



## Press Release

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### Preliminary Earnings of Insurance Companies, 2016

Insurance companies' preliminary net income for the year of 2016 came to KRW6.161 trillion, down KRW143.6 billion or 2.3% from KRW6.305 trillion a year earlier. Net income of life insurance companies dropped KRW896.5 billion or 25.0%, coming to KRW2.693 trillion. By contrast, nonlife insurers gained 27.7% more than the same period a year earlier, reporting net income of KRW3.468 trillion.

When it comes to life insurance companies, an increase in claims paid exceeded an increase in premium income. This contributed to expanding losses on insurance income, causing the decline in life insurers' net income. Meanwhile, nonlife insurers' earnings improved mainly because a better loss ratio came to reduce losses on auto insurance, while insurance revenue grew due to increasing loans.

**Table 1. Net Income of Insurance Companies, 2016**

	2014	2015	2016
			(In billions of KRW)
<b>Life insurance companies</b>	<b>3,237.0</b>	<b>3,589.8</b>	<b>2,693.3</b>
Insurance income (after policy reserves)	-20,996.5	-20,924.4	-22,079.9
Investment income	21,564.4	21,412.1	21,429.1
Other incomes	3,476.4	3,871.9	4,091.6
<b>Nonlife insurance companies</b>	<b>2,330.3</b>	<b>2,715.2</b>	<b>3,468.1</b>
Insurance income	-2,512.0	-2,818.0	-2,037.2
Investment income	5,741.9	6,341.3	6,740.3
Other incomes	-164.2	48.0	-207.0
<b>Total</b>	<b>5,567.3</b>	<b>6,305.0</b>	<b>6,161.4</b>

Premium income for 2016 totaled KRW195.156 trillion, up KRW5.588 or 2.9% from KRW189.568 trillion a year earlier. Of the year total, KRW119.794 trillion came from life insurance companies, whose sales in protection-type insurance products and retirement pension grew despite a decline in sales of savings-type insurance policies. In terms of nonlife insurers, premium income came to KRW75.362 trillion with an 11.0% increase in auto insurance premium and steadily growing general, long-term nonlife insurance policies.



**Table 2. Premium Income of Insurance Companies, 2016**

	(In billions of KRW)		
	2014	2015	2016
Life insurance companies	110,575.3	117,213.7	<b>119,794.1</b>
Protection-type insurance	33,867.1	36,716.1	<b>39,330.9</b>
Savings-type insurance	44,215.1	46,155.5	<b>44,338.6</b>
Retirement pension and others	32,493.1	34,342.1	<b>36,124.5</b>
Nonlife insurance companies	68,909.0	72,354.1	<b>75,361.6</b>
General nonlife insurance	7,841.0	8,405.5	<b>8,962.1</b>
Auto insurance	12,857.0	14,099.4	<b>15,656.0</b>
Long-term nonlife insurance	47,850.6	49,849.1	<b>50,743.5</b>
<b>Total</b>	<b>179,484.3</b>	<b>189,567.8</b>	<b>195,155.7</b>

Aggregate assets at the end of December 2016 came to KRW1,033.575 trillion, up KRW82.619 trillion or 8.7% from the same period a year earlier. Shareholders' equity also grew by KRW4.847 or 5.2% to KRW98.272 trillion. Increases in earnings and valuation gains of available-for-sale securities contributed to the growth of shareholders' equity. However, overall profitability somewhat worsened. Return on assets fell from 0.70% to 0.62%, and return on equity from 7.03% to 6.43%.

**Table 3. Total Assets and Shareholders' Equity of Insurance Companies, 2016**

	(In billions of KRW)		
	2014	2015	2016
Total assets	862,382.8	950,956.1	<b>1,033,574.8</b>
Life insurance companies	662,075.2	724,901.3	<b>781,796.5</b>
Nonlife insurance companies	200,307.6	226,054.8	<b>251,778.3</b>
Shareholders' equity	86,018.4	93,424.8	<b>98,271.8</b>
Life insurance companies	59,139.2	64,010.0	<b>66,073.1</b>
Nonlife insurance companies	26,879.2	29,414.8	<b>32,198.7</b>

**Table 4. ROA and ROE of Insurance Companies, 2016**

	(In percent)		
	2014	2015	2016
Return on assets	0.68	0.70	<b>0.62</b>
Life insurance companies	0.51	0.52	<b>0.36</b>
Nonlife insurance companies	1.26	1.28	<b>1.45</b>
Return on equity	7.02	7.03	<b>6.43</b>
Life insurance companies	5.92	5.83	<b>4.14</b>
Nonlife insurance companies	9.46	9.68	<b>11.26</b>



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