service	243,175	169,521	206,023	150,554
1. Investment income	901,084	628,156	1,091,881	797,897
(1) Insurance finance income	201,051	140,155	269,428	196,886
(2) Interest income	326,466	227,583	292,313	213,609
(3) Dividend income	25,376	17,690	23,687	17,309
(4) Income from investment in financial instruments	126,666	88,300	129,551	94,670
(5) Other investment income	221,525	154,428	376,902	275,423
2. Investment expenses	657,909	458,635	885,858	647,343
(1) Insurance finance expenses	463,970	323,439	723,484	528,689
(2) Interest expenses	924	644	418	305
(3) Expenses from investment in financial instruments	88,163	61,459	117,712	86,018
(4) Asset management expenses	17,990	12,541	16,118	11,778
(5) Property management expenses	3,518	2,452	3,372	2,464
(6) Other investment expenses	83,344	58,100	24,754	18,089
III. Other operating income and expenses	1,268	884	719	525
1. Other operating income	6,548	4,565	5,209	3,806
2. Other operating expenses	5,280	3,681	4,490	3,281
IV. Operating income	470,939	328,297	405,433	296,274
V. Non-operating profit and loss	(8,661)	(6,037)	(6,618)	(4,836)
1. Non-operating income	434	303	1,159	847
2. Non-operating expenses	9,095	6,340	7,777	5,683
VI. Income before income tax expenses	462,278	322,260	398,815	291,438
VII. Income tax expenses	140,237	97,761	82,143	60,026
VIII. Net income	322,041	224,499	316,672	231,412
IX. Other comprehensive income (loss), net of tax	41,009	28,588	5,124	3,744
X. Total comprehensive income	363,050	253,087	321,796	235,156

Note: For the B/S section, Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,448.9 per USD 1 for FY 2025 and KRW 1,484.4 for FY 2024. For the I/S section, the applicable exchange rate was KRW 1,434.49 per USD 1 for FY 2025 and KRW 1,368.45 for FY 2024.

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

Consolidated Statements of Changes in Equity (KRW)

For the years ended December 31, 2025 and 2024

(Unit: KRW million)

	Capital stock	Capital surplus	Hybrid securities	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total
As of January 1, 2024	82,684	153,879	808,089	(134,169)	215,499	2,126,913	3,252,895
The effect of change in accounting policy	-	-	-	-	-	-	-
Balance after reflecting the effect of change in accounting policy	82,684	153,879	808,089	(134,169)	215,499	2,126,913	3,252,895
Transactions with owners :							
Annual dividends	-	-	-	-	-	(79,524)	(79,524)
Bonus issue	14,727	(14,727)	-	(119)	-	-	(119)
Refund of hybrid securities issuance costs	-	-	4	-	-	-	4
Issuance of hybrid capital securities	-	-	229,517	-	-	-	229,517
Redemption of hybrid securities	-	-	(229,430)	(570)	-	-	(230,000)
Dividends of hybrid securities	-	-	-	-	-	(41,699)	(41,699)
Total Transactions with owners	14,727	(14,727)	91	(689)	-	(121,223)	(121,821)
Comprehensive income:							
Net income	-	-	-	-	-	316,672	316,672
Insurance finance income (expenses) from insurance contracts issued	-	-	-	-	(142,715)	-	(142,715)
Insurance finance income (expenses) from reinsurance contracts held	-	-	-	-	8,460	-	8,460
Gains on debt securities at fair value through other comprehensive income	-	-	-	-	42,558	938	43,496
Exchange difference on translating foreign operations	-	-	-	-	97,421	-	97,421
Gains on valuation of derivative instruments designated as cash flow hedges	-	-	-	-	992	-	992
Losses on remeasurement of the net defined benefit liabilities	-	-	-	-	(2,531)	-	(2,531)
Total comprehensive income	-	-	-	-	4,185	317,610	321,795
As of December 31, 2024	97,411	139,152	808,180	(134,858)	219,684	2,323,300	3,452,869
As of January 1, 2025	97,411	139,152	808,180	(134,858)	219,684	2,323,300	3,452,869
Transactions with owners :							
Annual dividends	-	-	-	-	-	(91,011)	(91,011)
Discount on issuance of hybrid securities	-	-	47	-	-	-	47
Refund of hybrid securities issuance costs	-	-	7	-	-	-	7
Dividends of hybrid securities	-	-	-	-	-	(41,541)	(41,541)
Amortization of loss on redemption of hybrid securities	-	-	-	569	-	(569)	-
Total Transactions with owners	-	-	54	569	-	(133,121)	(132,498)
Comprehensive income:							
Net income	-	-	-	-	-	322,041	322,041
Insurance finance income (expenses) from insurance contracts issued	-	-	-	-	54,394	-	54,394
Insurance finance income (expenses) from reinsurance contracts held	-	-	-	-	13,444	-	13,444
Total gains on debt securities at fair value through other comprehensive income	-	-	-	-	(14,787)	-	(14,787)
Exchange difference on translating foreign operations	-	-	-	-	44,312	-	44,312
Loss on valuation of hedging derivatives	-	-	-	-	(55,285)	-	(55,285)
Revaluation surplus	-	-	-	-	(1,820)	-	(1,820)
Loss on remeasurement of the net defined benefit liabilities	-	-	-	-	752	-	752
Total comprehensive income	-	-	-	-	41,010	322,041	363,051
As of December 31, 2025	97,411	139,152	808,234	(134,289)	260,694	2,512,220	3,683,422

Consolidated Statements of Changes in Equity (USD)

For the years ended December 31, 2025 and 2024

(Unit: USD thousand)

	Capital stock	Capital surplus	Hybrid securities	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total
As of January 1, 2024	57,067	106,204	557,726	(92,601)	148,733	1,467,950	2,245,079
The effect of change in accounting policy	-	-	-	-	-	-	-
Balance after reflecting the effect of change in accounting policy	57,067	106,204	557,726	(92,601)	148,733	1,467,950	2,245,079
Transactions with owners :							
Annual dividends	-	-	-	-	-	(54,886)	(54,886)
Bonus issue	10,164	(10,164)	-	(82)	-	-	(82)
Refund of hybrid securities issuance costs	-	-	3	-	-	-	3
Issuance of hybrid capital securities	-	-	158,408	-	-	-	158,408
Redemption of hybrid securities	-	-	(158,348)	(393)	-	-	(158,741)
Dividends of hybrid securities	-	-	-	-	-	(28,780)	(28,780)
Total Transactions with owners	10,164	(10,164)	63	(475)	-	(83,666)	(84,078)
Comprehensive income:							
Net income	-	-	-	-	-	218,560	218,560
Insurance finance income (expenses) from insurance contracts issued	-	-	-	-	(98,497)	-	(98,497)
Insurance finance income (expenses) from reinsurance contracts held	-	-	-	-	5,839	-	5,839
Gains on debt securities at fair value through other comprehensive income	-	-	-	-	29,373	647	30,020
Exchange difference on translating foreign operations	-	-	-	-	67,238	-	67,238
Gains on valuation of derivative instruments designated as cash flow hedges	-	-	-	-	685	-	685
Losses on remeasurement of the net defined benefit liabilities	-	-	-	-	(1,747)	-	(1,747)
Total comprehensive income	-	-	-	-	2,891	219,207	222,098
As of December 31, 2024	67,231	96,040	557,789	(93,076)	151,624	1,603,491	2,383,099
As of January 1, 2025	67,231	96,040	557,789	(93,076)	151,624	1,603,491	2,383,099
Transactions with owners :							
Annual dividends	-	-	-	-	-	(62,812)	(62,812)
Discount on issuance of hybrid securities	-	-	32	-	-	-	32
Refund of hybrid securities issuance costs	-	-	5	-	-	-	5
Dividends of hybrid securities	-	-	-	393	-	(28,671)	(28,278)
Amortization of loss on redemption of hybrid securities	-	-	-	-	-	(393)	(393)
Total Transactions with owners	-	-	37	393	-	(91,876)	(91,446)
Comprehensive income:							
Net income	-	-	-	-	-	222,266	222,266
Insurance finance income (expenses) from insurance contracts issued	-	-	-	-	37,540	-	37,540
Insurance finance income (expenses) from reinsurance contracts held	-	-	-	-	9,279	-	9,279
Total gains on debt securities at fair value through other comprehensive income	-	-	-	-	(10,206)	-	(10,206)
Exchange difference on translating foreign operations	-	-	-	-	30,582	-	30,582
Loss on valuation of hedging derivatives	-	-	-	-	(38,157)	-	(38,157)
Revaluation surplus	-	-	-	-	(1,256)	-	(1,256)
Loss on remeasurement of the net defined benefit liabilities	-	-	-	-	519	-	519
Total comprehensive income	-	-	-	-	28,301	222,266	250,567
As of December 31, 2025	67,231	96,040	557,826	(92,683)	179,925	1,733,881	2,542,220

Note: Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,448.9 per USD 1.

Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Units: KRW million, USD thousand)

	FY 2025 (KRW)	FY 2025 (USD)	FY 2024 (KRW)	FY 2024 (USD)
I. Cash flows from operating activities	1,668,723	1,151,717	1,151,148	775,497
1. Cash generated from operations	1,338,900	924,080	902,954	608,296
2. Receipt of interest	294,365	203,164	263,000	177,176
3. Payment of interest	(886)	(611)	(366)	(247)
4. Receipt of dividends	25,376	17,514	23,687	15,957
5. Payment of income taxes	10,968	7,570	(38,127)	(25,685)
II. Cash flows from investing activities	(1,641,718)	(1,133,078)	(1,153,329)	(776,966)
III. Cash flows from financing activities	(139,365)	(96,187)	(125,971)	(84,863)
IV. Effects of changes in foreign exchange rates on cash and cash equivalents	(3,270)	(2,257)	17,393	11,717
V. Net increase in cash and cash equivalents	(115,630)	(79,805)	(110,759)	(74,615)
VI. Cash and cash equivalents at the beginning of the year	399,416	275,668	510,175	343,691
VII. Cash and cash equivalents at the end of year	283,786	195,863	399,416	269,076

Note: Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,448.9 per USD 1 for FY 2025 and KRW 1,484.4 for FY 2024.

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

Notes to Consolidated Financial Statements

1. Summary of material accounting policies

(1) Basis of consolidated financial statement preparation

The Company and its subsidiaries (collectively, the "Group") prepares statutory consolidated financial statements in the Korean language in accordance with the International Financial Reporting Standards as adopted by the Republic of Korea ("K-IFRS") enacted by the Act on External Audit of Stock Companies. The consolidated financial statements have been prepared on a historical cost basis, except for financial assets measured at fair value through profit or loss, derivative financial instruments designated as hedges, financial assets measured at fair value through other comprehensive income, insurance contract assets and liabilities, and reinsurance contract held assets and liabilities. The carrying amounts of assets and liabilities designated as hedged items of fair value hedge are not recorded at amortized cost, but recorded after reflecting the change in fair value corresponding to the risk hedged in effective hedge relationships. The accompanying consolidated financial statements have been translated into English from the Korean language consolidated financial statements.

Management has reasonable expectations that at the time of approving the consolidated financial statements, the Group has sufficient resources to continue as an entity for a foreseeable future period. Therefore, management prepared the consolidated financial statements on a going-concern principle.

(2) Classification and measurement of financial assets

Financial assets are classified into the following measurement categories:

- financial assets measured at fair value through profit or loss;
- financial assets measured at fair value through other comprehensive income; and
- financial assets measured at amortized cost.

Financial assets are classified based on the business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

The gains and losses on financial assets measured at fair value are recognized in profit or loss or other comprehensive income. Investments in debt instruments are recognized in profit or loss or other comprehensive income according to the business model for holding the assets. The Group only reclassifies debt instruments when there is a change in the business model for managing financial assets.

For investments in equity instruments that are not held for trading, the Group can make an irrevocable election at initial recognition to recognize subsequent fair value changes in other comprehensive income. Fair value changes in investments in equity instruments that are not designated are recognized in profit or loss.

At the initial recognition, financial assets are measured at fair value. For financial assets that are not measured at fair value through profit or loss, the transaction costs directly attributable to the acquisition of the financial assets are added to the fair value. The transaction costs for financial assets measured at fair value through profit or loss are expensed in profit or loss.

For compound instruments that include embedded derivatives, the entire contract is considered when determining whether the contractual cash flows are solely payments of principal and interest.

i) Financial assets measured at fair value through profit or loss

Financial assets not classified as financial assets measured at fair value through other comprehensive income or financial assets measured at amortized cost are classified as financial assets measured at fair value through profit or loss.

Financial assets measured at fair value through profit or loss are measured at fair value, and gains and losses arising from changes in fair value are recognized in profit or loss. Dividends and interest income received from financial assets are also recognized in profit or loss.

ii) Financial assets measured at fair value through other comprehensive income

The Group classifies as financial assets measured at fair value through other comprehensive income those debt securities that satisfy the condition of being part of a business model classified for cash flow collection and sale and whose contractual cash flows consist solely of principal and interest, as well as equity securities that are not intended to be sold in the short term and are strategically held and designated as financial assets measured at fair value through other comprehensive income. Financial assets measured at fair value through other comprehensive income are measured at fair value after initial recognition. Gains and losses arising from changes in fair value, excluding foreign exchange differences on monetary assets directly recognized in profit or loss, interest income according to the effective interest method, and dividend income are recognized in other comprehensive income components of equity.

iii) Financial assets measured at amortized cost

Financial assets that are classified for cash flow collection according to the business model and satisfy the evaluation of contractual cash flow characteristics are classified as financial assets measured at amortized cost. After initial recognition, they are measured at amortized cost using the effective interest method, and interest income is recognized using the effective interest method.

(3) Foreign currency transactions

When preparing the consolidated financial statements, the Group measures and recognizes all transactions in the functional currency. The term “functional currency” is defined as the currency of the primary economic environment in which the Group operates, and transactions conducted in currencies other than the functional currency shall be recorded in the functional currency by applying the exchange rate.

(4) Property and equipment

Property and equipment are stated at cost, less any accumulated depreciation and accumulated impairment losses. Such cost includes an expenditure that has directly occurred for the acquisition of the asset.

The initial and subsequent costs are recognized as an asset when it is probable that future economic benefits associated with the asset will flow to the Group and the costs of the asset can be measured reliably. The other maintenance and

repairs are expensed in the year in which they are incurred and the carrying amount of certain parts that are replaced is derecognized.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the related asset if the recognition criteria for a provision are met.

(5) Investment properties

Investment properties are initially recognized at cost and transaction costs are included in the initial measurement. The investment properties are also subsequently measured at cost.

Investment properties are recognized as assets only if it is probable that future economic benefits associated with the assets will flow to the Group and the costs of the assets can be measured reliably. Investment properties are derecognized on disposal or when no future economic benefits are expected from their use. Any gain or loss arising from the derecognition of the assets calculated as the difference between the net disposal proceeds and the carrying amount of the assets is recognized as profit or loss in the consolidated statement of comprehensive income and OCI in the period in which the asset is derecognized. Transfers are made to, or from, investment properties only when there is a change in use.

(6) Insurance contract liabilities

i) Scope

The Group applies K-IFRS 1117 to insurance contracts, including reinsurance contracts it issues, reinsurance contracts it holds, and investment contracts with discretionary participation features it issues, provided the entity also issues insurance contracts.

Furthermore, when identifying contracts within the scope of application, K-IFRS 1117 assesses whether a set or series of contracts should be treated as a single contract. Additionally, it determines whether embedded derivatives, distinct investment components, and distinct goods and services components should be separated and accounted for under different standards.

ii) Level of aggregation

Under K-IFRS 1117, insurance contracts and investment contracts with discretionary participation features are aggregated into a group of contracts for measurement

purposes. To determine the group of contracts, a portfolio of contracts is identified first, with the portfolio comprising contracts subject to similar risks and managed together. Each group of contracts within the portfolio does not include contracts issued more than one year apart in the same group. The group of contracts for each issuance year is categorized into the following three groups:

- a group of contracts that are onerous at initial recognition, if any;
- a group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and
- a group of the remaining contracts in the portfolio, if any.

iii) Measurement: General approach

The Group applies the general approach to long-term non-life insurance and life insurance, and at initial recognition, the group of insurance contracts is measured as the sum of the fulfillment cash flows, which consist of estimates for future cash flows, risk adjustment for non-financial risks, and the contractual service margin.

The risk adjustment for non-financial risks is measured as the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risks, ensuring that the fulfillment of the liability with a range of possible outcomes arising from non-financial risks and the fulfillment of the liability generating a fixed cash flow with the identical expected present value as the insurance contract are indifferent.

The contract service margin is measured at initial recognition of the group of insurance contracts and is the amount that ensures no income or expenses arise from the following, except onerous contracts or when eliminating assets for cash flows do not relate to insurance acquisition cash flows:

- the initial recognition amount of the fulfillment cash flows;
- all cash flows arising from contracts within the group of contracts at initial recognition; and
- the derecognition at the date of initial recognition of any asset for insurance acquisition cash flows and any other asset or liability previously recognized for cash flows related to the group of contracts.

iv) Measurement: Premium allocation approach

The Group applies the premium allocation approach to simplify the measurement of the group of contracts for general non-life insurance when the coverage period of each contract in the group at the inception (including insurance contract services arising from all premiums within the contract boundary) is one year or less, or when it is reasonably expected that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying the requirements in general approach.

v) Reinsurance contracts held

Except for the following, the Group applies the same accounting policies to the measurement of groups of reinsurance contracts as the Group does to groups of insurance contracts.

The Group includes all risks related to the non-performance of the issuer of the reinsurance contract (including the effects of collateral and losses due to disputes) in the measurement of groups of reinsurance contracts. The Group remeasures the effects of the non-performance risk of the issuer of the reinsurance contract at the end of each reporting period and recognizes changes in the non-performance risk in profit or loss. The risk adjustment for non-financial risks is calculated to reflect the risks transferred to the issuer of the reinsurance contract. Reinsurance contracts held are not classified as a group of onerous contracts or recognized in profit or loss for the expected net outflows, even if the cash flows at initial recognition are net outflows, considering the nature of reinsurance.

(7) Hybrid securities

Hybrid security is classified as an equity only if its contractual arrangements at the time of the issuance of the security meet the criteria to be classified as an equity.

2. Translation of consolidated financial statements indicated in foreign currencies

Assets and liabilities, including equity indicated in the consolidated financial statements, are translated into the U.S. dollar at the rate of KRW 1,448.90 to USD 1, the telegraphic

transfer selling rate of exchange as of December 31, 2025. The profit and loss account is translated at KRW 1,434.49 to USD 1, the average exchange rate of the period.

3. Cash and cash equivalents

Cash and cash equivalents as of December 31, 2025 are as follows:

(Units: KRW million, USD thousand)

	FY 2025 (KRW)	FY 2025 (USD)
Short-term deposits classified as cash equivalents	6,235	4,303
Short-term investments classified as cash equivalents	146,430	101,063
Overseas deposits	131,121	90,497
Total	283,786	195,863

4. Financial assets

Carrying value and fair value of financial assets as of December 31, 2025 are as follows:

(Units: KRW million, USD thousand)

	Carrying value		Fair value	
	KRW	USD	KRW	USD
Cash and cash equivalents	283,786	195,863	283,786	195,863
Deposits	208,435	143,857	208,435	143,857
Financial assets measured at fair value through profit or loss	2,930,066	2,022,269	2,930,066	2,022,269
Financial assets measured at fair value through other comprehensive income	6,260,348	4,320,759	6,260,348	4,320,759
Financial assets measured at amortized cost	2,055,312	1,418,533	1,883,458	1,299,923
Derivative financial assets designated as hedges	11,620	8,020	11,620	8,020
Other receivables	185,917	128,316	185,836	128,260
Total	11,935,484	8,237,617	11,763,549	8,118,952

5. Deposits

Deposits as of December 31, 2025 are as follows:

(Units: KRW million, USD thousand)

	FY 2025 (KRW)	FY 2025 (USD)
Overseas deposits	173,050	119,435
Other deposits	35,385	24,422
Total	208,435	143,857

6. Financial assets measured at fair value through profit and loss

Financial assets measured at fair value through profit and loss as of December 31, 2025 are as follows:

(Units: KRW million, USD thousand)

	FY 2025 (KRW)	FY 2025 (USD)
Stock	14,375	9,921
Equity investment	299,367	206,617
Special bonds	39,898	27,537
Financial bonds	37,838	26,115
Corporate bonds	172,964	119,376
Beneficiary certificates	1,774,966	1,225,043
Securities in foreign currencies	568,537	392,392
Other securities	303	209
Derivative financial assets held for trading	2,593	1,790
Loan receivables	19,225	13,269
Total	2,930,066	2,022,269

7. Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income as of December 31, 2025 are as follows:

(Units: KRW million, USD thousand)

	FY 2025 (KRW)	FY 2025 (USD)
Equity instruments :		
Stock	200,779	138,573
Securities in foreign currencies	57,196	39,475
Other securities	394,892	272,546
Debt instruments :		
Government and public bonds	1,675,698	1,156,531
Special bonds	356,001	245,704
Corporate bonds	485,923	335,374
Financial bonds	213,645	147,453
Securities in foreign currencies	2,876,214	1,985,103
Total	6,260,348	4,320,759

8. Financial assets measured at amortized cost

Financial assets measured at amortized cost as of December 31, 2025 are as follows:

(Units: KRW million, USD thousand)

	FY 2025 (KRW)	FY 2025 (USD)
Government and public bonds	145,023	100,092
Special bonds	174,800	120,643
Financial bonds	20,000	13,804
Corporate bonds	389,996	269,167
Securities in foreign currencies	996,200	687,556
Loans	334,536	230,890
Subtotal	2,060,555	1,422,152
Less: Allowance for credit losses	(3,213)	(2,218)
Less: Deferred loan fees and costs	(2,030)	(1,401)
Total	2,055,312	1,418,533

9. Other receivables

Other receivables as of December 31, 2025 are as follows:

(Units: KRW million, USD thousand)

	FY 2025 (KRW)	FY 2025 (USD)
Accounts receivables	38,486	26,562
Accrued income	142,525	98,368
Guarantee deposits	5,815	4,013
Subtotal	186,826	128,943
Less: Allowance for doubtful receivables	(159)	(110)
Less: Present value discount	(750)	(518)
Total	185,917	128,316

10. Insurance contract assets and liabilities

The insurance contract assets and liabilities as of December 31, 2025 are as follows:

(Units: KRW million, USD thousand)

	FY 2025							
	General Non-life		Long-Term Non-life		Life		Total	
	KRW	USD	KRW	USD	KRW	USD	KRW	USD
Insurance contract assets	30,386	20,972	-	-	225	155	30,611	21,127
Insurance contract liabilities	5,842,572	4,032,419	773,492	533,848	3,141,657	2,168,305	9,757,721	6,734,572
Net liabilities	5,812,186	4,011,447	773,492	533,848	3,141,432	2,168,150	9,727,110	6,713,445
Reinsurance contract held assets	1,974,312	1,362,628	16,668	11,504	1,056	729	1,992,036	1,374,861
Reinsurance contract held liabilities	9,353	6,455	156	108	43,549	30,057	53,058	36,620
Net assets (liabilities)	1,964,959	1,356,173	16,512	11,396	(42,493)	(29,328)	1,938,978	1,338,241

11. Equity

(1) Capital stock

Details of capital stock as of December 31, 2025 are as follows:

	FY 2025 (KRW)	FY 2025 (USD)
Number of common shares authorized (shares)	320,000,000	320,000,000
Par value (KRW, USD)	500	0.3
Number of common shares issued and outstanding (shares)	194,821,031	194,821,031
Capital stock (KRW million, USD thousand)	97,411	67,231

(2) Capital surplus

Capital surplus consists of the following as of December 31, 2025 :

(Units: KRW million, USD thousand)

	FY 2025 (KRW)	FY 2025 (USD)
Paid-in capital in excess of par value	66,503	45,899
Other capital reserve	72,649	50,141
Total	139,152	96,040

(3) Capital adjustments

Capital adjustments consist of the following as of December 31, 2025 :

(Units: KRW million, USD thousand)

	FY 2025 (KRW)	FY 2025 (USD)
Treasury stock	(134,066)	(92,530)
Other capital adjustments	(223)	(154)
Total	(134,289)	(92,683)

(4) Accumulated other comprehensive income

Accumulated other comprehensive income consists of the following as of December 31, 2025 :

(Units: KRW million, USD thousand)

	FY 2025 (KRW)	FY 2025 (USD)
Gains (losses) on valuation of financial assets measured at fair value through other comprehensive income	106,802	73,712
Finance income (expenses) from insurance contracts issued	(79,132)	(54,615)
Finance income (expenses) from reinsurance contracts held	(2,109)	(1,456)
Asset revaluation surplus	68,160	47,043
Exchange difference on translating foreign operations	198,266	136,839
Gain (loss) on valuation of derivative instruments designated as cash flow hedges	(29,834)	(20,591)
Remeasurement of the net defined benefit liabilities	(1,459)	(1,007)
Total	260,694	179,925

(5) Retained earnings

Retained earnings as of December 31, 2025 are as follows:

(Units: KRW million, USD thousand)

	FY 2025 (KRW)	FY 2025 (USD)
Legal reserve	48,705	33,615
Bad debt reserve	31,650	21,844
Catastrophe reserve	1,399,846	966,144
Surrender value reserve	93,397	64,461
Business stabilization reserve	2,033	1,403
Voluntary reserve	677,334	467,481
Unappropriated retained earnings	259,255	178,933
Total	2,512,220	1,733,881

(6) Hybrid securities

Hybrid securities as of December 31, 2025 are as follows:

	Description ¹⁾			
	May 30, 2022	Oct 28, 2022	Mar 16, 2023	Oct 11, 2024
Date issued				
Amounts issued (Unit: KRW million)	₩ 230,000	₩ 100,000	₩ 250,000	₩ 230,000
Maturity	30 years, Revolving	30 years, Revolving	30 years, Revolving	30 years, Revolving
Terms of dividend ²⁾	4.90% per annum on a face value basis	6.70% per annum on a face value basis	5.50% per annum on a face value basis	4.27% per annum on a face value basis

* Redetermination of interest rate every 5 years, Step up 100bps once at 10th year

1) Although hybrid securities have maturities, they meet the criteria to be classified as equity, such as that the Group has the right to continue to extend maturities.

2) The Group will not pay interest if no dividends are paid on the common shares.

Independent Auditor's Report

The Shareholders and the Board of Directors Korean Reinsurance Company

Opinion

We have audited the consolidated financial statements of Korean Reinsurance Company and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024 and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the two years in the period ended December 31, 2025, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the two years in the period ended December 31, 2025 in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS").

We have audited the Group's internal control over financial reporting ("ICFR") as of December 31, 2025 based on the Conceptual Framework for Design and Operation of ICFR established by the Operating Committee of ICFR in Korea, in accordance with Korean Standards on Auditing ("KSA"), and our report dated March 19, 2026 expressed an unqualified opinion thereon.

Basis for opinion

We conducted our audit in accordance with KSA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these

requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matter

A key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Loss ratio as part of the assumptions applied for the evaluation of insurance contract liabilities

As described in Note 2 (BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION) to the consolidated financial statements, the Group's insurance contract liabilities consist of the estimates on the future cash flows from its the insurance contracts held (including cash flows related to insurance contract loans, reflecting the effects of the time value of money, etc.), risk adjustments, and contractual service margins.

The measurement of fulfillment cash flows from the insurance contracts not measured under the premium allocation approach is affected by the assumptions determined by the insurance company at the closing date. Among these assumptions, the loss ratio is assumption related to the estimation of future insurance claims and the most material assumption involving management's significant judgment. Therefore, we identified this matter as a key audit matter as it requires our significant attention.

The primary audit procedures we performed in this regard are as follows:

- Understand the Group's procedures and calculation basis regarding the calculation of loss ratio and corroborate

whether the calculation basis complies with the Regulation on Supervision of Insurance Business and the Detailed Regulations on Supervision of Insurance Business.

- Understand the internal control regarding the calculation of loss ratio and assess the effectiveness of design and operation of the relevant internal control.
- Identify whether there is any omission or mapping error of data by comparing the basic data used for calculating the loss ratio with the data on the Group's actuarial settlement system and relevant statements.
- Identify whether there is any omission or mapping error of data by comparing the values on the cash flow model table using the loss ratio with the calculation results of loss ratio.
- Corroborate the probable errors by comparing the loss ratio calculated by the Group with the loss ratio recalculated by the auditor.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with KIFRS, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with KSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSA, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We are solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

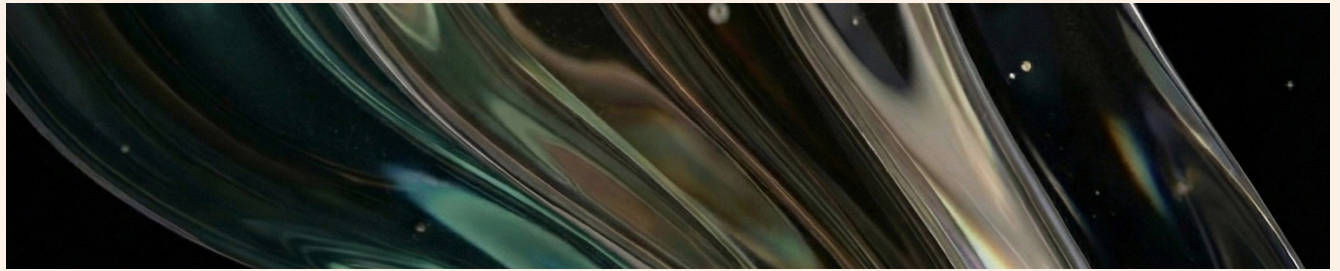
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sung Youn Hwang.

The logo for Ernst & Young Han Young, featuring the company name in a stylized, handwritten-style font.

March 19, 2026

This audit report is effective as of March 19, 2026, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.



Corporate **Information**

098	Inside Korean Re
103	History
103	Disclaimer
104	Organization
105	Contact Information



Inside Korean Re

Korean Re New Year's Concert in 2025



On January 9, Korean Re hosted the 2025 Korean Re New Year's Concert, celebrating its 11th year as an annual tradition. The event was organized in two segments, with Korean Re executives, employees, and their families in attendance. The first part of the event took place at the Lotte Hotel World Crystal Ballroom, where attendees enjoyed a special video presentation reflecting on memories of the current headquarters, as the company prepared for its upcoming relocation. This was followed by an introduction video of new employees and a welcome address by CEO Jonggyu Won. In his speech, CEO Won expressed his gratitude to Korean Re employees and their families for their dedication over the past year, and took the opportunity to introduce new employees' families to Korean Re's industry status and social role.

Following dinner, guests proceeded to the Concert Hall for the second part of the evening—the highly anticipated New Year's Concert. The event featured a world-class

performance led by conductor Jaap van Zweden and the Seoul Philharmonic Orchestra, captivating the audience with pieces such as Felix Mendelssohn's "Italian" Symphony and Johann Strauss II's "The Blue Danube." The highlight of the night was a breathtaking performance of Jean Sibelius's Violin Concerto by prodigy Seohyun Kim, earning resounding applause from the audience. The concert began on a solemn note, paying tribute to the victims of last year's Muan Airport tragedy, with a moving rendition of Edward Elgar's "Nimrod" from the Enigma Variations.

Korean Re Sponsors International Seminar on Climate Risk

Korean Re, in collaboration with the General Insurance Association of Korea, sponsored an international seminar on climate risk, jointly organized by the Korea Insurance Research Institute and Pohang University of Science and Technology (POSTECH). Under the theme “How can the insurance industry improve its climate risk management?”, the seminar took place on January 16, 2025 at the Conference Center of the Federation of Korean Industries.

In his welcome address, CEO Jonggyu Won emphasized that climate change is not merely a shift in weather patterns but a factor that increases the frequency and severity of natural disasters, significantly impacting the insurance industry. He stated, “Insurers are facing new challenges that go beyond traditional risk management approaches. In this evolving landscape, reinsurance plays a crucial role in risk diversification and providing stable loss management support.”

The seminar featured presentations by leading domestic and international scholars, offering in-depth insights into

the current state of climate risk responses and the future direction of climate risk management frameworks. As part of the discussions, Chunwoo Baek, General Manager of Korean Re’s Risk & Capital Solutions Team, delivered a presentation titled “The Impact of Climate Risk on the General Insurance Industry and Response Strategies: A Focus on Physical Risks.”



Korean Re’s New Employee Volunteer Group Builds Disaster-Resilient Housing in Indonesia

From February 16 to 21, Korean Re’s volunteer group carried out a housing construction initiative in Indonesia as part of its corporate social responsibility program. The overseas volunteer team, comprising 13 employees—including 10 newly hired staff—and two coordinators from Habitat for Humanity Korea, participated in reconstruction efforts in the city of Tangerang, Indonesia. Their work focused on building disaster-resilient homes for low-income residents, contributing to the improvement of living conditions in vulnerable communities.

This year, Korean Re’s overseas volunteer team concentrated on constructing housing designed to withstand natural hazards such as earthquakes and floods. The homes incorporated key structural elements to enhance durability and safety, including foot plates—foundation slabs installed where columns and structural elements are placed—and lintel beams positioned above doors and windows to support overall structural integrity.

The design also featured rainwater storage systems and energy-efficient ventilation to reduce electricity consumption by maximizing natural light and air circulation. These enhancements were thoughtfully adapted to the local environment, which is prone to frequent seismic activity and flooding.



Korean Re Hosts Client Reception in Bogotá

On April 3 (local time), Korean Re held a cocktail reception near its local office in Bogotá, Colombia. The event commenced with opening remarks by Korean Re CEO Jonggyu Won, and was attended by more than 50 guests, including representatives from the local insurance industry and financial authorities. CEO Won began his speech with a greeting in Spanish, underscoring Korean Re's commitment to fostering cooperation between the insurance sectors of Korea and Latin America.

Since its establishment in February 2020, Korean Re's Bogotá office has served as a strategic hub for operations across Latin America and the Caribbean. The recent reception was organized to further solidify Korean Re's presence in the regional insurance market and to strengthen relationships with local partners.

As of 2023, the Latin American insurance market was valued at approximately USD 200 billion (KRW 285 trillion) and has recorded a growth rate exceeding 10% over the past five years. Despite this progress, insurance penetration remains relatively low. With continued expansion of the middle class

and rising demand for digital insurance solutions, the region is widely regarded as having substantial growth potential.

Located at the heart of Latin America, Colombia offers convenient access to both the Latin American and Caribbean markets, making it a strategically important base for Korean Re's operations. Building on the momentum of this event, Korean Re plans to actively pursue further expansion in the Latin American market and diversify its global portfolio.



Korean Re Relocates Headquarters to Signature Tower

Korean Re relocated its corporate headquarters for the first time in four decades. From April 11 to 13, the company successfully completed the transition to Signature Tower, situated near Cheonggyecheon in central Seoul. The former office in Susong-dong, which had served as the company's headquarters since 1985, is now slated for redevelopment due to its aging condition.

In the lead-up to the move, Korean Re commemorated its 62nd anniversary on March 19 by organizing a company-wide group photo in front of the Susong-dong building, capturing a symbolic and historic moment for the company. During the anniversary ceremony, CEO Jonggyu Won delivered remarks acknowledging the commitment and dedication of employees throughout the years:

"It is because of our colleagues who quietly and faithfully carry out their responsibilities that we can look forward to this period away from Susong-dong—and to the era ahead in our new headquarters—with pride and optimism. I extend my sincere appreciation to all who have contributed to the legacy of our Susong-dong chapter. Let us embrace this new beginning with renewed ambition and determination."



Korean Re Hosts International Client Marketing Events

From June 16 to 20, the International Treaty Team I hosted the inaugural “Korean Re Asia Valued Client Seminar.” Eight (re)insurance professionals from across Asia visited Korean Re to participate in sessions covering a broad range of topics, including the company’s underwriting policies, pricing tools, catastrophe (CAT) modeling, and an overview of the Korean insurance market. The program also featured cultural experiences such as on-site underwriting visits, a Bukchon city tour, the Nanta performance, and a kimchi-making workshop.

Separately, on June 3, the International Fac Team II organized the “Korean Re K-Pub” event in London, inviting local industry partners. The event concluded on a high note in a vibrant “K-Pub” setting, where lively K-Pop music created an upbeat and festive atmosphere.



Korean Re Participates in Population Awareness Relay Campaign

On June 18, Korean Re took part in the “Population Awareness Relay Campaign,” jointly organized by the Ministry of Health and Welfare and the Korea Human Resource Development Institute for Health and Welfare.

Under the slogan “A nation where children are happy, youth can nurture hope, and the elderly can live with fulfillment,” the campaign seeks to raise public awareness of demographic challenges such as low birth rates and population aging, and to encourage active participation from both public institutions and private enterprises through a relay format. CEO Jonggyu Won joined the initiative at the nomination of Byungrae Lee, Chairman of the General Insurance Association of Korea.

Korean Re recognizes the structural risks of demographic change and has sought to address the low birth rate by implementing family-friendly policies that support work-life balance.

The company offers various leave, sabbatical, and flexible work arrangements tailored to the different stages of employees’ lives—including marriage, childbirth, childcare, and family care. Korean Re also provides financial support for childbirth-related medical expenses, fertility treatments, egg freezing procedures, and incentives for families with multiple children.

Speaking about this subject, CEO Won stated, “The population issue is not only a matter of sustainability for the insurance industry but also a challenge directly linked to our collective survival. I hope that, through this campaign, the insurance sector can play a more active role in addressing low birth rates and an aging society.”



Korean Re Supports Mobile Housing for Self-Reliant Youth

From May 22 to 23, Korean Re employees participated in volunteer activities at the Habitat Builders School in Cheonan, Chungcheongnam-do, as part of the “Mobile Housing Support Project for Self-Reliant Youth.”

This initiative forms part of the company’s corporate social responsibility efforts in collaboration with Habitat for Humanity Korea. The Korean Re Volunteer Corps took part in building Haeihome, a Korean abbreviation for “Habitat Mobile Home,” which is designed to provide emergency shelter for disaster victims and to improve housing conditions for vulnerable populations.

The homes built by the Korean Re Volunteer Corps will be relocated to Yeonggwang, Jeollanam-do, where they will be provided to self-reliant youth and young people returning to farming communities. The initiative aims to support settlement in areas facing a population decline, while fostering independence and social networks among young residents.

Since 2013, Korean Re has partnered with Habitat for Humanity for 13 consecutive years to provide financial support and volunteer services for housing-vulnerable communities. With the exception of the COVID-19 pandemic, employees have consistently participated in person each year, thereby enhancing the significance of the initiative. In the first half of this year alone, more than 40 employees joined three on-site volunteer activities.



2025 Toa Re - Korean Re Summit

Korean Re hosted the 2025 Toa Re Summit in Seoul from October 15 to 16, 2025. Jointly organized by Toa Reinsurance Company of Japan and Korean Re, the summit is an annual event held alternately by the two reinsurers to deepen mutual cooperation. First launched in 2001, this year marked the 20th edition of the summit, excluding the period during which it was suspended due to COVID-19.

The event brought together President Masaaki Matsunaga of Toa Re and other key representatives, who shared insights on the insurance markets of Korea and Japan, and reaffirmed their commitment to continued partnership.

In his opening remarks, CEO Jonggyu Won expressed his hope that “this occasion will further solidify the trust between the two companies and serve as an opportunity to strengthen the foundation of cooperation amid an increasingly uncertain environment.”



History

1963 - 2026

Mar. 19, 1963	Established as a state-owned company, the Korean Non-Life Reinsurance Corporation	July 01, 2017	Opened the Labuan Branch in Malaysia
Mar. 02, 1978	Reorganized as a publicly owned company, Korean Reinsurance Company	Dec. 29, 2017	Opened the DIFC Branch in Dubai, UAE
Nov. 24, 1978	Opened the Singapore Branch	Dec. 31, 2017	Total assets surpassed KRW 10 trillion
June 26, 1984	Built a new head office in Susong-dong, Jongno-gu, Seoul	June 01, 2019	Established Korean Reinsurance Switzerland AG in Zurich, Switzerland
Dec. 31, 1996	Total assets surpassed KRW 1 trillion	June 28, 2019	Korean Reinsurance Switzerland AG received an A rating from S&P Global Ratings
May 27, 1999	Announced a mid- to long-term growth plan called "Vision 2020"	Jan. 13, 2020	Established the Shanghai Branch in the People's Republic of China
May 28, 2002	Received an A- rating from AM Best	Feb. 27, 2020	Established the Bogotá Liaison Office in Colombia
June 27, 2002	Rebranded as Korean Re through the launch of a new corporate identity	Sep. 24, 2021	Established KoreanRe Insurance Services in New Jersey, USA
Dec. 06, 2006	Received an A- rating from S&P Global Ratings	Mar. 19, 2023	Renewal of the corporate identity in celebration of the company's 60 th anniversary
Dec. 31, 2006	Total assets surpassed KRW 3 trillion	Apr. 11, 2025	Relocation of headquarters to Signature Tower in Jung-gu, Seoul
Apr. 08, 2008	Opened the Dubai Liaison Office	May 16, 2025	Obtained an A1 rating from Moody's
Apr. 28, 2008	Total assets surpassed KRW 4 trillion	July 28, 2025	S&P rating upgraded to A+
Feb. 2011	Received an A rating from AM Best	Jan. 02, 2026	Established the IFSC Branch at Gujarat International Finance Tec-City (GIFT City), India
Mar. 19, 2013	Celebrated the company's 50 th anniversary		
June 17, 2013	Inauguration of CEO Jonggyu Won		
Oct. 24, 2014	S&P rating upgraded from A- to A		
Feb. 09, 2015	Established Korean Re Underwriting Ltd. at Lloyd's of London		

Disclaimer

This annual report is intended solely to provide information to shareholders, investors, and other stakeholders of Korean Re. The information contained herein has been prepared based on the company's current knowledge and understanding as of the date of publication. While every effort has been made to ensure the accuracy and completeness of the information, Korean Re makes no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability, or suitability of the content for any particular purpose.

Unless otherwise specified, all financial data included in this annual report are presented on a consolidated basis. Any discrepancies between totals and the sum of listed items in tables may be due to rounding.

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This report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in any jurisdiction.

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Glossary

Asset-Liability Management (ALM)

The strategic management of an insurer's assets and liabilities to ensure that an insurer can meet its long-term financial obligations. This process involves mitigating risks—such as interest rate volatility and liquidity risk—by aligning the investment duration and cash flows of assets with the timing of insurance claim payouts.

Asset-Transfer Coinsurance

A coinsurance structure where the primary insurer transfers both insurance liabilities and the corresponding underlying assets to the reinsurer to manage interest rate risk and optimize solvency ratios

Claim Budget

The annually established acceptable level of losses to achieve profit targets

Coinsurance

A type of reinsurance in which the ceding company proportionally shares premiums, benefits (e.g., death benefits, surrender values), and reserves with the reinsurer at an agreed percentage

Combined Ratio

The percentage ratio of insurance service expenses and insurance revenue under IFRS 17 or the sum of the expense ratio and the loss ratio

Contractual Service Margin (CSM)

A component of the carrying amount of the asset or liability for a group of insurance contracts under the general measurement model, representing the unearned profit the entity will recognize as it provides services under the insurance contracts in the group

Facultative Reinsurance

A form of reinsurance whereby each exposure the ceding company wishes to reinsure is offered to the reinsurer and is contained in a single transaction. The submission, acceptance, and resulting agreement is required on each individual risk that the ceding company seeks to reinsure. That is, the ceding company negotiates an individual reinsurance agreement for every policy it will reinsure. However, the reinsurer is not obliged to accept all or any of the submissions.

Flow Reinsurance

A treaty in which a primary insurer automatically cedes a predefined portion of newly issued policies within a specific business line to a reinsurer, supporting ongoing growth

Funds-Withheld (FWH) Coinsurance

A coinsurance structure where the primary insurer retains the assets related to the reinsured reserves on its own balance sheet, creating a "funds-held" liability to the reinsurer

Gross Premium Reserve

The total funds set aside to meet future liabilities for all in-force policies before accounting for reinsurance cessions

Gross Written Premium

The gross premium income (i.e. written, instead of earned) of an insurance company, adjusted for additional or return premiums but before deducting any premiums for reinsurance ceded

Insurance Finance Result

The portion of the overall profit or loss or other comprehensive income reported in the statement of financial performance that arises from the insurance finance income or expenses (i.e. investment income or financing costs reflecting the time value of money or the effects of financial risk)

Insurance Revenue

The amount of revenue depicted in profit or loss to reflect the provision of coverage and other services arising from a group of insurance contracts that reflects the consideration to which the entity expects to be entitled in exchange for those services

Insurance Service Result

The portion of the overall profit or loss or other comprehensive income reported in the statement of financial performance that arises from the insurance revenue reduced by insurance expenses

Investment Income

Money earned from invested assets. This may also include realized capital gains or be reduced by capital losses over the same period

K-ICS (Korean Insurance Capital Standard)

A risk-based capital adequacy framework used to assess the financial soundness of insurance companies in Korea

Loss Participation Clause (LPC)

A Loss Participation Clause (LPC), or loss corridor, is a reinsurance treaty provision under which the ceding company shares in losses exceeding a specified loss ratio. Under this arrangement, the insurer retains a portion of the reinsurer's liability beyond the agreed threshold, thereby promoting prudent underwriting and helping to reduce earnings volatility.

Loss Ratio

Losses incurred, expressed as a percentage of earned premiums

Mass Lapse Reinsurance

A type of reinsurance and risk management arrangement where life insurers transfer the financial volatility and capital impact of unexpected, high-volume policy surrenders (mass lapses) to a reinsurer

Non-Proportional Reinsurance

Reinsurance in which the reinsurer's response to a loss depends on its size, and so named because the premium in non-proportional reinsurance is not proportional to the coverage limits

Original/Direct/Primary Insurer

The insurer that writes a policy for a policyholder (which in turn may or may not create the need for reinsurance)

Payout Ratio

The ratio of the total amount of dividends paid out to shareholders relative to the net income of the company. It is the percentage of earnings paid to shareholders via dividends.

Proportional Reinsurance

A term describing quota share and surplus share reinsurance in which the reinsurer shares a proportional part of the ceded insurance liability, premiums, and losses of the ceding company

Retention

In reinsurance, the net amount of risk the ceding company keeps for its own account

Risk

Defined variously as uncertainty of loss, chance of loss, or the difference of the actual results from the expected ones. The term is also used to identify the object of insurance protection (e.g., a building, an automobile, a human life, or exposure to liability). In reinsurance, each reinsured company customarily makes its own rules for defining a risk.

Shareholders' Equity

The value of a company which is the property of its ordinary shareholders (i.e. the company's assets less its liabilities)

Soft Market

A soft market refers to a phase of the insurance market cycle characterized by low rates, high limits, flexible terms and conditions, and abundant capacity, whereas a hard market refers to a phase characterized by high rates, strict underwriting standards, strong demand for insurance coverage, and constrained capacity.

Technical Combined Ratio

A key metric used to assess the profitability and underwriting performance of a reinsurer. It is a measure of the relationship between premiums earned and claims incurred, as well as the expenses associated with underwriting operations, excluding general management expenses.

Technical Profitability

Technical profitability is measured in terms of the combined ratio, which is one of the key performance indicators used in insurance. This is a relative figure that denotes the ratio between an insurer's costs and its premium income.

Technical Result

The difference between income and expenses linked to an insurance business scope. In this report, it specifically refers to the sum of Insurance Service Result (net) and Insurance Finance Result (net) under IFRS 17.

Treaty Reinsurance

A form of reinsurance in which the ceding company makes an agreement to cede certain classes of business to a reinsurer. The reinsurer, in turn, agrees to accept all business qualifying under the agreement, known as the "treaty." Under a reinsurance treaty, the ceding company is assured that all of its risks falling within the terms of the treaty will be reinsured in accordance with treaty terms.

Underwriting Income

The excess of premiums earned by a reinsurer during any reporting period over the combined total of expenses and losses incurred during the same period

KOREAN Re

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This annual report was produced in an environmentally friendly way using environmentally friendly paper. Korean Re continues to be environmentally conscious to reduce its impacts on the environment.

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