



Press Release

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Preliminary Earnings of Insurance Companies, First Half 2021

Insurance companies' preliminary net income for the first half of 2021 came in at KRW5.6770 trillion, up KRW1.8887 trillion or 49.9% from a year earlier.

Net income for life insurance companies increased 51.8% year on year to KRW3.1468 trillion. Compared to the same period a year ago, insurance income improved due to stock market gains and higher interest rates as well as less business expenses. Investment income, however, decreased as FX/derivatives income shrank.

When it came to nonlife insurance companies, net income increased by 47.5% to KRW2.5302 trillion in the first six months. In particular, insurance income expanded based on better loss ratios and base effect of the accident cases incurring large losses (including Lotte Chemical plant explosion in March, 2020). However, investment income slid as higher interest rates resulted in shrinking gains on disposition of financial assets.

Table 1. Net Income of Insurance Companies, First Half 2021*

	H1 2020	H1 2021
		(In billions of KRW)
Life insurance companies	2,072.7	3,146.8
Insurance income (after policy reserves)	-12,658.7	-10,336.9
Investment income	13,201.9	12,510.8
Other incomes	2,100.1	1,870.3
Nonlife insurance companies	1,715.6	2,530.2
Insurance income	-2,099.7	-935.6
Investment income	4,497.2	4,404.5
Other incomes	-66.6	-17.3
Total	3,788.3	5,677.0

*The figures on H1 2021 are preliminary as of the release date and subject to change.

Insurance companies' premium income for the first six months of 2021 totaled KRW105.2 trillion, up KRW3.2 trillion or 3.2% from the same period a year earlier.

Of the total, KRW55.6886 trillion came from life insurance companies, whose sales of variable life insurance jumped 10.9% as well as savings-type insurance policy increased 2.8% year on year. Protection-type insurance policy grew 2.8% as well, but retirement pension decreased 7.9% from a year ago.

As for nonlife insurance companies, premium income came in at KRW49.5114 trillion in the first half, up KRW1.6979 trillion or 3.6% from a year ago. Sales of general insurance expanded 9.4% year on year. Also, auto insurance and long-term insurance policies grew 5.0% and 5.3%, respectively. However, retirement pension declined 15.8%.



Table 2. Premium Income of Insurance Companies, First Half 2021¹

	H1 2020	H1 2021
		(In billions of KRW)
Life insurance companies	54,162.0	55,688.6
Savings-type insurance	17,141.2	17,628.6
Protection-type insurance	22,331.6	22,962.1
Variable life insurance	8,336.5	9,244.6
Retirement pension and others	6,352.7	5,853.3
Nonlife insurance companies ²	47,813.5	49,511.4
Long-term insurance	27,610.4	29,064.1
Auto insurance	9,637.1	10,117.7
General insurance	5,681.0	6,214.6
Retirement pension and others	4,885.0	4,115.0
Total	101,975.5	105,200.0

¹The figures on H1 2021 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 improved compared to the previous year. Return on assets (ROA) has risen 0.26%p to 0.86% for the first half of 2021. In addition, return on equity (ROE) jumped 2.42%p to 8.14% year on year.

As of end-June 2021, aggregate assets of the insurance companies came in at KRW1,331.8 trillion, up KRW10.5 trillion from the end of December 2020. However, shareholders' equity decreased KRW7.7 trillion or 5.3% to KRW135.6 trillion as higher interest rates made a dent in valuation gains of loans receivables.

Table 3. ROA and ROE of Insurance Companies, First Half 2021*

	H1 2020	H1 2021
		(In percentage)
Return on assets	0.60	0.86
Life insurance companies	0.45	0.64
Nonlife insurance companies	1.05	1.46
Return on equity	5.72	8.14
Life insurance companies	4.68	6.76
Nonlife insurance companies	7.81	10.93

*The figures on H1 2021 are preliminary as of the release date and subject to change.

Table 4. Total Assets and Shareholders' Equity of Insurance Companies, June 2021*

	Dec 2020	Jun 2021
		(In billions of KRW)
Total assets	1,321,379.4	1,331,831.0
Life insurance companies	977,283.6	980,166.7
Nonlife insurance companies	344,095.8	351,664.3
Shareholders' equity	143,302.8	135,648.8
Life insurance companies	96,623.0	89,715.7
Nonlife insurance companies	46,679.8	45,933.1

*The figures on June 2021 are preliminary as of the release date and subject to change.

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