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Challenge Ourselves, Change the World

ANNUAL REPORT 2022
FACT BOOK

KOREAN Re

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KOREAN Re

Company Profile

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

This year marks the 60th anniversary of Korean Re. After six successful decades in the business, it is a matter of great pride to see our company still growing and thriving. As we now begin a new chapter in our corporate history, we are determined to challenge ourselves and change the world by constantly seeking internal innovation in a manner that increases our positive impact on the world around us.

Our new slogan, "Challenge Ourselves, Change the World," embodies the spirit that has driven us forward over the past 60 years and will continue to guide us into the future. We have grown from a small local reinsurer to one of the leading players in Asia and beyond. We could not have been where we are now without constantly challenging ourselves to expand into new markets across the world. This undertaking to explore global markets has led us to a point where 26.5% of our business comes from overseas. Currently, Korean Re has 12 overseas presences across the world – four subsidiaries, four branches, and four liaison offices.

Furthermore, we have continued to challenge ourselves to improve our organizational structure in a way that best leverages our resources. An effectively organized structure provides a business and its employees with the environment and resources they need to perform at their very best every day, contributing to value creation for the organization, its employees, and other stakeholders.

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Message from the CEO



KOREAN Re

“ We achieved a strong year-on-year growth of 16.4% in gross written premiums, with net written premiums growing by 21.1% in 2022. ”

In 2022, Korean Re made important strides forward, delivering steady growth and stable profit. We achieved a strong year-on-year growth of 16.4% in gross written premiums, which totaled KRW 9,878.6 billion, with net written premiums growing by 21.1% to KRW 7,337.6 billion. This robust top-line performance was driven by our new coinsurance business and a sharp recovery in premium growth for our overseas business. We also reported a bottom-line increase of 2.9%, with after-tax net income amounting to KRW 157.9 billion. At the end of 2022, our total assets increased by 14.2% year on year to KRW 14,978.1 billion, while there was an 18.8% rise in invested assets, which totaled KRW 8,534.7 billion.

Our business growth has been supported by continued efforts to explore new markets. Global business expansion has been an important pillar of our business strategies to drive growth. Currently, Korean Re has 12 overseas operations across the world – four subsidiaries, four branches and four liaison offices. Half of them were established over the last six years, meaning that our global expansion initiative has notably accelerated in recent years. Since 2020, we have successfully set up a subsidiary in New Jersey, USA, and one branch in Shanghai, China, and a representative office in Bogotá, Colombia. This drive to take our operations into overseas markets will continue going forward.

Profitability has been another crucial pillar of our business strategies over the last few years. By tightening our underwriting guidelines, we have focused on increasing our retention of good risks and building optimal treaty schemes. Our underwriters have become more selective in what new or existing business they want to pursue, helping to reduce the volatility of our business results.

Effective portfolio management has been a critical driver of our endeavors to ensure a stable and profitable business performance. The share of our overseas business increased from 23.1% in 2017 to 26.5% in 2022, and diversifying the overall portfolio has contributed to stabilizing our underwriting results. Based on the underwriting expertise and experiences that we have built over the last 60 years, we have been able to actively respond to market cycles and readjust our business portfolio in ways that have reduced the fluctuation of business results and improved profitability.

On the investment side, we have taken a flexible approach in managing our alternative investments and loan portfolio in response to market changes and regulatory developments. As a result, we continued to deliver a solid investment yield of 3.5% in the face of a volatile market environment in 2022.

In the run-up to the implementation of IFRS 17 in 2023, the Korean insurance industry had a busy year in 2022 with finalizing its transition to the new reporting regime. Korean Re is likely to experience a smooth transition to IFRS 17, as we have been proactive in preparing for IFRS 17 by raising capital and managing financial solvency effectively.

In terms of our environmental, social and governance (ESG) drive, 2022 was a significant milestone as we declared our intention to phase out coal financing. In line with this declaration,

Korean Re has ceased to invest in new construction of coal mining and coal-based power plants, and has not been providing facultative reinsurance covers for such new coal projects since January 2023.

Korean Re is celebrating its 60th anniversary in 2023. In Asian culture, 60 years marks one full cycle of life, and the 60th birthday is regarded as a monumental point and the beginning of a new life cycle. We are both happy and grateful to enter into 2023 to start a new corporate life cycle, setting off to reinvent ourselves to bring innovation to our business and work toward a better future. As we have grown steadily in lockstep with the growth of our clients over the last six decades, we will continue to remain a solid partner for them.

Now that we begin a new chapter in our corporate history, we are determined to challenge ourselves and change the world by constantly seeking internal innovation in a manner that increases our positive impact on the world.

The economy is set to have a tough year in 2023 with weak growth prospects, and that will present a challenge to our business. Nevertheless, Korean Re is ready to move forward fearlessly, building on its successful 60-year track record.

I would like to thank all our shareholders, clients, and partners for putting their trust in Korean Re. We will stay true to our commitment to ensuring growth and value for all our stakeholders.

Thank you.

Jong-Gyu Won
President and CEO

Financial Highlights 2022

| | FY 2022 (KRW billion) | FY 2022 (USD million) | FY 2021 (KRW billion) | FY 2021 (USD million) |
|--------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| For the Year | | | | |
| Gross Written Premiums | 9,878.6 | 7,600.2 | 8,488.7 | 7,385.2 |
| Net Written Premiums | 7,337.6 | 5,645.3 | 6,060.9 | 5,273.0 |
| Net Income | 157.9 | 121.5 | 153.3 | 133.4 |
| At the Year End | | | | |
| Total Assets | 14,978.1 | 11,704.4 | 13,115.7 | 10,956.2 |
| Insurance Contract Liabilities | 8,427.6 | 6,585.6 | 7,377.6 | 6,162.9 |
| Total Shareholders' Equity | 2,819.5 | 2,203.3 | 2,525.7 | 2,109.9 |
| Financial Ratio (%) | | | | |
| RBC Ratio ¹ | 180.8 | | 187.9 | |
| Combined Ratio ² | 100.7 | | 100.9 | |
| ROA | 1.1 | | 1.2 | |
| ROE | 5.9 | | 6.2 | |
| Payout Ratio | 33.4 | | 35.0 | |
| EPS (KRW, USD) ³ | 1,132 | 0.87 | 1,186 | 1.03 |

* 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 Risk-based capital ratio (solvency margin ratio)

² Excluding foreign currency evaluation effects

³ In December 2022, Korean Re issued bonus shares to its shareholders. To ensure a valid comparison of earnings per share (EPS), the weighted average shares outstanding have been adjusted to include the bonus shares. The EPS for the year ended December 31, 2022, and the comparative prior period presented have been restated to reflect this adjustment.

Financial Strength Ratings

A_{Stable}

A.M. Best • S&P(2022)

RBC Ratio*

180.8%

* Solvency Margin Ratio (2022)

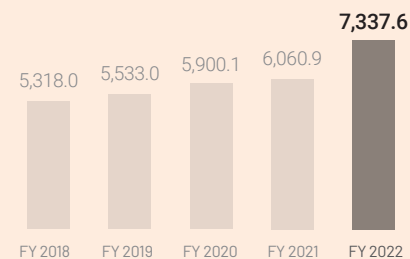
ROE

5.9%

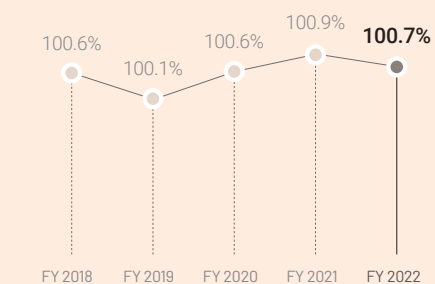
(2022)

Net Written Premiums

(Unit: KRW billion)

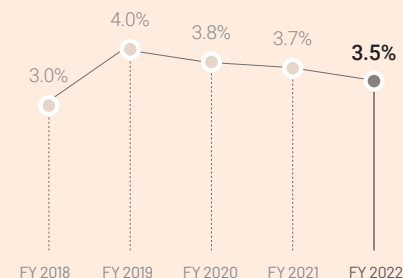


Combined Ratio*



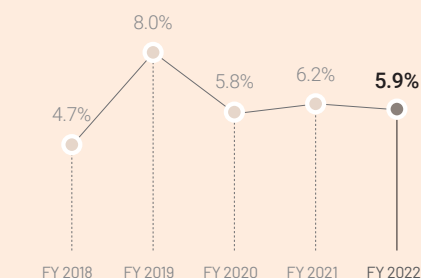
* Excluding foreign currency evaluation effects

Investment Yield*



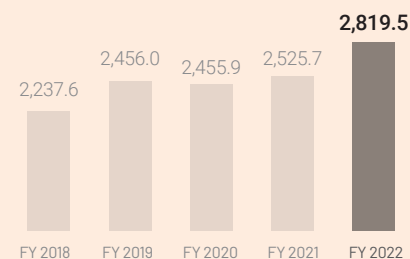
* Gains and/or losses from foreign exchange hedging for insurance liabilities have been excluded.

Return on Equity (ROE)



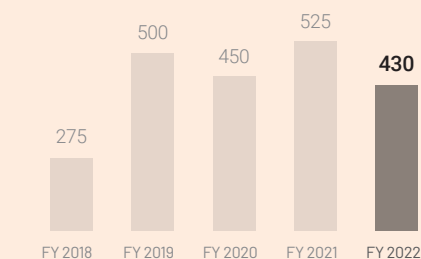
Total Shareholders' Equity

(Unit: KRW billion)



Dividend per Share

(Unit: KRW)



Review of Operations

In 2022, Korean Re achieved double-digit growth in gross written premiums on the back of new coinsurance transactions. We wrote gross premiums of KRW 9,878.6 billion in 2022, up 16.4% from the previous year. It was encouraging to see our book of business grow strongly both at home and abroad.

Our domestic business generated KRW 7,257.1 billion in gross written premiums, up 16.1% from the prior year. Excluding coinsurance business, the growth rate would slow to 3.2%, with long-term and property lines of business boosting our domestic business growth.

There was a sharp recovery in overseas business, with premiums surging by 17.2% to KRW 2,621.5 billion. This notable turnaround was backed by global market hardening, which is likely to continue for the time being in conjunction with a shortage of reinsurance capacity.

Alongside gross premium growth, our net written premiums rose by 21.1% to KRW 7,337.6 billion in 2022. As we held on to our selective retention of profitable business, the overall retention rate went up to 74.3% from 71.4%.

Our underwriting profitability modestly improved in 2022, with the combined ratio decreasing by 0.2%p to 100.7%. We saw our underwriting losses narrow to KRW 50.2 billion as we continued to readjust our business portfolio and maintain underwriting discipline. Our underwriting performance, excluding COVID-19 losses, actually improved with a profit of KRW 10.5 billion.

Our underwriting deficit was softened by gains on the investment portfolio in 2022. Backed by a significant increase in our invested assets and portfolio diversification, we delivered robust

investment results, with an investment yield of 3.5%. Our investment profit improved to KRW 263.6 billion, excluding gains and/or losses from foreign exchange hedging for insurance liabilities, compared to KRW 244.9 billion in the prior year. The current rising interest rate environment has altered the investment landscape, boosting returns on our new investments, especially in fixed-income assets. We are seeking various methods to capitalize on this high interest rates period, such as contracting bond forward derivatives to maintain a high level of profit and pursue an asset liability management simultaneously.

Moving into 2023, we will strive to build portfolios that are fundamentally sound and resilient against a potential increase in market uncertainties. Our asset management strategy will be focused on mitigating potential market uncertainties while maintaining our investment income. We will achieve this goal by making a meaningful reduction in the risks associated with our investment portfolio. More specifically, we intend to increase the weight of Treasury bonds in our portfolio while decreasing the relative importance of corporate bonds and alternative investments.

We will also respond proactively to major regulatory changes to ensure stable investment results, building on the strength of our investment assets. We will also continue to seek out new investment opportunities and strategies to maximize overall profitability throughout the year.

I. Premium Growth

Breakdown of Gross Written Premiums

(Units: KRW billion, USD million)

| | FY 2022 (KRW) | FY 2022 (USD) | FY 2021 (KRW) | FY 2021 (USD) | YoY Change* |
|-----------------------------------------|----------------|----------------|----------------|----------------|--------------|
| Domestic Property ¹ | 652.1 | 501.7 | 611.2 | 531.7 | 6.7% |
| Domestic Engineering, Marine & Aviation | 647.2 | 497.9 | 564.0 | 490.7 | 14.7% |
| Domestic Casualty | 655.3 | 504.2 | 685.3 | 596.2 | -4.4% |
| Motor, Surety & Agriculture | 1,145.3 | 881.1 | 1,209.4 | 1,052.2 | -5.3% |
| Long-term | 2,746.9 | 2,113.4 | 2,531.5 | 2,202.4 | 8.5% |
| Financial Solutions | 801.7 | 616.8 | 0 | 0 | n/a |
| Domestic Life & Health | 862.0 | 663.2 | 856.8 | 745.4 | 0.6% |
| Overseas Life & Health | 457.0 | 351.6 | 452.4 | 393.6 | 1.0% |
| International Treaty | 1,078.1 | 829.4 | 923.4 | 803.4 | 16.8% |
| International Facultative | 296.8 | 228.3 | 270.3 | 235.2 | 9.8% |
| Overseas Operations ² | 536.3 | 412.6 | 384.4 | 334.4 | 39.5% |
| Total³ | 9,878.6 | 7,600.2 | 8,488.7 | 7,385.2 | 16.4% |

* YoY change is based on the value in KRW.

¹ Domestic property includes nuclear insurance.

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

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

1. Domestic Property

(Units: KRW billion, USD million)

| | FY 2022 (KRW) | FY 2022 (USD) | FY 2021 (KRW) | FY 2021 (USD) |
|-----------------------------|---------------|---------------|---------------|---------------|
| Fire | 111.9 | 86.1 | 121.3 | 105.5 |
| Comprehensive | 422.6 | 325.1 | 400.2 | 348.2 |
| Korea Interest Abroad (KIA) | 111.2 | 85.6 | 83.8 | 72.9 |
| Nuclear Insurance* | 6.4 | 4.9 | 5.9 | 5.1 |
| Total | 652.1 | 501.7 | 611.2 | 531.7 |

* Nuclear insurance includes overseas business.

2. Domestic Engineering, Marine & Aviation

(Units: KRW billion, USD million)

| | FY 2022 (KRW) | FY 2022 (USD) | FY 2021 (KRW) | FY 2021 (USD) |
|--------------|---------------|---------------|---------------|---------------|
| Engineering | 297.7 | 229.0 | 244.3 | 212.5 |
| Hull | 205.2 | 157.9 | 176.4 | 153.5 |
| Cargo | 92.6 | 71.2 | 71.7 | 62.4 |
| Aviation | 51.6 | 39.7 | 71.6 | 62.3 |
| Total | 647.2 | 497.9 | 564.0 | 490.7 |

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

I. Premium Growth

3. Domestic Casualty

(Units: KRW billion, USD million)

| | FY 2022 (KRW) | FY 2022 (USD) | FY 2021 (KRW) | FY 2021 (USD) |
|------------------------|---------------|---------------|---------------|---------------|
| Liability | 277.5 | 213.5 | 268.6 | 233.7 |
| Personal Accidents | 161.6 | 124.3 | 161.4 | 140.4 |
| Special Risks & Others | 216.2 | 166.3 | 255.3 | 222.1 |
| Total | 655.3 | 504.2 | 685.3 | 596.2 |

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

4. Motor, Surety & Agriculture

(Units: KRW billion, USD million)

| | FY 2022 (KRW) | FY 2022 (USD) | FY 2021 (KRW) | FY 2021 (USD) |
|-----------------|----------------|---------------|----------------|----------------|
| Motor | 528.7 | 406.8 | 523.6 | 455.5 |
| Surety & Credit | 153.6 | 118.2 | 196.6 | 171.0 |
| Agriculture | 463.0 | 356.2 | 489.2 | 425.6 |
| Total | 1,145.3 | 881.1 | 1,209.4 | 1,052.2 |

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

5. Long-term

(Units: KRW billion, USD million)

| | FY 2022 (KRW) | FY 2022 (USD) | FY 2021 (KRW) | FY 2021 (USD) |
|-----------|---------------|---------------|---------------|---------------|
| Long-term | 2,746.9 | 2,113.4 | 2,531.5 | 2,202.4 |

6. Life & Health

(Units: KRW billion, USD million)

| | FY 2022 (KRW) | FY 2022 (USD) | FY 2021 (KRW) | FY 2021 (USD) |
|------------------------|----------------|----------------|----------------|----------------|
| Domestic Life & Health | 862.0 | 663.2 | 856.8 | 745.4 |
| Overseas Life & Health | 457.0 | 351.6 | 452.4 | 393.6 |
| Total | 1,319.0 | 1,014.8 | 1,309.2 | 1,139.0 |

7. Financial Solutions

(Units: KRW billion, USD million)

| | FY 2022 (KRW) | FY 2022 (USD) | FY 2021 (KRW) | FY 2021 (USD) |
|----------------------------|---------------|---------------|---------------|---------------|
| Asset Transfer Coinsurance | 801.7 | 616.8 | - | - |

8. International Treaty

Property, Engineering & Marine

(Units: KRW billion, USD million)

| | FY 2022 (KRW) | FY 2022 (USD) | FY 2021 (KRW) | FY 2021 (USD) |
|----------------------|---------------|---------------|---------------|---------------|
| East Asia | 175.8 | 135.3 | 173.3 | 150.8 |
| Middle East & Africa | 179.6 | 138.2 | 136.9 | 119.1 |
| Europe | 121.4 | 93.4 | 114.4 | 99.6 |
| Americas | 136.0 | 104.6 | 109.9 | 95.6 |
| Total | 612.8 | 471.5 | 534.6 | 465.1 |

Casualty & Motor

(Units: KRW billion, USD million)

| | FY 2022 (KRW) | FY 2022 (USD) | FY 2021 (KRW) | FY 2021 (USD) |
|----------------------|---------------|---------------|---------------|---------------|
| Americas & Asia | 192.3 | 147.9 | 170.3 | 148.2 |
| Europe & Middle East | 273.0 | 210.0 | 218.5 | 190.1 |
| Total | 465.3 | 358.0 | 388.8 | 338.3 |

9. International Facultative

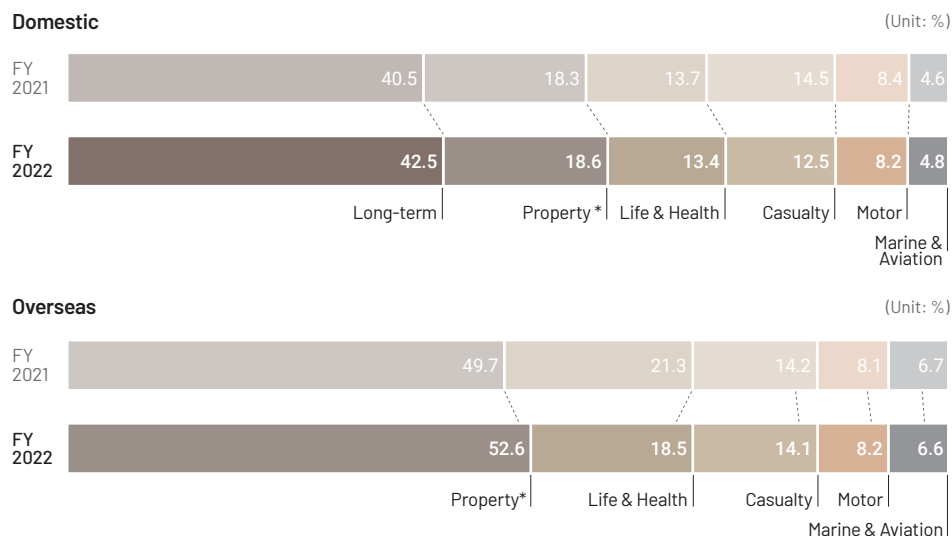
(Units: KRW billion, USD million)

| | FY 2022 (KRW) | FY 2022 (USD) | FY 2021 (KRW) | FY 2021 (USD) |
|------------------------------------------------------|---------------|---------------|---------------|---------------|
| International Property Facultative | 154.0 | 118.5 | 137.6 | 119.7 |
| International Engineering & Construction Facultative | 89.5 | 68.9 | 85.1 | 74.0 |
| International Marine & Energy Facultative | 53.3 | 41.0 | 47.7 | 41.5 |
| Total | 296.8 | 228.3 | 270.3 | 235.2 |

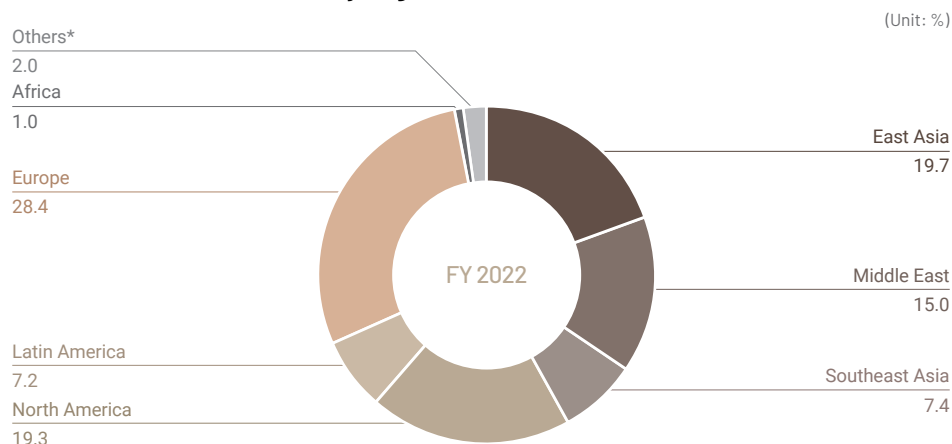
* Individual figures may not add up to the total shown due to rounding.

I. Premium Growth

Premium Income Portfolios by Line of Business: Domestic vs. Overseas



Overseas Business Portfolio by Region in 2022



II. Underwriting Performance

Our underwriting profitability modestly improved in 2022, with the combined ratio decreasing by 0.2%p to 100.7%. We saw our underwriting losses narrow to KRW 50.2 billion as we continued to readjust our business portfolio and maintain underwriting discipline. Our underwriting performance, excluding COVID-19 losses, actually improved with a profit of KRW 10.5 billion.

Despite our best efforts to tighten underwriting guidelines and improve the business portfolio, we reported weaker underwriting results for our overseas business due to COVID-19 losses and elevated natural catastrophe claims, pushing the combined ratio up by 3.0%p to 106.6%. When the losses from COVID-19 were excluded, the combined ratio for our overseas business would have fallen to 103.6%, up 3.0%p from the previous year.

Domestically, we made progress in underwriting profitability. For domestic commercial lines of business, we delivered a combined ratio of 90.2%, down 1.7%p from the previous year, in spite of the impact from natural disasters, including heavy rain in August and Typhoon Hinnamnor.

This higher underwriting profitability was driven by favorable pricing trends in most commercial lines of business.

There was also an improvement in underwriting results for our domestic personal lines of business, with the combined ratio dropping by 1.6%p to 100.3%, thanks to our withdrawal from poorly performing accounts and declining loss ratios of medical expense insurance.

Building on the progress we made in 2022, we look forward to further strengthening our underwriting performance in the years to come. 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 strong underwriting discipline to improve our technical profitability. Favorable pricing movements, coupled with our strictly disciplined approach to underwriting, will position our business to generate solid results going forward.

Underwriting Results ¹

(Units: KRW billion, USD million)

| | FY 2022 (KRW) | FY 2022 (USD) | FY 2021 (KRW) | FY 2021 (USD) | YoY Change* |
|-----------------------------|---------------|---------------|---------------|---------------|-------------|
| Incurring Losses | 6,289.8 | 4,839.1 | 5,242.9 | 4,561.3 | 20.0% |
| Net Operating Expenses | 1,028.4 | 791.2 | 829.8 | 721.9 | 23.9% |
| Earned Premiums | 7,268.0 | 5,591.7 | 6,018.3 | 5,236.0 | 20.8% |
| Combined Ratio ² | 100.7% | | 100.9% | | -0.2%p |

*YoY change is based on the value in KRW.

¹ Underwriting results exclude foreign exchange effects.

² The combined ratio is calculated as follows: Combined ratio = (incurred losses + net operating expenses)/earned premiums

III. Investment Performance

* Investment results in this investment section are based on the Separate Financial Statements of Korean Re, reflecting investment operation at the head office only.

1. Investment Results

(Units: KRW billion, USD million)

| | FY 2022 (KRW) | FY 2022 (USD) | FY 2021 (KRW) | FY 2021 (USD) |
|--------------------|---------------|---------------|---------------|---------------|
| Invested Assets | 8,503.7 | 6,645.1 | 7,161.4 | 5,982.3 |
| Investment Income | 272.5 | 209.7 | 306.3 | 266.5 |
| Investment Income* | 268.1 | 206.3 | 244.8 | 213.0 |
| Yield (%) | 3.5 | 3.5 | 4.5 | 4.5 |
| Yield* (%) | 3.5 | 3.5 | 3.7 | 3.7 |

* Gains and/or losses from foreign exchange hedging for insurance liabilities have been excluded.

2. Investment Income

(Units: KRW billion, USD million)

| | FY 2022 (KRW) | FY 2022 (USD) | FY 2021 (KRW) | FY 2021 (USD) |
|-------------------------------------------|---------------|---------------|---------------|---------------|
| Domestic Bonds | 72.1 | 55.5 | 54.0 | 47.0 |
| Foreign Bonds | 57.2 | 44.0 | 118.2 | 102.8 |
| Foreign Bonds* | 58.3 | 44.9 | 56.7 | 49.3 |
| Stocks | 28.4 | 21.8 | 48.0 | 41.8 |
| Alternative Investments (including loans) | 103.1 | 79.3 | 125.1 | 108.8 |
| Short-term Funds | 10.9 | 8.4 | 7.0 | 6.1 |
| Others | -4.7 | -3.6 | -2.8 | -2.4 |
| Total | 272.5 | 209.7 | 306.3 | 266.5 |
| Total* | 268.1 | 206.3 | 244.8 | 213.0 |

* Gains and/or losses from foreign exchange hedging for insurance liabilities have been excluded.

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

3. Invested Assets

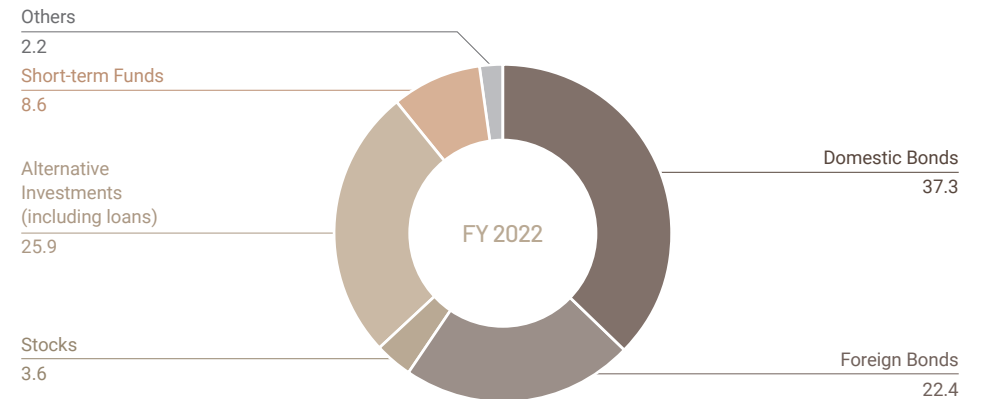
(Units: KRW billion, USD million)

| | FY 2022 (KRW) | FY 2022 (USD) | FY 2021 (KRW) | FY 2021 (USD) |
|-------------------------------------------|----------------|----------------|----------------|----------------|
| Domestic Bonds | 3,172.3 | 2,478.9 | 2,152.2 | 1,797.8 |
| Foreign Bonds | 1,908.2 | 1,491.1 | 1,730.1 | 1,445.2 |
| Stocks | 303.3 | 237.0 | 287.2 | 239.9 |
| Alternative Investments (including loans) | 2,199.3 | 1,718.6 | 2,050.8 | 1,713.1 |
| Short-term Funds | 735.0 | 574.4 | 755.8 | 631.4 |
| Others | 185.6 | 145.0 | 185.3 | 154.8 |
| Total | 8,503.7 | 6,645.1 | 7,161.4 | 5,982.3 |

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

Investment Portfolio Mix in 2022

(Unit: %)



* Domestic and foreign bonds include structured notes.

Financial Review

Consolidated Statements of Financial Position

As at December 31, 2022 and 2021

(Units: KRW million, USD thousand)

| | FY 2022 (KRW) | FY 2022 (USD) | FY 2021 (KRW) | FY 2021 (USD) |
|----------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Assets | | | | |
| I . Cash and cash equivalents | 498,904 | 389,860 | 478,947 | 400,089 |
| II . Financial assets: | 11,395,222 | 8,904,604 | 9,606,769 | 8,025,034 |
| 1. Deposits | 328,237 | 256,495 | 214,892 | 179,510 |
| 2. Financial assets at fair value through profit or loss | 127,105 | 99,324 | 227,940 | 190,410 |
| 3. Available-for-sale financial assets | 3,339,780 | 2,609,815 | 4,996,863 | 4,174,140 |
| 4. Held-to-maturity financial assets | 3,007,021 | 2,349,786 | - | - |
| 5. Derivative financial assets designated as hedges | 28,641 | 22,381 | 150 | 125 |
| 6. Loans | 1,039,008 | 811,915 | 1,078,540 | 900,961 |
| 7. Receivables | 3,525,430 | 2,754,888 | 3,088,384 | 2,579,888 |
| III . Investments in associates | 12,264 | 9,583 | 6,440 | 5,380 |
| IV . Property and equipment | 114,453 | 89,437 | 95,869 | 80,084 |
| V . Investment properties | 72,438 | 56,605 | 90,838 | 75,882 |
| VI . Intangible assets | 40,032 | 31,282 | 18,153 | 15,164 |
| VII . Other non-financial assets | 2,844,817 | 2,223,034 | 2,818,639 | 2,354,556 |
| Total assets | 14,978,130 | 11,704,405 | 13,115,655 | 10,956,189 |
| Liabilities | | | | |
| I . Insurance contract liabilities | 8,427,560 | 6,585,575 | 7,377,619 | 6,162,910 |
| II . Financial liabilities | 3,227,618 | 2,522,168 | 2,688,467 | 2,245,817 |
| III . Other non-financial liabilities | 503,498 | 393,450 | 523,863 | 437,609 |
| 1. Current income tax liabilities | 42,142 | 32,931 | - | - |
| 2. Deferred income tax liabilities | 349,112 | 272,808 | 417,690 | 348,918 |
| 3. Retirement benefit liabilities | 27,270 | 21,309 | 30,493 | 25,472 |
| 4. Other liabilities | 84,974 | 66,402 | 75,680 | 63,219 |
| Total liabilities | 12,158,676 | 9,501,193 | 10,589,949 | 8,846,336 |
| Equity | | | | |
| I . Capital stock | 70,411 | 55,021 | 60,185 | 50,276 |
| II . Capital surplus | 166,148 | 129,834 | 176,375 | 147,335 |
| III . Hybrid equity securities | 558,631 | 436,533 | 229,439 | 191,662 |
| IV . Capital adjustments | (134,157) | (104,835) | (134,066) | (111,992) |
| V . Accumulated other comprehensive income | 73,147 | 57,158 | 193,710 | 161,815 |
| VI . Retained earnings | 2,085,274 | 1,629,501 | 2,000,064 | 1,670,758 |
| Total shareholders' equity | 2,819,454 | 2,203,212 | 2,525,706 | 2,109,853 |
| Total liabilities and shareholders' equity | 14,978,130 | 11,704,405 | 13,115,655 | 10,956,189 |

Note: For the B/S section, Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,279.70 per USD 1 for FY 2022 and KRW 1,197.10 for FY 2021. For the I/S section, the applicable exchange rate was KRW 1,299.78 per USD 1 for FY 2022 and KRW 1,149.42 for FY 2021.

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

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Units: KRW million, USD thousand)

| | FY 2022 (KRW) | FY 2022 (USD) | FY 2021 (KRW) | FY 2021 (USD) |
|---------------------------------------------------|-------------------|------------------|-------------------|------------------|
| I . Operating revenue | 12,579,058 | 9,677,836 | 10,915,537 | 9,496,561 |
| 1. Premium income | 9,878,601 | 7,600,210 | 8,488,720 | 7,385,220 |
| 2. Reinsurance income | 1,861,993 | 1,432,545 | 1,663,836 | 1,447,544 |
| 3. Expenses recovered | 302,601 | 232,809 | 313,212 | 272,496 |
| 4. Interest income | 192,786 | 148,322 | 154,232 | 134,182 |
| 5. Dividend income | 70,105 | 53,936 | 85,527 | 74,409 |
| 6. Investment income from financial instruments | 51,468 | 39,597 | 16,288 | 14,171 |
| 7. Other operating revenues | 221,504 | 170,417 | 193,722 | 168,539 |
| II . Operating expenses | 12,386,528 | 9,529,711 | 10,712,020 | 9,319,501 |
| 1. Insurance claims and benefits expenses | 6,992,660 | 5,379,880 | 6,314,946 | 5,494,028 |
| 2. Reinsurance expenses | 2,541,014 | 1,954,957 | 2,427,773 | 2,112,172 |
| 3. Provision for insurance contract liabilities | 1,137,863 | 875,427 | 584,552 | 508,563 |
| 4. Operating and administrative expenses | 1,331,113 | 1,024,106 | 1,135,275 | 987,694 |
| 5. Claim handling expenses | 108,308 | 83,328 | 97,626 | 84,935 |
| 6. Asset management expenses | 6,423 | 4,942 | 5,385 | 4,685 |
| 7. Interest expenses | 303 | 233 | 226 | 197 |
| 8. Investment expenses from financial instruments | 104,355 | 80,287 | 60,320 | 52,479 |
| 9. Other operating expenses | 164,489 | 126,551 | 85,917 | 74,748 |
| III . Operating income | 192,530 | 148,125 | 203,517 | 177,060 |
| IV . Non-operating income | 2,138 | 1,645 | 545 | 474 |
| V . Non-operating expenses | 3,328 | 2,560 | 3,497 | 3,042 |
| VI . Income before income taxes | 191,340 | 147,210 | 200,565 | 174,492 |
| VII . Income tax expenses | 33,483 | 25,761 | 47,218 | 41,080 |
| VIII . Net income | 157,857 | 121,449 | 153,347 | 133,412 |
| IX . Other comprehensive income (loss) | (120,563) | (92,756) | (29,729) | (25,864) |
| X . Total comprehensive income | 37,294 | 28,693 | 123,618 | 107,548 |

Note: For the B/S section, Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,279.70 per USD 1 for FY 2022 and KRW 1,197.10 for FY 2021. For the I/S section, the applicable exchange rate was KRW 1,299.78 per USD 1 for FY 2022 and KRW 1,149.42 for FY 2021.

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

Financial Review

Consolidated Statements of Changes in Equity (KRW)

For the years ended December 31, 2022 and 2021

(Unit: KRW million)

| | Capital stock | Capital surplus | Hybrid equity securities | Capital adjustments | Accumulated other comprehensive income | Retained earnings | Total |
|----------------------------------------------------------------------------|---------------|-----------------|--------------------------|---------------------|----------------------------------------|-------------------|------------------|
| As at January 1, 2021 | 60,185 | 176,375 | 229,439 | (134,066) | 223,438 | 1,900,558 | 2,455,929 |
| Cash dividends | - | - | - | - | - | (46,021) | (46,021) |
| Dividends of hybrid equity securities | - | - | - | - | - | (7,820) | (7,820) |
| Net income | - | - | - | - | - | 153,347 | 153,347 |
| Loss on valuation of available-for-sale financial assets | - | - | - | - | (57,162) | - | (57,162) |
| Exchange difference on translating foreign operations | - | - | - | - | 23,388 | - | 23,388 |
| Loss on valuation of derivative instruments designated as cash flow hedges | - | - | - | - | (2,592) | - | (2,592) |
| Gain on remeasurement of the net defined benefit liabilities | - | - | - | - | 6,637 | - | 6,637 |
| Total comprehensive income | - | - | - | - | (29,729) | 153,347 | 123,618 |
| As at December 31, 2021 | 60,185 | 176,375 | 229,439 | (134,066) | 193,710 | 2,000,064 | 2,525,706 |
| As at January 1, 2022 | 60,185 | 176,375 | 229,439 | (134,066) | 193,710 | 2,000,064 | 2,525,706 |
| Cash dividends | - | - | - | - | - | (53,691) | (53,691) |
| Bonus issue | 10,226 | (10,226) | - | (91) | - | - | (91) |
| Issuance of hybrid capital securities | - | - | 329,192 | - | - | - | 329,192 |
| Dividends of hybrid equity securities | - | - | - | - | - | (18,956) | (18,956) |
| Net income | - | - | - | - | - | 157,857 | 157,857 |
| Loss on valuation of available-for-sale financial assets | - | - | - | - | (143,328) | - | (143,328) |
| Loss on valuation of held-to-maturity financial assets | - | - | - | - | (5,118) | - | (5,118) |
| Exchange difference on translating foreign operations | - | - | - | - | 20,511 | - | 20,511 |
| Loss on valuation of derivative instruments designated as cash flow hedges | - | - | - | - | 1,259 | - | 1,259 |
| Revaluation surplus | - | - | - | - | 910 | - | 910 |
| Gain on remeasurement of the net defined benefit liabilities | - | - | - | - | 5,204 | - | 5,204 |
| Total comprehensive income | - | - | - | - | (120,562) | 157,857 | 37,294 |
| As at December 31, 2022 | 70,411 | 166,148 | 558,631 | (134,157) | 73,147 | 2,085,274 | 2,819,454 |

Consolidated Statements of Changes in Equity (USD)

For the years ended December 31, 2022 and 2021

(Unit: USD thousand)

| | Capital stock | Capital surplus | Hybrid equity securities | Capital adjustments | Accumulated other comprehensive income | Retained earnings | Total |
|----------------------------------------------------------------------------|---------------|-----------------|--------------------------|---------------------|----------------------------------------|-------------------|------------------|
| As at January 1, 2021 | 47,031 | 137,825 | 179,291 | (104,764) | 174,602 | 1,485,159 | 1,919,144 |
| Cash dividends | - | - | - | - | - | (35,962) | (35,962) |
| Dividends of hybrid equity securities | - | - | - | - | - | (6,111) | (6,111) |
| Net income | - | - | - | - | - | 119,830 | 119,830 |
| Loss on valuation of available-for-sale financial assets | - | - | - | - | (44,668) | - | (44,668) |
| Exchange difference on translating foreign operations | - | - | - | - | 18,276 | - | 18,276 |
| Loss on valuation of derivative instruments designated as cash flow hedges | - | - | - | - | (2,025) | - | (2,025) |
| Gain on remeasurement of the net defined benefit liabilities | - | - | - | - | 5,186 | - | 5,186 |
| Total comprehensive income | - | - | - | - | (23,231) | 119,830 | 96,599 |
| As at December 31, 2021 | 47,031 | 137,825 | 179,291 | (104,764) | 151,371 | 1,562,916 | 1,973,670 |
| As at January 1, 2022 | 47,031 | 137,825 | 179,291 | (104,764) | 151,371 | 1,562,916 | 1,973,670 |
| Cash dividends | - | - | - | - | - | (41,956) | (41,956) |
| Bonus issue | 7,990 | (7,992) | - | (71) | - | - | (71) |
| Issuance of hybrid capital securities | - | - | 257,242 | - | - | - | 257,241 |
| Dividends of hybrid equity securities | - | - | - | - | - | (14,813) | (14,813) |
| Net income | - | - | - | - | - | 123,354 | 123,354 |
| Loss on valuation of available-for-sale financial assets | - | - | - | - | (112,002) | - | (112,002) |
| Loss on valuation of held-to-maturity financial assets | - | - | - | - | (3,999) | - | (3,999) |
| Exchange difference on translating foreign operations | - | - | - | - | 16,027 | - | 16,027 |
| Loss on valuation of derivative instruments designated as cash flow hedges | - | - | - | - | 984 | - | 984 |
| Revaluation surplus | - | - | - | - | 711 | - | 711 |
| Gain on remeasurement of the net defined benefit liabilities | - | - | - | - | 4,067 | - | 4,067 |
| Total comprehensive income | - | - | - | - | (94,213) | 123,354 | 29,141 |
| As at December 31, 2022 | 55,021 | 129,834 | 436,533 | (104,835) | 57,158 | 1,629,501 | 2,203,212 |

Note: Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,279.70 per USD 1.

Financial Review

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Units: KRW million, USD thousand)

| | FY 2022 (KRW) | FY 2022 (USD) | FY 2021 (KRW) | FY 2021 (USD) |
|--------------------------------------------------------------------------------------|--------------------|--------------------|------------------|------------------|
| I . Cash flows from operating activities | 1,306,506 | 1,020,947 | 637,946 | 532,910 |
| 1. Income before income taxes | 157,857 | 123,355 | 153,347 | 128,099 |
| 2. Cash generated from operations | 901,323 | 704,324 | 295,160 | 246,563 |
| 3. Receipt of interest | 187,368 | 146,416 | 159,566 | 133,294 |
| 4. Payment of interest | (395) | (309) | (318) | (266) |
| 5. Receipt of dividends | 70,105 | 54,782 | 85,526 | 71,444 |
| 6. Refund(payment) of income taxes | (9,752) | (7,621) | (55,335) | (46,224) |
| II . Cash flows from investing activities | (1,532,482) | (1,197,531) | (573,836) | (479,355) |
| 1. Cash inflows | 613,314 | 479,264 | 848,182 | 708,531 |
| 2. Cash outflows | (2,145,796) | (1,676,795) | (1,422,018) | (1,187,886) |
| III . Cash flows from financing activities | 256,124 | 200,144 | (56,881) | (47,515) |
| 1. Cash inflows | 329,192 | 257,242 | 117 | 98 |
| 2. Cash outflows | (73,068) | (57,098) | (56,998) | (47,613) |
| IV . Net increase(decrease) in cash and cash equivalents (I + II +III) | 30,148 | 23,559 | 7,229 | 6,039 |
| V . Effects of changes in foreign exchange rates on cash and cash equivalents | (10,191) | (7,964) | 110 | 92 |
| VI . Cash and cash equivalents at the beginning of the year | 478,947 | 374,265 | 471,608 | 393,959 |
| VII . Cash and cash equivalents at the end of year | 498,904 | 389,860 | 478,947 | 400,089 |

Note: For the B/S section, Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,279.70 per USD 1 for FY 2022 and KRW 1,197.10 for FY 2021. For the I/S section, the applicable exchange rate was KRW 1,299.78 per USD 1 for FY 2022 and KRW 1,149.42 for FY 2021.

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

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