



Press Release

For release at noon, May 26, 2020

Preliminary Earnings of Insurance Companies, First Quarter 2020

Insurance companies' preliminary net income for the first three months of 2020 came to KRW1.4662 trillion, down KRW516.5 billion or 26.1% from the same period a year ago. Net income for life insurance companies decreased by KRW485.6 billion or 38.4% to KRW778.2 billion. Also, nonlife insurance companies' net income fell KRW30.9 billion or 4.3% to KRW688.0 billion from a year ago.

When it came to life insurers, falling stock prices drove guarantee reserves to increase by KRW1.9735 trillion and this greatly contributed to having insurance income decrease by KRW2.1183 trillion. In case of nonlife insurance firms, insurance income shrank KRW277.5 billion from a year ago because the number of accident cases incurring large losses increased regarding general insurance as well as business expenses relative to long-term insurance expanded.

Table 1. Net Income of Insurance Companies, First Quarter 2020*

	Q1 2019	Q1 2020
		(In billions of KRW)
Life insurance companies	1,263.8	778.2
Insurance income (after policy reserves)	-5,786.0	-7,904.3
Investment income	6,256.6	7,834.1
Other incomes	1,137.7	1,052.0
Nonlife insurance companies	718.9	688.0
Insurance income	-1,061.3	-1,338.8
Investment income	2,066.6	2,316.4
Other incomes	-22.7	-32.6
Total	1,982.7	1,466.2

*The figures on Q1 2020 are preliminary as of the release date and subject to change.

Insurance companies' premium income for the first quarter 2020 totaled KRW50.3718 trillion, up KRW2.9953 trillion or 6.3% from a year earlier. Of the total, KRW26.4456 trillion came from life insurers, whose sales of savings-type and protection-type insurance policies grew by KRW76.4 billion and KRW488.5 billion, respectively. Retirement pension insurance increased KRW528.3 billion as well. By contrast, variable life insurance decreased by KRW102.3 billion.



When it came to nonlife insurance companies, premium income came to KRW23.9262 trillion, up KRW2.0044 trillion or 9.1% from a year ago. Increases in direct written premium ranged 6.1% and 17.6% as a whole.

Table 2. Premium Income of Insurance Companies, First Quarter 2020¹

	Q1 2019	Q1 2020
		(In billions of KRW)
Life insurance companies	25,454.7	26,445.6
Savings-type insurance	8,089.9	8,166.3
Protection-type insurance	10,646.6	11,135.1
Variable life insurance	4,409.4	4,307.1
Retirement pension and others	2,308.8	2,837.1
Nonlife insurance companies ²	21,921.8	23,926.2
Long-term insurance	12,968.3	13,762.7
Auto insurance	4,257.2	4,666.8
General insurance	2,511.9	2,928.7
Retirement pension and others	2,184.4	2,568.0
Total	47,376.5	50,371.8

¹The figures on Q1 2020 are preliminary as of the release date and subject to change.

²Premium income of nonlife insurance companies was based on direct written premium.

Overall profitability has worsened compared with the previous year. The return on assets (ROA) was seen at 0.47%, down 0.21%p from a year earlier. Furthermore, the return on equity (ROE) also declined 2.31%p, standing at 4.57%.

Aggregate assets at the end of March 2020 came to KRW1,241.8249 trillion, up KRW61.4156 trillion or 5.2% from a year earlier. In addition, shareholders' equity also expanded KRW8.2115 trillion or 6.9% to KRW126.5010 trillion as of end of March, 2019

Table 3. ROA and ROE of Insurance Companies, First Quarter 2020*

	Q1 2019	Q1 2020
		(In percentage)
Return on assets	0.68	0.47
Life insurance companies	0.58	0.34
Nonlife insurance companies	0.96	0.85
Return on equity	6.88	4.57
Life insurance companies	6.62	3.64
Nonlife insurance companies	7.40	6.44

*The figures on Q1 2020 are preliminary as of the release date and subject to change.

Table 4. Total Assets and Shareholders' Equity of Insurance Companies, March 2020*

	March 2019	March 2020
		(In billions of KRW)
Total assets	1,180,409.3	1,241,824.9
Life insurance companies	876,293.2	915,915.3
Nonlife insurance companies	304,116.1	325,909.6
Shareholders' equity	118,289.5	126,501.0
Life insurance companies	78,744.7	84,022.7
Nonlife insurance companies	39,544.8	42,478.3

*The figures on Q1 2020 are preliminary as of the release date and subject to change.



Financial Supervisory Service
www.fss.or.kr

###

Contact Person:

Park Mi-Kyung
Head of Public Relations Team
Public Affairs Department
Financial Supervisory Service
Tel: +82-2-3145-5803
Fax: +82-2-3145-5808
E-mail: pmk620@fss.or.kr