



## Press Release

For release at noon, November 25, 2021

### Preliminary Earnings of Insurance Companies, September 2021

Insurance companies' preliminary net income for the year to September of 2021 came in at KRW7.6305 trillion, up KRW2.0731 trillion or 37.3% from the same period a year ago.

Net income for life insurance companies grew 17.8% year on year to KRW3.6915 trillion. Insurance income improved compared to a year ago as business expenses decreased and the burden of guarantee reserves came to be eased. By contrast, investment income decreased mainly because interest revenues and gains on disposition of financial assets shrank from a year earlier.

When it came to nonlife insurance companies, net income increased 62.6% to KRW3.9390 trillion in the January-to-September period. During the period, loss ratios of auto and long-term insurances declined in the wake of the Covid-19 as well as that of general insurance fell because the number of accident cases incurring large losses fell. This contributed to generating greater investment income.

**Table 1. Net Income of Insurance Companies, September 2021\***

	Jan-Sep 2020	Jan-Sep 2021
(In billions of KRW)		
Life insurance companies	3,134.2	<b>3,691.5</b>
Insurance income (after policy reserves)	-17,637.8	<b>-16,621.4</b>
Investment income	18,569.3	<b>18,505.0</b>
Other incomes	3,126.0	<b>2,854.9</b>
Nonlife insurance companies	2,423.2	<b>3,939.0</b>
Insurance income	-3,182.5	<b>-1,259.8</b>
Investment income	6,604.0	<b>6,644.8</b>
Other incomes	-107.1	<b>-35.7</b>
<b>Total</b>	<b>5,557.4</b>	<b>7,630.5</b>

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

Insurance companies' premium income for the year to September totaled KRW155.6 trillion, up KRW3.2 trillion or 2.1% from the same period a year earlier.

Of the total, KRW82.2417 trillion came from life insurance companies, whose sales of variable life insurance and protection-type insurance increased by 9.6% and 2.4%, respectively, from a year ago. By contrast, retirement pension decreased 5.4% and savings-type insurance 3.2% as well from the same period a year ago.



As for nonlife insurance companies, premium income came in at KRW73.3878 trillion in the January-to-September period of 2021, up KRW2.4994 trillion or 3.5% from a year ago. Sales of long-term insurance grew 5.3% as well as general insurance sales expanded by 8.9% year on year. In addition, auto insurance jumped 3.8% too. However, retirement pension declined 15.2% from a year ago.

**Table 2. Premium Income of Insurance Companies, September 2021<sup>1</sup>**

	Jan-Sep 2020	Jan-Sep 2021
(In billions of KRW)		
Life insurance companies	81,540.2	<b>82,241.7</b>
Savings-type insurance	26,659.2	<b>25,795.9</b>
Protection-type insurance	33,593.2	<b>34,390.0</b>
Variable life insurance	12,803.6	<b>14,033.9</b>
Retirement pension and others	8,484.2	<b>8,022.0</b>
Nonlife insurance companies <sup>2</sup>	70,888.4	<b>73,387.8</b>
Long-term insurance	41,684.2	<b>43,897.7</b>
Auto insurance	14,601.6	<b>15,149.7</b>
General insurance	8,110.1	<b>8,834.3</b>
Retirement pension and others	6,492.4	<b>5,506.1</b>
<b>Total</b>	<b>152,428.6</b>	<b>155,629.5</b>

<sup>1</sup>The figures on September 2021 are preliminary as of the release date and subject to change.

<sup>2</sup>Premium income of nonlife insurance companies was based on direct written premium.

Overall profitability has improved compared to the same period a year ago. Return on assets (ROA) has risen 0.18%p to 0.77% for the year to September. In addition, return on equity (ROE) increased 1.88%p to 7.33% year on year.

As of end-September 2021, aggregate assets of the insurance companies came in at KRW1,338.3 trillion, up KRW16.9 trillion or 1.3% from the end of December 2020. The growth was attributable to an increase in assets under management. However, shareholders' equity decreased KRW8.9 trillion or 6.2% to KRW134.4 trillion as higher interest rates made a dent in valuation gains of loans receivables.

**Table 3. ROA and ROE of Insurance Companies, September 2021<sup>\*</sup>**

	Jan-Sep 2020	Jan-Sep 2021
(In percentage)		
Return on assets	0.59	<b>0.77</b>
Life insurance companies	0.45	<b>0.50</b>
Nonlife insurance companies	0.98	<b>1.50</b>
Return on equity	5.45	<b>7.33</b>
Life insurance companies	4.58	<b>5.35</b>
Nonlife insurance companies	7.23	<b>11.20</b>

<sup>\*</sup>The figures on September 2021 are preliminary as of the release date and subject to change.



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

	Dec 2020	Sep 2021
Total assets	1,321,379.4	<b>1,338,327.9</b>
Life insurance companies	977,283.6	<b>980,444.0</b>
Nonlife insurance companies	344,095.8	<b>357,883.9</b>
Shareholders' equity	143,302.8	<b>134,356.0</b>
Life insurance companies	96,623.0	<b>87,262.1</b>
Nonlife insurance companies	46,679.8	<b>47,093.9</b>

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