

Press Release

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Insurance Companies' Risk-based Capital Ratios, December 2019

The risk-based capital ratios (actual solvency capital divided by the minimum solvency capital required) of domestic insurance companies at the end of December 2019 stood at 269.5%, down 17.4%p from 286.9% three months earlier.

Figure. Insurance Companies' RBC Ratio

(In percentage)

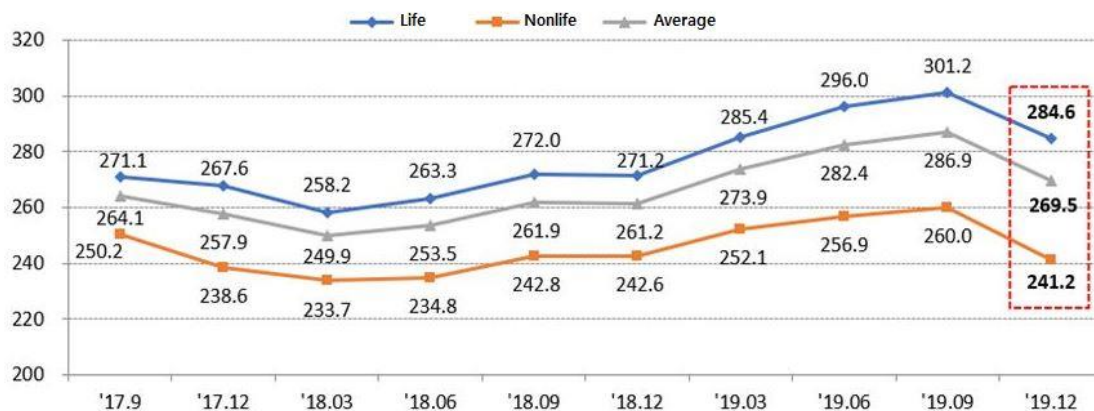


Table. Insurance Companies' RBC Ratio, December 2019

(In trillions of KRW, percentage)

| | Sep 2019 | | | Dec 2019 | | |
|-----------------------------|--------------|-------------|--------------|--------------|-------------|--------------|
| | SC | SCR | Ratio | SC | SCR | Ratio |
| Life insurance companies | 109.8 | 36.5 | 301.2 | 107.5 | 37.8 | 284.6 |
| Nonlife insurance companies | 50.6 | 19.4 | 260.0 | 48.8 | 20.2 | 241.2 |
| Total | 160.4 | 55.9 | 286.9 | 156.4 | 58.0 | 269.5 |

In the October-to-December period, the insurance companies' other comprehensive income decreased KRW2.7 trillion and cash dividends for stockholders of KRW1.9 trillion were reflected in the calculation. Accordingly, solvency capital (SC) decreased KRW4.0 trillion from three months earlier.



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Meanwhile, for the three months to December of 2019, credit risk and market risk amount grew KRW1.9 trillion, which contributed to increasing the solvency capital requirement (SCR) by KRW2.1 trillion from three months earlier.

The RBC ratios of life and nonlife insurance companies were seen at 269.5% as of end-December 2019, well above the regulatory minimum of 100% specified by the Insurance Business Act. Insurance companies will be encouraged to improve financial stability in a preemptive manner by boosting and strengthening the crisis situation analysis.

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