How Korean Re

Drives Change



KOREAN RE

How Korean Re **Drives Change**

03 Company Profile
04 Message from the CEO
06 Financial Highlights 2021

09 Review of Operations
10 Premium Growth
13 Underwriting Performance
14 Investment Performance

16 Financial Review
16 Consolidated Statements of Financial Position
17 Consolidated Statements of Comprehensive Income
18 Consolidated Statements of Changes in Equity
20 Consolidated Statements of Cash Flows

21 Organization
22 Global Network

Company Profile

Korean Re, the one and only Korean professional reinsurer, started its operations 59 years ago. 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.

Global business expansion has been an important pillar of our future business strategies. Our vision to become a global player has led us to a point where 26% of our business comes from overseas.

Over the years, we have demonstrated how we drive change in a way that creates value. Changes start with a challenge, and small changes evolve into innovation. This process of making continuous changes creates new value, and we measure our success on how well we create value for all our stakeholders.

This commitment to value creation helped us turn 2021 into another financially successful year. Korean Re delivered strong business results for the year on the back of robust investment gains, with after-tax net income increasing by 7.9% to KRW 153.3 billion. This increase in our bottom-line results allowed us to report an ROE of 6.2%, up 0.4%p from the previous year.

We have also maintained an RBC ratio above 180% and strong credit ratings of A from A.M. Best and Standard & Poor's. As evidenced by these facts, Korean Re is a financially strong and stable reinsurer. While we will continue to solidify our position in Korea, we will also push ourselves to become a competent and competitive leader in the global market going forward. In doing so, we will remain passionate about serving all our stakeholders and the communities we are a part of.

Financial Strength Ratings

A Stable

A.M. Best • S&P (2021)

RBC Ratio*

187.9%

* Solvency Margin Ratio (2021)

Message from the CEO



Korean Re delivered strong business results for the year on the back of robust investment gains, with after-tax net income increasing by 7.9% to KRW 153.3 billion.

COVID-19 has been unrelenting, much to the dismay of us all. With no end in sight, the pandemic made 2021 another incredibly difficult year for many people. When the Korean government switched to a "Living with COVID-19" approach, there was growing hope that things would get back to normal soon, but that hope quickly turned into anxiety and fear due to the emergence of Omicron and a rapid spread of new cases.

In 2021, the economy recovered quickly from the pandemic-induced shock but remained vulnerable, with COVID-19 injecting uncertainty into the business landscape and financial markets. The stock market fluctuated widely as liquidity increased amid massive fiscal support and accommodative monetary policy. Household debt ballooned to record high levels, putting economic resilience at risk.

It was a challenging year for the insurance industry as well, with many insurance leaders trying to figure out what strategies needed to be taken in response to rapidly evolving market conditions. Insurers faced intensifying competition as boundaries between industry sectors became blurred. They were also pressed to work on the strategic implications and challenges presented by regulatory changes.

As did many others, we at Korean Re challenged ourselves to make a turning point in navigating the uncertainty of a post-pandemic world. One of the efforts was to lay the groundwork for business expansion in the United States by setting up a reinsurance intermediary in New Jersey in 2021. Global business expansion has been an important pillar of our future business strategies while we have been struggling to overcome low growth and find new markets and growth engines.

In terms of organizational effectiveness, we have continued to improve our organizational structure and expand our human resources. In particular, we set up a task force team dedicated to preparing for IFRS 17, which poses one of the most critical challenges for the insurance industry. Through this dedicated team of experts, we are making all the necessary arrangements in order to run our business seamlessly on the IFRS 17 system. We also added an organizational unit responsible for environmental, social, and governance (ESG) management so that we can establish and implement an effective ESG strategy to seek sustainable growth and become a

company that is more responsible toward society, employees, and other stakeholders.

These efforts clearly demonstrate how we drive change in a way that creates value. Changes start with a challenge, and small changes evolve into innovation. This process of making continuous changes creates new value, and we measure our success on how well we create value for all our stakeholders.

This commitment to value creation led our business to turn 2021 into another financially successful year. Korean Re delivered strong business results for the year on the back of robust investment gains, with after-tax net income increasing by 7.9% to KRW 153.3 billion. This increase in our bottom-line results allowed us to report an ROE of 6.2%, up 0.4%p from the previous year.

Our underwriting results took a negative turn, however, with the overall combined ratio deteriorating to 100.9% due to overseas COVID-19 and natural catastrophe losses and persistently weakening results from domestic personal lines of business. Still, we made notable improvements in domestic commercial lines, driven by favorable pricing trends in most commercial lines of business and fewer large-loss events in Korea.

As we continued to focus on building profit-oriented portfolios, our top-line growth slowed to 0.5%, with gross written premiums remaining stable at KRW 8,488.7 billion and net written premiums growing by 2.7% to KRW 6,060.9 billion.

At the end of 2021, our total assets increased by 4.8% year on year to KRW 13,115.7 billion, while there was an 11.6% rise in invested assets, which totaled KRW 7,186 billion.

Insurance is an invention designed to provide individuals and businesses with a means of protection from risks. Today, in a world full of unexpected perils including climate change and pandemics, risks are becoming all the more complex and complicated, making it increasingly difficult to predict and measure them. This may present a daunting challenge for insurers and reinsurers, but potentially could be turned into opportunities for the industry to bring innovation to risk management solutions.

In 2022, we will strive to become a new global leader that pushes the envelope to create innovation. Creativity and innovation rarely come out of a stable environment, but instead arise out of the process to take on new challenges. We are determined to step outside our comfort zone and sail the wide-open oceans to push the boundaries of what we can achieve. We believe this strong determination in challenging ourselves to take the next significant step forward will be the very momentum that leads our business to grow further in the years to come.

The pandemic is not over yet, and the future is still uncertain. Nevertheless, we are optimistic that rays of light toward a brighter future are finally beginning to emerge. We are fortunate to belong to a crucial industry that can provide a beacon of optimism and security in times of difficulties.

I would like to thank our clients and partners for working with us to navigate these challenging times. I would also like to pay tribute to my colleagues for their commitment to supporting our clients and partners, and improving our business performance in a way that drives value for our shareholders. To our shareholders, I am grateful for your trust and confidence in Korean Re, and we won't settle for less than the best for you. We will always remain passionate about serving all our stakeholders and the communities we are a part of. We wish you all the best and good health in the coming year.

Thank you.



Jong-Gyu Won
President and CEO

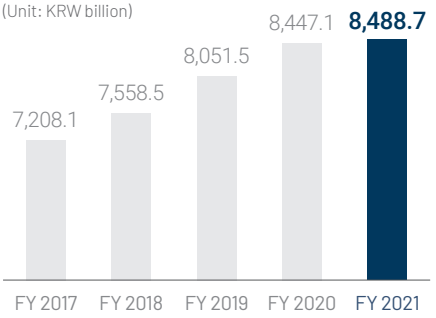
Financial Highlights 2021

	FY 2021 (KRW billion)	FY 2021 (USD million)	FY 2020 (KRW billion)	FY 2020 (USD million)
For the Year				
Gross Written Premiums	8,488.7	7,385.2	8,447.1	7,087.8
Net Written Premiums	6,060.9	5,273.0	5,900.1	4,950.7
Net Income	153.3	133.4	142.1	119.2
At the Year End				
Total Assets	13,115.7	10,956.2	12,519.9	11,396.2
Insurance Contract Liabilities	7,377.6	6,162.9	6,703.0	6,101.4
Total Shareholders' Equity	2,525.7	2,109.9	2,455.9	2,235.5
Financial Ratio (%)				
RBC Ratio*	187.9		201.6	
Combined Ratio**	100.9		100.6	
ROA	1.2		1.2	
ROE	6.2		5.8	
Payout Ratio	35.0		32.4	
EPS (KRW, USD)	1,423	1.24	1,252	1.05

* Solvency Margin Ratio
** Excluding foreign currency evaluation effects
Note: 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.

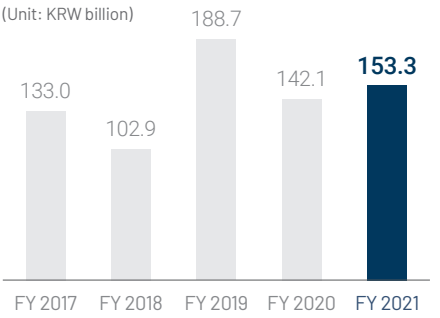
Gross Written Premiums

(Unit: KRW billion)

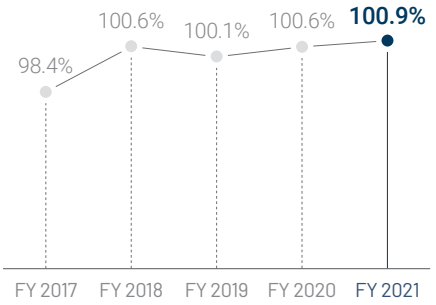


Net Income

(Unit: KRW billion)

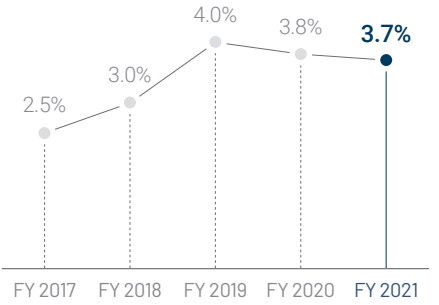


Combined Ratio*



* Excluding foreign currency evaluation effects

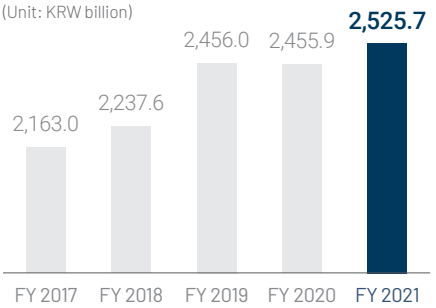
Investment Yield*



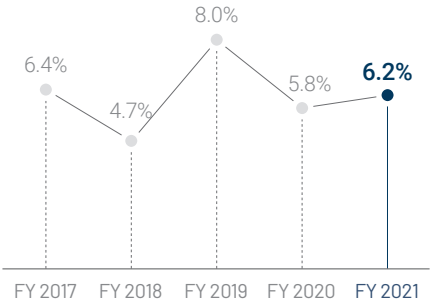
* Gains and/or losses from foreign exchange hedging for insurance liabilities have been excluded.

Total Shareholders' Equity

(Unit: KRW billion)

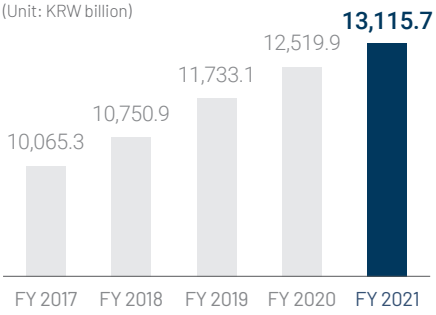


Return on Equity (ROE)



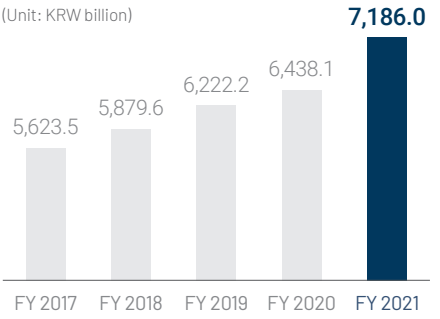
Total Assets

(Unit: KRW billion)



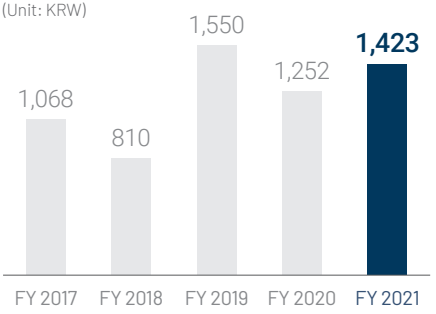
Invested Assets

(Unit: KRW billion)



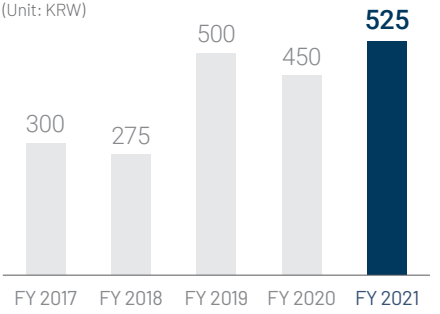
Earnings per Share (EPS)

(Unit: KRW)

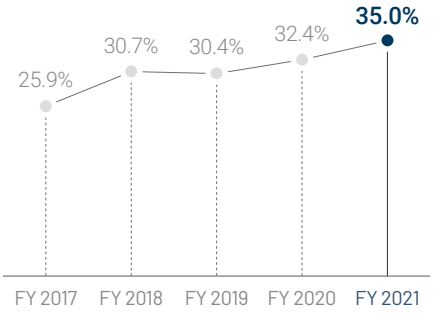


Dividend per Share

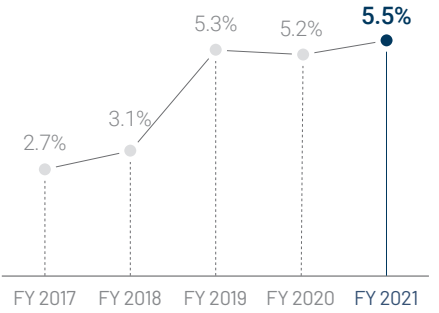
(Unit: KRW)



Payout Ratio



Dividend Yield



Review of Operations

In 2021, Korean Re went through a rough patch in terms of premium growth due to ongoing portfolio readjustment. We wrote gross premiums of KRW 8,488.7 billion in 2021, up 0.5% from the previous year. Our domestic business managed to achieve positive growth, with premiums rising by 0.8% to KRW 6,252.3 billion. However, overseas premium growth turned negative, with premiums declining by 0.4% to KRW 2,236.4 billion. Despite this slower growth, our net written premiums increased by 2.7% to KRW 6,060.9 billion in 2021. As we continued to raise our retention of profitable business, the overall retention rate went up to 71.4% from 69.8%.

Our underwriting profitability modestly deteriorated in 2021, with the combined ratio increasing by 0.3%p to 100.9%. We had an underwriting loss of KRW 115.7 billion as our business was heavily impacted by claims related to COVID-19. Still, our underwriting performance, excluding COVID-19 losses, actually improved with a profit of KRW 15 billion.

The underwriting deficit was offset by our solid investment performance. Backed by a strong return on alternative investments, we delivered robust investment results in 2021, with an investment yield of 3.7%. Our investment profit improved to KRW 244.9 billion excluding gains and/or losses from foreign exchange hedging for insurance liabilities.

Rising interest rates weighed on our overall bond investment performance in 2021. We saw our fixed-income returns decrease significantly, and investment income from bonds took up a smaller share of the overall investment profit. On the other hand, we achieved exceptional results for our alternative investments including loans, and our stock investment portfolio also pulled off big gains on the back of our effective portfolio management and market rallies.

Moving into 2022, many expect interest rate hikes to alter the investment landscape in the midst of ongoing economic uncertainty arising from the COVID-19 pandemic. In light of this future outlook, we will hold steadfast to a portfolio strategy that can generate steady returns, particularly in the face of any shock from interest rate hikes or other changes in economic conditions. This will help us maintain portfolios that are fundamentally sound and resilient against a potential increase in market uncertainty.

We have come through a difficult year in terms of overall underwriting profitability, but look forward to the prospect of solid improvements in our performance in the years to come. The market has been responding to increasing claims costs by raising rates 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 strong results going forward.

I. Premium Growth

Breakdown of Gross Written Premiums

(Units: KRW billion, USD million)

	FY 2021 (KRW)	FY 2021 (USD)	FY 2020 (KRW)	FY 2020 (USD)	YoY Change*
Property	1,240.2	1,079.0	1,188.9	997.6	4.3%
Engineering**	797.3	693.6	797.4	669.1	-
Marine & Aviation	401.5	349.3	418.6	351.2	-4.1%
Casualty	1,155.2	1,005.0	1,331.7	1,117.4	-13.3%
Long-term	2,531.5	2,202.5	2,408.0	2,020.5	5.1%
Motor	669.3	582.3	605.4	508.0	10.6%
Life and Health	1,309.2	1,139.0	1,466.2	1,230.3	-10.7%
Overseas Operations***	384.4	334.4	231.0	193.8	66.4%
Total	**8,488.7**	**7,385.2**	**8,447.1**	**7,087.8**	**0.5%**

* YoY change is based on the value in KRW. Individual figures may not add up to the total shown due to rounding.
** Engineering includes nuclear and agriculture.
*** Overseas operations include KRUL, KRSA and branches in Singapore, Labuan, Dubai and Shanghai.

1. Property

(Units: KRW billion, USD million)

		FY 2021 (KRW)	FY 2021 (USD)	FY 2020 (KRW)	FY 2020 (USD)
Domestic Property Business	Fire	121.3	105.5	107.3	90.0
	Comprehensive	400.2	348.2	362.5	304.2
	Korea Interest Abroad (KIA)	83.8	72.9	58.0	48.7
	Sub-Total	**605.3**	**526.6**	**527.7**	**442.8**
International Facultative Business		137.6	119.7	123.5	103.6
International Treaty Business		497.4	432.7	537.6	451.1
Total		**1,240.2**	**1,079.0**	**1,188.9**	**997.6**

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

2. Engineering

(Units: KRW billion, USD million)

	FY 2021 (KRW)	FY 2021 (USD)	FY 2020 (KRW)	FY 2020 (USD)
Domestic	216.4	188.3	184.5	154.8
Overseas	116.0	100.9	103.2	86.6
Total	**332.4**	**289.2**	**287.7**	**241.4**

3. Agriculture

(Units: KRW billion, USD million)

	FY 2021(KRW)	FY 2021(USD)	FY 2020(KRW)	FY 2020(USD)
Domestic Crop	225.6	196.3	216.4	181.6
Livestock	121.4	105.6	127.1	106.7
Agricultural Machinery	34.5	30.0	30.8	25.8
Natural Perils	24.5	21.3	23.1	19.4
Overseas Agriculture	52.9	46.0	107.1	89.9
Total	**458.9**	**399.2**	**504.5**	**423.3**

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

4. Marine and Aviation

(Units: KRW billion, USD million)

	FY 2021(KRW)	FY 2021(USD)	FY 2020(KRW)	FY 2020(USD)
Hull & Energy	247.8	215.6	247.9	208.0
Cargo	82.2	71.5	84.3	70.7
Aviation	71.6	62.3	86.4	72.5
Total	**401.5**	**349.3**	**418.6**	**351.2**

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

5. Casualty

(Units: KRW billion, USD million)

	FY 2021(KRW)	FY 2021(USD)	FY 2020(KRW)	FY 2020(USD)
Liability	302.0	262.7	316.8	265.8
Personal Accidents	161.4	140.4	190.5	159.8
Surety & Credit	194.0	168.8	200.4	168.2
Special Risks & Others	291.9	254.0	381.0	319.7
Overseas Inward Business	205.9	179.1	243.0	203.9
Total	**1,155.2**	**1,005.0**	**1,331.7**	**1,117.4**

6. Long-term

(Units: KRW billion, USD million)

	FY 2021(KRW)	FY 2021(USD)	FY 2020(KRW)	FY 2020(USD)
Long-term	**2,531.5**	**2,202.5**	**2,408.0**	**2,020.5**

7. Motor

(Units: KRW billion, USD million)

	FY 2021(KRW)	FY 2021(USD)	FY 2020(KRW)	FY 2020(USD)
Motor	**669.3**	**582.3**	**605.4**	**508.0**

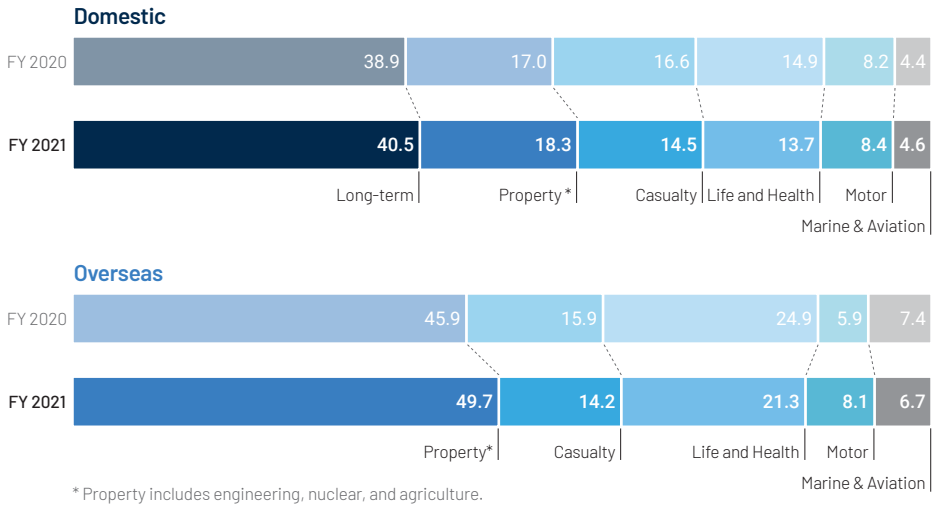
8. Life and Health

(Units: KRW billion, USD million)

	FY 2021(KRW)	FY 2021(USD)	FY 2020(KRW)	FY 2020(USD)
Domestic	856.8	745.4	925.0	776.2
Overseas	452.4	393.6	541.2	454.1
Total	**1,309.2**	**1,139.0**	**1,466.2**	**1,230.3**

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

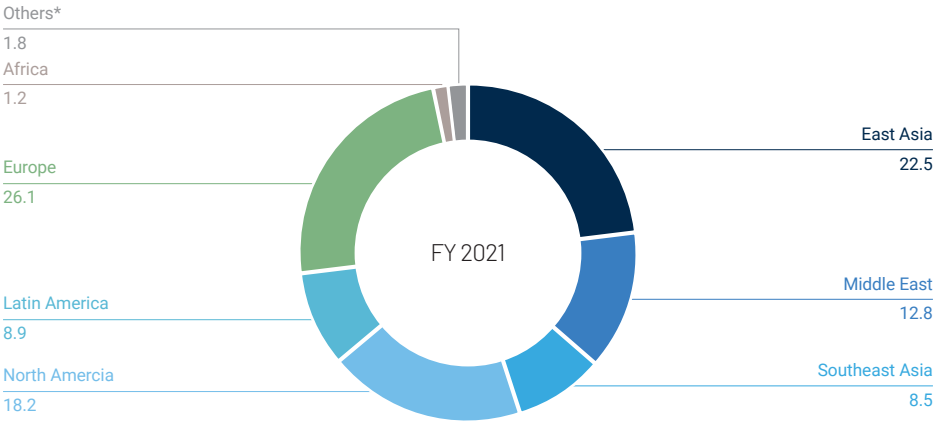
(Unit: %)



* Property includes engineering, nuclear, and agriculture.

Overseas Business Portfolio by Region

(Unit: %)



* Others include retrocession and multi-territory accounts.

II. Underwriting Performance

Our underwriting profitability modestly deteriorated in 2021, with the combined ratio increasing by 0.3%p to 100.9%. We had an underwriting loss of KRW 115.7 billion as our business was heavily impacted by claims related to COVID-19. Still, our underwriting performance, excluding COVID-19 losses, actually improved with a profit of KRW 15 billion.

Although we adjusted our business portfolio and further tightened our underwriting guidelines, we reported weaker underwriting results for our overseas business due to COVID-19 losses of KRW 130.5 billion and elevated natural catastrophe losses, pushing the combined ratio up by 4.5%p to 103.6%. When the losses from COVID-19 were excluded, the combined ratio for our overseas business would have fallen to 96.5%, up 0.4%p from the previous year.

In 2021, our domestic personal lines of business also remained under increasing pressure from persistently high loss ratios of medical expense insurance and long-term property fire losses, resulting in a combined ratio of 101.9% in 2021 vs 101.1% in 2020.

However, we made impressive improvements in our domestic commercial business, with its combined ratio falling to 91.9% down 9.7%p. This higher underwriting profitability was driven by favorable pricing trends in most commercial lines of business and decreased frequency and severity of large-loss events in Korea.

Underwriting Results*

(Units: KRW billion, USD million)

	FY 2021 (KRW)	FY 2021 (USD)	FY 2020 (KRW)	FY 2020 (USD)	YoY Change**
Incurred Losses	5,242.8	4,561.3	5,000.5	4,195.8	4.8%
Net Operating Expenses	829.8	721.9	867.3	727.7	-4.3%
Earned Premiums	6,018.3	5,236.0	5,834.0	4,895.2	3.2%
Combined Ratio***	100.9%		100.6%		0.3%p

* Underwriting results exclude foreign exchange effects.
** YoY change is based on the value in KRW.
*** 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 2021 (KRW)	FY 2021 (USD)	FY 2020 (KRW)	FY 2020 (USD)
Invested Assets	7,161.4	5,982.3	6,417.6	5,841.6
Investment Income	306.3	266.5	200.4	168.2
Investment Income*	244.8	213.0	236.7	198.6
Yield (%)	4.5	4.5	3.2	3.2
Yield* (%)	3.7	3.7	3.8	3.8

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

2. Investment Income

(Units: KRW billion, USD million)

	FY 2021 (KRW)	FY 2021 (USD)	FY 2020 (KRW)	FY 2020 (USD)
Domestic Bonds	54.0	47.0	70.4	59.1
Foreign Bonds	118.2	102.8	57.4	48.2
Foreign Bonds*	56.7	49.3	93.7	78.6
Stocks	48	41.8	5.0	4.2
Alternative Investments (including loans)	125.1	108.8	60.4	50.7
Short-term Funds	7.0	6.1	9.4	7.9
Others	-2.8	-2.4	-2.2	-1.9
Total	**306.3**	**266.5**	**200.4**	**168.2**
Total*	**244.8**	**213.0**	**236.7**	**198.6**

* 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

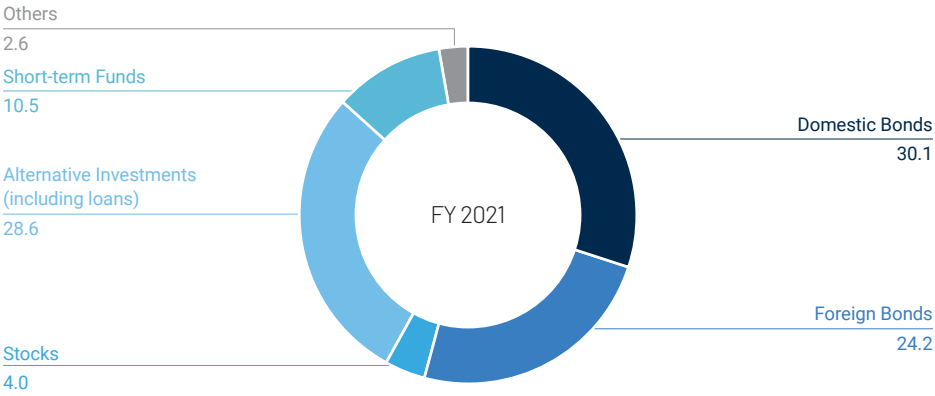
(Units: KRW billion, USD million)

	FY 2021 (KRW)	FY 2021 (USD)	FY 2020 (KRW)	FY 2020 (USD)
Domestic Bonds	2,152.2	1,797.8	1,896.9	1,726.7
Foreign Bonds	1,730.1	1,445.2	1,585.8	1,443.5
Stocks	287.2	239.9	205.8	187.3
Alternative Investments (including loans)	2,050.8	1,713.1	1,955.7	1,780.2
Short-term Funds	755.8	631.4	587.5	534.8
Others	185.3	154.8	185.9	169.2
Total	**7,161.4**	**5,982.3**	**6,417.6**	**5,841.6**

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

Investment Portfolio Mix

(Unit: %)



Financial Review

Consolidated Statements of Financial Position

As at December 31, 2021 and 2020

(Units: KRW million, USD thousand)

	FY 2021 (KRW)	FY 2021 (USD)	FY 2020 (KRW)	FY 2020 (USD)
Assets				
Ⅰ. Cash and cash equivalents	478,947	400,089	471,608	429,281
Ⅱ. Financial assets:	9,606,769	8,025,034	9,117,346	8,299,059
1. Deposits	214,892	179,510	171,392	156,009
2. Financial assets at fair value through profit or loss	227,940	190,410	45,234	41,174
3. Available-for-sale financial assets	4,996,863	4,174,140	4,391,037	3,996,939
4. Held-to-maturity financial assets	-	-	-	-
5. Derivative financial assets designated as hedges	150	125	37,659	34,279
6. Loans	1,078,540	900,961	1,170,236	1,065,207
7. Receivables	3,088,384	2,579,888	3,301,788	3,005,451
Ⅲ. Investments in associates	6,440	5,380	5,495	5,002
Ⅳ. Property and equipment	95,869	80,084	97,319	88,585
Ⅴ. Investment properties	90,838	75,882	91,351	83,152
Ⅵ. Intangible assets	18,153	15,164	20,856	18,984
Ⅶ. Other non-financial assets	2,818,639	2,354,556	2,715,972	2,472,212
Total assets	**13,115,655**	**10,956,189**	**12,519,947**	**11,396,275**
Liabilities				
Ⅰ. Insurance contract liabilities	7,377,619	6,162,910	6,703,011	6,101,412
Ⅱ. Financial liabilities	2,688,467	2,245,817	2,789,118	2,538,793
Ⅲ. Other non-financial liabilities	523,863	437,609	571,889	520,561
1. Current income tax liabilities	-	-	26,510	24,131
2. Deferred income tax liabilities	417,690	348,918	396,159	360,603
3. Retirement benefit liabilities	30,493	25,472	28,132	25,607
4. Other liabilities	75,680	63,219	121,088	110,220
Total liabilities	**10,589,949**	**8,846,336**	**10,064,018**	**9,160,766**
Equity				
Ⅰ. Capital stock	60,185	50,276	60,185	54,783
Ⅱ. Capital surplus	176,375	147,335	176,375	160,545
Ⅲ. Hybrid equity security	229,439	191,662	229,439	208,847
Ⅳ. Capital adjustments	(134,066)	(111,992)	(134,066)	(122,033)
Ⅴ. Accumulated other comprehensive income	193,710	161,815	223,439	203,385
Ⅵ. Retained earnings	2,000,064	1,670,758	1,900,558	1,729,982
Total shareholders' equity	**2,525,706**	**2,109,853**	**2,455,930**	**2,235,509**
Total liabilities and shareholders' equity	**13,115,655**	**10,956,189**	**12,519,948**	**11,396,275**

Note: For the B/S section, Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,197.1 per USD 1 for FY 2021 and KRW 1,098.6 for FY 2020. For the I/S section, the applicable exchange rate was KRW 1,149.42 per USD 1 for FY 2021 and KRW 1,191.78 for FY 2020.

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

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Units: KRW million, USD thousand)

	FY 2021 (KRW)	FY 2021 (USD)	FY 2020 (KRW)	FY 2020 (USD)
Ⅰ. Operating revenue	**10,915,537**	**9,496,561**	**11,300,993**	**9,482,450**
1. Premium income	8,488,720	7,385,220	8,447,068	7,087,775
2. Reinsurance income	1,663,836	1,447,544	2,110,488	1,770,870
3. Expenses recovered	313,212	272,496	347,995	291,996
4. Interest income	154,232	134,182	153,433	128,743
5. Dividend income	85,527	74,409	29,097	24,415
6. Investment income from financial instruments	16,288	14,171	108,275	90,851
7. Other operating revenues	193,722	168,539	104,638	87,800
Ⅱ. Operating expenses	**10,712,020**	**9,319,501**	**11,108,734**	**9,321,126**
1. Insurance claims and benefits expenses	6,314,946	5,494,028	6,769,933	5,680,522
2. Reinsurance expenses	2,427,773	2,112,172	2,546,996	2,137,136
3. Provision for insurance contract liabilities	584,552	508,563	238,839	200,405
4. Operating and administrative expenses	1,135,275	987,694	1,209,348	1,014,741
5. Claim handling expenses	97,626	84,935	124,927	104,824
6. Asset management expenses	5,385	4,685	4,843	4,064
7. Interest expenses	226	197	265	222
8. Investment expenses from financial instruments	60,320	52,479	47,476	39,836
9. Other operating expenses	85,917	74,748	166,106	139,376
Ⅲ. Operating income	**203,517**	**177,060**	**192,259**	**161,324**
Ⅳ. Non-operating income	**545**	**474**	**995**	**835**
Ⅴ. Non-operating expenses	**3,497**	**3,042**	**3,001**	**2,518**
Ⅵ. Income before income taxes	**200,565**	**174,492**	**190,252**	**159,641**
Ⅶ. Income tax expenses	**47,218**	**41,080**	**48,201**	**40,445**
Ⅷ. Net income	**153,347**	**133,412**	**142,052**	**119,196**
Ⅸ. Other comprehensive income (loss)	**(29,729)**	**(25,864)**	**21,537**	**18,071**
Ⅹ. Total comprehensive income	**123,618**	**107,548**	**163,589**	**137,267**

Note: For the B/S section, Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,197.1 per USD 1 for FY 2021 and KRW 1,098.6 for FY 2020. For the I/S section, the applicable exchange rate was KRW 1,149.42 per USD 1 for FY 2021 and KRW 1,191.78 for FY 2020.

※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, 2021 and 2020

(Unit: KRW million)

	Capital stock	Capital surplus	Hybrid equity security	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total
As at January 1, 2020	**60,185**	**176,375**	**229,439**	**(60,579)**	**201,901**	**1,848,693**	**2,456,014**
Cash dividends	-	-	-	-	-	(57,435)	(57,435)
Acquisition of treasury stocks	-	-	-	(96,914)	-	-	(96,914)
Dividends of hybrid equity security	-	-	-	-	-	(9,325)	(9,325)
Redemption and issuance of hybrid equity security	-	-	-	23,427	-	(23,427)	-
Net income	-	-	-	-	-	142,052	142,052
Gain on valuation of available-for-sale financial assets	-	-	-	-	31,917	-	31,917
Exchange difference on translating foreign operations	-	-	-	-	(5,923)	-	(5,923)
Gain on valuation of derivative instruments designated as cash flow hedges	-	-	-	-	3,097	-	3,097
Loss on remeasurement of the net defined benefit liabilities	-	-	-	-	(7,554)	-	(7,554)
Total comprehensive income	**-**	**-**	**-**	**-**	**21,537**	**142,052**	**163,589**
As at December 31, 2020	**60,185**	**176,375**	**229,439**	**(134,066)**	**223,438**	**1,900,558**	**2,455,929**
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 security	-	-	-	-	-	(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**

Consolidated Statements of Changes in Equity (USD)

For the years ended December 31, 2021 and 2020

(Unit: USD thousand)

	Capital stock	Capital surplus	Hybrid equity security	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total
As at January 1, 2020	**50,276**	**147,335**	**191,662**	**(50,605)**	**168,658**	**1,544,310**	**2,051,636**
Cash dividends	-	-	-	-	-	(47,978)	(47,978)
Acquisition of treasury stocks	-	-	-	(80,957)	-	-	(80,957)
Dividends of hybrid equity security	-	-	-	-	-	(7,790)	(7,790)
Redemption and issuance of hybrid equity security	-	-	-	19,570	-	(19,570)	-
Net income	-	-	-	-	-	118,663	118,663
Gain on valuation of available-for-sale financial assets	-	-	-	-	26,662	-	26,662
Exchange difference on translating foreign operations	-	-	-	-	(4,948)	-	(4,948)
Gain on valuation of derivative instruments designated as cash flow hedges	-	-	-	-	2,587	-	2,587
Loss on remeasurement of the net defined benefit liabilities	-	-	-	-	(6,310)	-	(6,310)
Total comprehensive income	**-**	**-**	**-**	**-**	**17,991**	**118,663**	**136,654**
As at December 31, 2020	**50,276**	**147,335**	**191,662**	**(111,992)**	**186,649**	**1,587,635**	**2,051,565**
As at January 1, 2021	**50,276**	**147,335**	**191,662**	**(111,992)**	**186,649**	**1,587,635**	**2,051,565**
Cash dividends	-	-	-	-	-	(38,444)	(38,444)
Dividends of hybrid equity security	-	-	-	-	-	(6,532)	(6,532)
Net income	-	-	-	-	-	128,099	128,099
Loss on valuation of available-for-sale financial assets	-	-	-	-	(47,750)	-	(47,750)
Exchange difference on translating foreign operations	-	-	-	-	19,537	-	19,537
Loss on valuation of derivative instruments designated as cash flow hedges	-	-	-	-	(2,165)	-	(2,165)
Gain on remeasurement of the net defined benefit liabilities	-	-	-	-	5,544	-	5,544
Total comprehensive income	**-**	**-**	**-**	**-**	**(24,834)**	**128,099**	**103,265**
As at December 31, 2021	**50,276**	**147,335**	**191,662**	**(111,992)**	**161,815**	**1,670,758**	**2,109,853**

Note: Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,098.60 per USD 1.

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

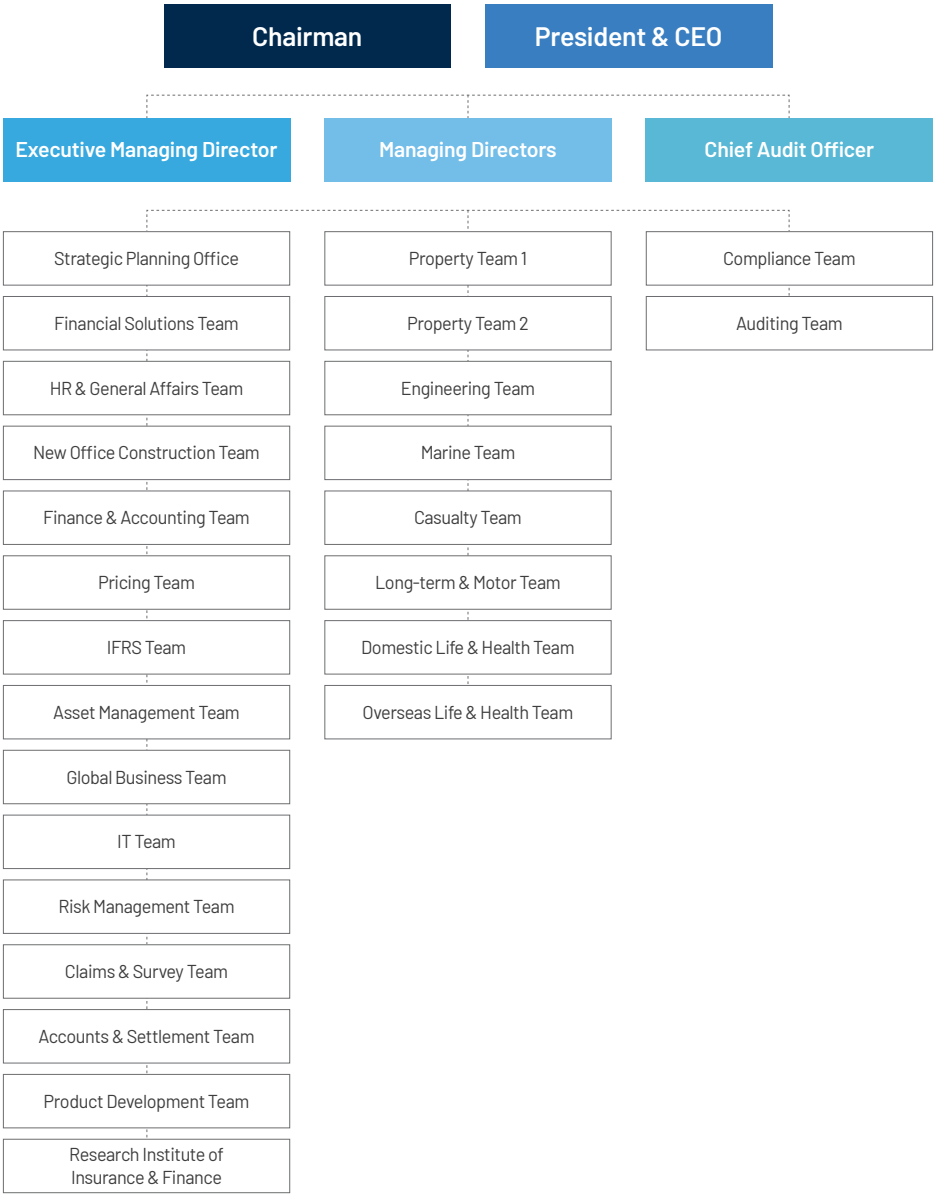
(Units: KRW million, USD thousand)

	FY 2021 (KRW)	FY 2021 (USD)	FY 2020 (KRW)	FY 2020 (USD)
Ⅰ. Cash flows from operating activities	**637,946**	**532,910**	**517,496**	**471,052**
1. Income before income taxes	153,347	128,099	142,052	129,303
2. Cash generated from operations	295,160	246,563	190,378	173,291
3. Receipt of interest	159,566	133,294	161,898	147,368
4. Payment of interest	(318)	(266)	(352)	(320)
5. Receipt of dividends	85,526	71,444	29,097	26,486
6. Refund(payment) of income taxes	(55,335)	(46,224)	(5,577)	(5,076)
Ⅱ. Cash flows from investing activities	**(573,836)**	**(479,355)**	**(234,510)**	**(213,462)**
1. Cash inflows	848,182	708,531	1,412,784	1,285,986
2. Cash outflows	(1,422,018)	(1,187,886)	(1,647,294)	(1,499,448)
Ⅲ. Cash flows from financing activities	**(56,881)**	**(47,515)**	**(168,449)**	**(153,330)**
1. Cash inflows	117	98	237	216
2. Cash outflows	(56,998)	(47,613)	(168,686)	(153,546)
Ⅳ. Net increase(decrease) in cash and cash equivalents (Ⅰ+Ⅱ+Ⅲ)	**7,229**	**6,039**	**114,538**	**104,259**
Ⅴ. Effects of changes in foreign exchange rates on cash and cash equivalents	**110**	**92**	**(3,046)**	**(2,773)**
Ⅵ. Cash and cash equivalents at the beginning of the year	**471,608**	**393,959**	**360,117**	**327,796**
Ⅶ. Cash and cash equivalents at the end of year	**478,947**	**400,089**	**471,608**	**429,281**

Note: For the B/S section, Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,197.1 per USD 1 for FY 2021 and KRW 1,098.6 for FY 2020. For the I/S section, the applicable exchange rate was KRW 1,149.42 per USD 1 for FY 2021 and KRW 1,191.78 for FY 2020.

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

Organization



Global Network

Head Office

68 Jongno 5 Gil, Jongno-Gu, Seoul,
03151, Korea
Tel (822) 3702-6000
Fax (822) 739-3754
http://www.koreanre.co.kr

Overseas Branches and Offices

Singapore Branch

8 Cross Street, #09-02/03,
Manulife Tower, Singapore 048424
Tel (65) 6227-6411
Fax (65) 6227-2778
Email singapore@koreanre.co.kr

Labuan Branch

Brighton Place, Lot U0213-U0215,
Jalan Bahasa 87000 Labuan F.T. Malaysia
Tel (65) 6227-6411
Fax (65) 6227-2778
Email singapore@koreanre.co.kr

DIFC Branch

Office 1102B, Level11,
The Gate-East, DIFC, PO Box 506869, Dubai, UAE
Tel (971) 4-355-5028
Fax (971) 4-355-0788
Email dubai@koreanre.co.kr

Shanghai Branch

4702 Jinmao Tower, 88 Century Avenue,
Pudong New Area, Shanghai, China P.C. 200121
Tel (8621) 5888-7879
Email shanghai@koreanre.co.kr



London Liaison Office

Room No.703, Gallery 7 of Lloyd's
1986 B/D, One Lime Street, London EC3M 7HA, UK
Tel (4420) 7265-0031
Fax (4420) 7481-8412
Email london@koreanre.co.kr

Tokyo Liaison Office

Marunouchi Mitsui Building 5th Fl. No 508, 2-2-2
Marunouchi, Chiyoda-ku, Tokyo, Japan
Tel (813) 3201-1673
Fax (813) 3201-5585
Email tokyo@koreanre.co.kr

New York Liaison Office

295 Madison Avenue, Suite 1808,
New York, NY 10017, U.S.A.
Tel (1212) 233-3252/3
Fax (1212) 349-0210
Email newyork@koreanre.co.kr



Beijing Liaison Office

UNIT 10F-A2, Merchants Tower, Jianguo Road No 118,
Chaoyang District, Beijing 100022, China
Tel (8610) 6590-6276/6277
Fax (8610) 6590-6278
Email beijing@koreanre.co.kr

Bogotá Liaison Office

Carrera 9 No. 77 - 67 Oficina 406 - Edificio Torre Unika,
Bogotá D.C. - Colombia
Tel (5760) 1746-4521
Email bogota@koreanre.co.kr

Subsidiaries

Korean Re Underwriting Ltd.

Room No.703, Gallery 7 of Lloyd's
1986 B/D, One Lime Street, London EC3M 7HA, UK
Tel (4420) 7265-0031
Fax (4420) 7481-8412
Email london@koreanre.co.kr

Worldwide Insurance Services, Ltd.

Suite 3606, 36/F, Central Plaza 18 Harbour Road,
Wanchai, Hong Kong
Tel (852) 2877-3117/3127
Fax (852) 2877-2019
Email mailbox@wis.com.hk

Korean Reinsurance Switzerland AG

Brandschenkestrasse 47, 8002 Zürich, Switzerland
Tel (410) 43 336 2060
Fax (410) 43 336 2061
Email info@koreanre.ch
https://www.koreanre.ch

KoreanRe Insurance Services, Inc.

1 Bridge Plaza N, Suite 675, Fort Lee, NJ 07024, U.S.A.
Tel (1201) 998-4071
Email company@kris.koreanre.com

KOREAN RE

Korean Reinsurance Company
68 Jongno 5 Gil (Susong-dong), Jongno-gu, Seoul 03151, Korea
Tel: (822) 3702-6000 Fax: (822) 739-3754 www.koreanre.co.kr

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