Challenge Ourselves,
Change the World

Annual Report

2024

KOREAN Re

Financial Highlights

	2024 (KRW billion)	2024 (USD million)	2023 (KRW billion)	2023 (USD million)
For the Year				
Insurance Revenue (gross) [1]	**5,136.6**	**3,753.6**	5,167.6	3,916.6
Insurance Service Result (net)	**198.7**	**145.2**	206.2	156.3
Insurance Finance Result (net) [2]	**-183.5**	**-134.1**	-114.3	-86.6
Technical Result [2]	**15.2**	**11.1**	91.9	69.7
Investment Income [3]	**389.3**	**284.5**	263.8	200.0
Net Income	**316.7**	**231.4**	283.9	215.1
At the Year End				
Total Assets	**13,160.4**	**8,865.8**	12,066.3	9,267.5
Invested Assets	**10,834.1**	**7,298.6**	9,733.7	7,475.9
Insurance Contract Liabilities	**9,103.3**	**6,132.7**	8,174.7	6,278.6
Contractual Service Margin (net)	**953.0**	**642.0**	828.8	636.5
Total Shareholders' Equity	**3,452.9**	**2,326.1**	3,252.9	2,498.4
Financial Metrics				
Solvency Margin Ratio (K-ICS Ratio [4])	**191.7%**		183.2%	
Combined Ratio [5]	**94.7%**		94.3%	
Return on Assets (ROA)	**2.5%**		2.5%	
Return on Equity (ROE)	**9.4%**		9.5%	
Payout Ratio	**28.7%**		28.0%	
Earnings per Share (EPS) [6]	**KRW 1,556**	**USD 1.14**	KRW 1,379	USD 1.05

* All figures are based on K-IFRS and the Consolidated Financial Statements of Korean Re. The conversion from KRW to USD is shown here for information purposes only.

1) Income from insurance contracts issued

2) Excluding exchange rate effects

3) Excluding the insurance finance result and gain/losses from foreign exchange and interest rate hedging for insurance liabilities

4) The ratio refers to the solvency margin ratio under the Korean Insurance Capital Standard (K-ICS).

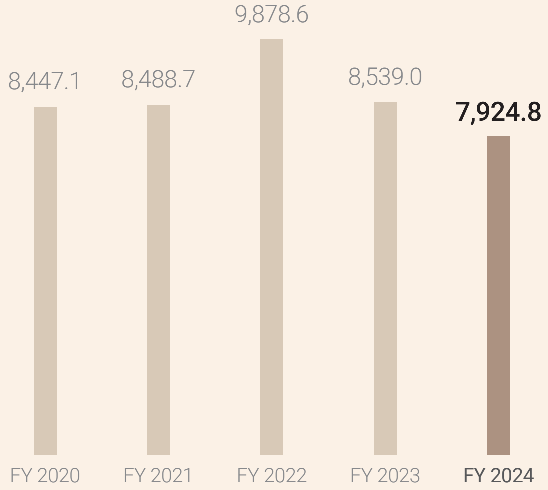
5) The combined ratio is calculated as insurance service expenses (net) divided by insurance revenue (net). The 2023 figure has been restated due to a change in the calculation method.

6) In 2023 and 2024, Korean Re issued bonus shares to its shareholders. To ensure a valid comparison of earnings per share (EPS), the weighted average shares outstanding have been adjusted to include the bonus shares. The EPS for the year ended December 31, 2024, and the comparative prior period presented have been restated to reflect this adjustment.

This content is available online as a summary video.

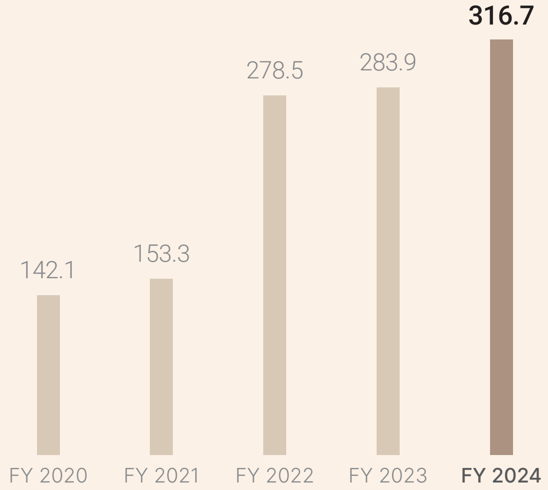
Gross Written Premiums

(Unit: KRW billion)



Net Income

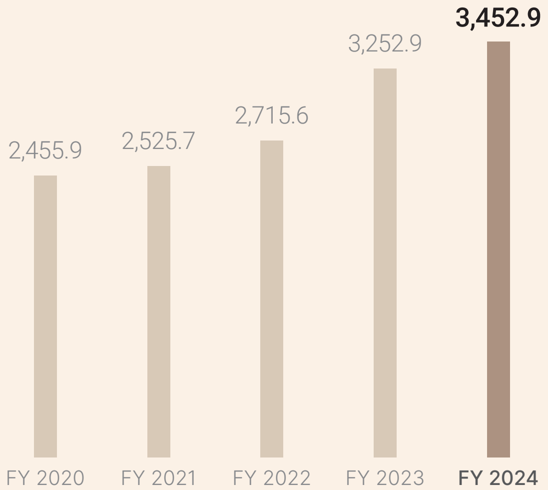
(Unit: KRW billion)



* The 2024, 2023, and 2022 figures are based on IFRS 17 and 9, while the rest are based on IFRS 4 and IAS 39.

Total Shareholders' Equity

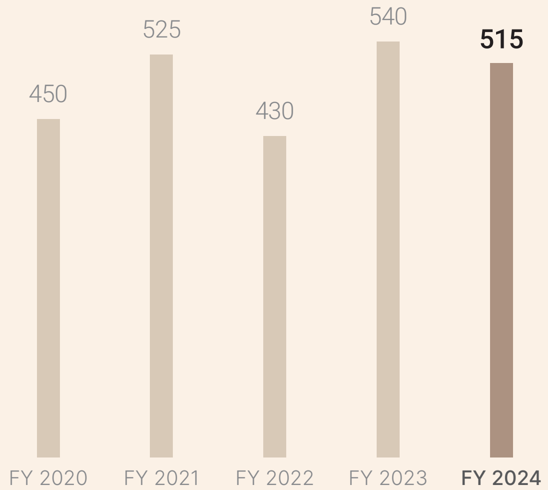
(Unit: KRW billion)



* The 2024, 2023, and 2022 figures are based on IFRS 17 and 9, while the rest are based on IFRS 4.

Dividend per Share

(Unit: KRW)



Financial Strength Ratings

A Stable

AM Best (2024)

A Positive

S&P (2024)

ROE

9.4 %

(2024)

Contents

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www.koreanre2024.annualreport.kr

Challenge Ourselves,
Change the World

In 2024, Korean Re continued to build on its strong track record of excellence in the reinsurance industry. Following our 60^{th} anniversary milestone in 2023, we remained steadfast in our commitment to profitable growth. Over the past 60-plus years, we have successfully navigated evolving market landscapes, leveraging our expertise to adapt and thrive. As we move forward, we reaffirm our dedication to challenging ourselves and making a meaningful impact on the world by constantly seeking internal innovation in a manner that increases our positive influence on the world around us.

Korean Re, the one and only Korean professional reinsurer, started its operations in 1963. Today, we not only deal with most traditional lines of reinsurance business, including property, engineering, marine, casualty, motor, life, and health, but also offer non-traditional reinsurance solutions.

We have grown from a small local reinsurer to one of the leading players not only in Asia but also around the world. We would not be where we are now without constantly challenging ourselves to expand into new markets across the world. This undertaking to explore global markets led us to a point where 42.4% of our business came from overseas in terms of insurance revenue under IFRS 17 in 2024. Currently, Korean Re has a strong overseas presence around the world, with four subsidiaries, four branches, and three offices.

In our continuous pursuit of operational excellence, we have dedicated our efforts to refine our organizational structure, with the aim of maximizing resource efficiency and performance. An effectively organized structure provides a business and its employees with the environment and resources they need to perform at their very best every day, contributing to value creation for the organization, its employees, and all stakeholders involved.

Our slogan, “Challenge Ourselves, Change the World,” guides us to pursue our corporate vision, driving us to become a global top-tier reinsurer. We believe that by challenging ourselves, we can create positive changes that will ripple outwards and impact the world in meaningful ways. We know that driving change and innovation demands perseverance and determination, and we are poised to eagerly embrace these challenges. We look forward with great excitement to the opportunities and achievements that lie ahead of us down the road.

Message from the CEO

In 2024, Korean Re remained committed to strengthening our profit fundamentals, enhancing risk management, and optimizing our portfolio. These efforts led to outstanding financial results for the year. As we strategically capitalized on the hard market conditions caused by frequent natural catastrophes, we delivered record-high earnings for the second consecutive year. Another key driver behind this robust profitability was an improvement in our international business results in spite of major natural catastrophes, such as floods in Dubai and significant loss creep related to the 2023 hailstorm in Italy.

We are pleased to report that our net income reached KRW 316.7 billion in 2024, exceeding our target level. Total assets grew by KRW 1,094.1 billion year on year to KRW 13,160.4 billion, while invested assets increased by KRW 1,100.4 billion to KRW 10,834.1 billion, successfully meeting our financial targets. In light of these strong results, we have declared a dividend payout ratio of about 30% after gaining approval from the Board of Directors and general shareholders' meeting. Moving forward, we remain committed to a consistent dividend policy to enhance shareholder value and reward investor confidence.

While our financial performance was strong, the business environment was not easy. In particular, insured losses from natural disasters have continued to rise globally. In 2024, economic losses from natural disasters worldwide reached USD 320 billion, with 93% attributed to weather-related events. Insured losses exceeded USD 140 billion, marking the third-highest level since 1980. Climate change presents both risks and opportunities for the reinsurance industry, making predictive analytics and risk management critical for future growth.

Additionally, as the reinsurance pricing cycle has likely passed its peak and entered into a soft market phase, we expect competitive pressures to increase across many markets in the coming year.

In 2025, we will continue to reinforce our core strengths while advancing our expertise in risk management to better navigate natural catastrophe risks and other emerging challenges. Utilizing sophisticated risk assessment tools such as catastrophe (CAT) models, we will further refine our ability to forecast large-scale disasters and manage potential losses. Our commitment to climate risk management will also enable us to provide our clients with stable and sustainable solutions.

Furthermore, we are strengthening our ESG initiatives to drive long-term sustainable growth. Since 2022, we have embedded ESG principles into our operations, establishing a strong foundation for sustainable management. In 2023, our ESG Committee defined clear improvement objectives and published a strategic roadmap. These efforts were recognized in 2024 when Korean Re received an upgraded rating of A+ (Highly Outstanding) in the Social (S) category from the Korea Institute of Corporate Governance and Sustainability, while maintaining an overall ESG rating of A. We firmly believe that long-term business success must go hand in hand with sustainability, and we are committed to positioning Korean Re as a leader in ESG.

A significant milestone for this year is our head office relocation, as we prepare for a major redevelopment project. While we are temporarily moving out of the head office building that has been our home for nearly four decades since 1985, this transformation marks the beginning of an exciting new era. Our new headquarters will be an eco-friendly, cutting-edge building, designed to reduce carbon emissions, enhance connectivity with the community, and incorporate state-of-the-art smart office features. We are excited to embark on this new chapter and greatly appreciate your continued support and encouragement throughout this transition.

As the only reinsurance company in Korea backed by domestic capital, we take immense pride in leading the advancement of risk management practices and establishing ourselves as a global top-tier reinsurer. Although challenges undoubtedly lie ahead, we are prepared to meet them with resilience and adaptability.

I extend my deepest gratitude to our shareholders for your unwavering support and trust. I wish you and your loved ones a healthy and prosperous year ahead, and look forward to your continued partnership with Korean Re.

Thank you.

Jong-Gyu Won
President and CEO

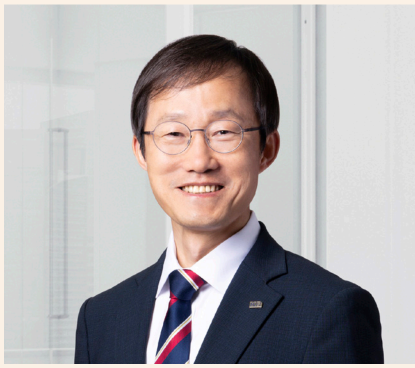
Board of Management

Jong-Ik Won
Chairman

Jong-Gyu Won
President & CEO

Yung-Heub Song
Executive Managing Director

· Strategic Planning Office
· New Office Construction Team
· Claims & Survey Team
· International Business Management Team



Kwang-Shik Jeong
Managing Director

· HR & General Affairs Team
· Accounting Team
· Investment Strategy & Operations Team
· Asset Management Team
· Financial Solutions Team

Jin-Hyung Lee
Managing Director

· IT Team
· Risk Management Team
· Accounts & Settlement Team
· Research Institute of Insurance & Finance

Jun-Dong Kim
Managing Director

· Auditing Team

Byoung-Ki So
Managing Director

· Property Team
· Engineering & Marine Team
· Casualty Team
· Motor & Agriculture Team

Woo-Jeong Jeon
Managing Director

· Long-Term Team
· Domestic Life & Health Team
· Overseas Life & Health Team
· Product Development Team

Se-Koan Oh
Managing Director

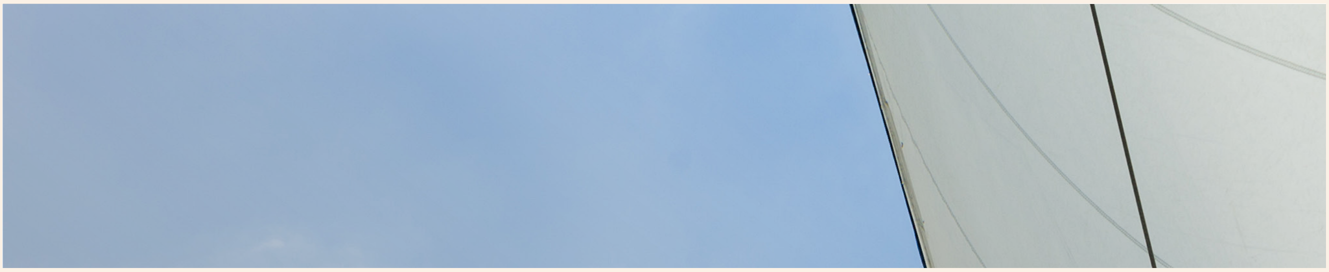
· International Treaty Team I
· International Treaty Team II
· International FAC Team I
· International FAC Team II
· International Casualty & Motor Team

Seung-Soo Kwon
Managing Director

· Actuarial Team
· Pricing & Analysis Team
· Risk & Capital Solutions Team

Byoung-Ick Yoon
Managing Director

· Legal Team
· Compliance Team



Expanding
Our Global Network

Global Network

7	11	4
Branches and Liaison Offices	Jurisdictions	Subsidiaries

Americas

New Jersey

KoreanRe Insurance Services, Inc. (KRIS)

Korean Re established a subsidiary, KoreanRe Insurance Services, Inc. (KRIS), in the United States as part of its strategic initiative for global expansion. KRIS acquired a (re)insurance intermediary license from the Department of Banking & Insurance in the State of New Jersey in September 2021, with the aim of expanding its U.S. market presence by offering custom reinsurance solutions. Furthermore, KRIS's licensure as both a property & casualty and a life and health insurance producer enables it to deliver a wide array of insurance solutions, showcasing its commitment to serving diverse client needs.

With an initial focus on the northeastern U.S., KRIS plans to leverage strategic opportunities to extend its reach across the country, aligning with Korean Re's objective to grow its market share in a domain that constitutes 45% of global premium income. In addition, KRIS is venturing into primary insurance brokerage for U.S.-based Korean firms in order to enhance its service range and provide exceptional insurance consulting and brokerage services, reflecting Korean Re's flexibility and client-centric approach.

Bogotá

Our representative office in Bogotá was set up in February 2020 after gaining approval from local authorities in Colombia, with which Korea had signed an FTA agreement in 2016. From this operating base in Bogotá, the capital city of Colombia, Korean Re covers the entire Latin American region, including the Caribbean, where we have built business relationships with a number of (re)insurers for 27 years. The establishment of the office was as part of Korean Re's ongoing initiative to increase its overseas business based on a diversified geographic portfolio.

As of January 1, 2024, amendments to Korean regulations have enabled the Bogotá representative office to directly perform underwriting on-site, allowing for more flexible and prompt underwriting decisions. This regulatory change has enhanced our accessibility and responsiveness to local clients and is expected to strengthen Korean Re's presence in the Latin American market. Going forward, we will continuously provide improved services to our local clients, explore new business opportunities, and further diversify our overseas portfolio.

Asia

Singapore and Labuan

Our Singapore branch has provided stable capacity to the Southeast Asian market over the last 47 years. Across the market, Korean Re is recognized as a leading reinsurance company that provides reliable quotations based on a consistent underwriting policy. Furthermore, we remain actively responsive to our clients' needs as we continuously support their risk management objectives. Along with developments in the market, their needs are changing and evolving, so we are striving to keep up with market needs and expand our business portfolio accordingly.

Building on our track record in Singapore, our Labuan branch has been serving the Malaysian market as a Tier 2 reinsurer since its opening in July 2017. As one of the market leaders in the region, we will stay committed to providing excellent client services across diverse lines of business. For the sake of administrative cost savings, the branch is operated without staff, as all necessary documentation and administrative activities are handled by our Singapore branch.

The key strategy of our Singapore and Labuan branches is to maintain a leading reinsurer position in the market while focusing on profitability-driven underwriting and building a well-diversified, stable portfolio across different regions and lines of business. In 2024, despite frequent natural catastrophes such as Typhoon Yagi, floods in Thailand and Malaysia, and the Vanuatu earthquake, we achieved solid results thanks to our robust and well-diversified portfolio.

This strategic direction will continue in 2025. In response to increasing risks from climate change and softening market conditions, we plan to further strengthen our management of natural catastrophe volatility and reinforce profitability-driven underwriting.

Shanghai

Our Shanghai branch commenced operations in April 2020 and has become an important foothold to consolidate Korean Re's sales base in the Chinese market.

The branch mainly targets highly profitable lines of business, such as property and liability non-proportional treaties, while maintaining a conservative position on relatively low-performing motor and proportional property treaties. In terms of loss experience, 2024 was a comparatively benign year, with Typhoon Yagi topping the list as the year's largest catastrophe loss in China. There was a limited impact from the typhoon on our portfolio, and losses from heavy snow in the central area of the country remained manageable.

Our underwriting strategy for 2025 remains unchanged. In line with our underwriting focus on bottom-line performance, we will seek proportional treaties with stable results. As for our non-proportional treaty business, despite a softening market, we will continue to increase our portfolio with adequately priced, high-quality treaties based on technical pricing.

Asia

The Shanghai branch will focus on stabilizing local business operations by establishing a solid system infrastructure. Through our strategic approach in offering customized services to major clients based on their business results, cash flows, and solvency conditions, we aim to become a stronger player as well as a reliable business partner in the region. We will not only keep pace with China's rapidly growing insurance market but also cope effectively with local regulatory changes, ensuring sustainable growth and long-term success.

Hong Kong

Worldwide Insurance Services, Ltd. (WIS)

Worldwide Insurance Services, Ltd. (WIS), which is based in Hong Kong, has been mainly running a reinsurance broking business since 1995 as a wholly owned subsidiary of Korean Re. As an in-house broker of Korean Re, WIS has access to Korean Re's treaty and facultative businesses. This puts it in an excellent position to support (re)insurers with limited opportunities to tap into the Korean insurance market.

In addition to giving (re)insurers a chance to utilize Korean Re's capacity, its strengths mainly lie in decades of accumulated know-how and expertise in reinsurance, not to mention the insightful knowledge necessary to provide practical value-added services. Moreover, as a licensed broker in both Hong Kong and Lloyd's UK, WIS has a robust worldwide network to operate both Korean and non-Korean businesses. Based on those advantages, WIS works closely with Korean Re to offer the best solutions that meet the increasingly diverse and sophisticated needs of its clients worldwide.

On top of its main business of reinsurance broking, WIS has recently started to engage in the primary insurance brokerage business, mainly for Korean companies operating in Hong Kong. This new business operation has contributed to increasing the insureds' benefits through outstanding insurance consulting and brokerage services. Starting with group medical insurance of Korean financial entities in Hong Kong, it plans to expand its business scope and service areas.

Europe, Middle East, and Africa (EMEA)

Zurich

Korean Reinsurance Switzerland AG (KRSA)

Located in Zurich, Switzerland, Korean Reinsurance Switzerland AG (KRSA) is a wholly owned subsidiary of Korean Re, regulated by FINMA, the Swiss Financial Market Supervisory Authority. After five years of operations, KRSA has realigned its management structure to better support the company's growth and future ambitions in Europe, ensuring a smooth leadership transition and strengthening key functions across the organization. To further enhance its operational capabilities, KRSA has bolstered core areas such as reserving, claims, and data analytics by bringing in experienced professionals. Additionally, the Swiss Solvency Test (SST) process has been insourced, increasing self-sufficiency and reinforcing the company's resilience.

In 2024, KRSA successfully renewed a stable portfolio, benefiting from continued market hardening, albeit at a slower pace than in previous years. The company's client-centric approach resulted in securing full signings on nearly all major programs across key P&C and specialty lines, while maintaining underwriting discipline and a strong focus on profitability, despite increasing competition in the natural catastrophe reinsurance segment. KRSA also made progress in expanding primary insurance partnerships, particularly in the Engineering sector, while carefully growing its presence in specialty lines such as Cyber.

Although KRSA's results in 2024 were impacted by unexpected loss creep from severe hailstorm events in Italy that occurred in 2023, the company closed the year with a technical combined ratio of 99.5%[1]. This outcome underscores the resilience of the portfolio, which was supported by a profitable underwriting performance in 2024 and in line with budgeted loss expectations, despite further climate-related losses across Europe, including floods in Southern Germany and Central and Eastern Europe, and the strengthening of the company's incurred but not reported (IBNR) reserves.

With these accomplishments and a strategic reduction in its reliance on the volatile Property business for 2025 and beyond, KRSA, together with its sole shareholder Korean Re, remains committed to the European market, continuing to provide comprehensive reinsurance solutions across all major classes and lines.

1) The figure refers to the combined ratio excluding administrative expenses under the Swiss Statutory Standard (IFRS 4).

London

Korean Re Underwriting Limited (KRUL)

Korean Re Underwriting Limited (KRUL) was established in 2015 as a subsidiary of Korean Re and has been providing its capital to select syndicates as a corporate member of Lloyd's. Since its beginning in the 1680s, Lloyd's has been a pioneer in insurance and has evolved into the world's leading market for specialist insurance over 300-plus years. As a market that specializes in unusual risks, Lloyd's has built a leadership position in supplying insurance capacity for specialty lines, including satellites, terrorism, cyber and other emerging risks.

KRUL shares the operating results of various syndicates by deploying its capacity to them. It also seeks strategic cooperation with major players in the market to monitor the latest trends in product development, pricing, and capacity throughout advanced markets. By doing so, KRUL supports Korean Re in its efforts to expand into overseas markets and strengthen its global network.

Dubai

Our DIFC branch in Dubai, which opened in January 2018, has achieved strong results by receiving a stable transfer of existing contracts from the head office and securing new business.

The branch serves a diverse region, covering the Middle East, Africa, Turkiye, Greece, Cyprus, and the Commonwealth of Independent States (CIS). It aims to further strengthen its presence in existing markets, while actively expanding into untapped African markets to drive sustainable growth and diversify its portfolio.

Market
Overview

Korean Economy

2024 in Review

The Korean economy grew by 2.0% in 2024, showing an improvement compared to 2023. This growth was primarily driven by strong export performance and a gradual recovery in domestic demand. However, the pace of expansion was slower than expected due to elevated interest rates and a global economic slowdown.

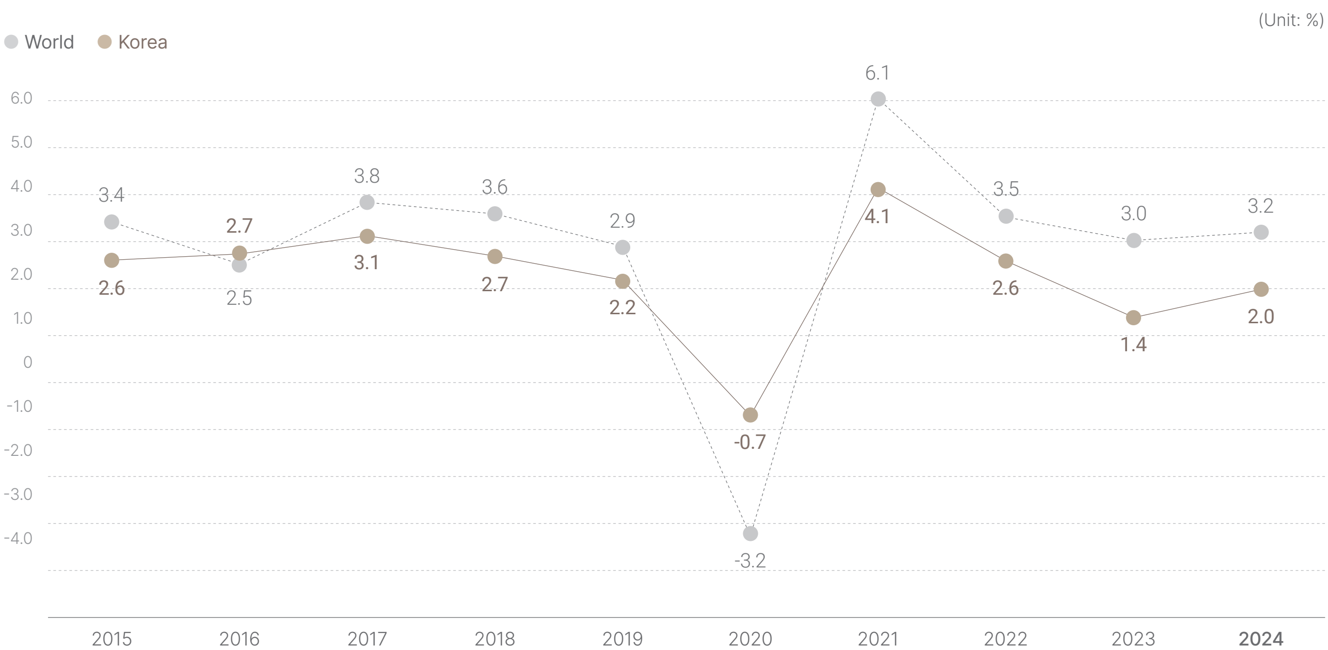
Private consumption rose by 1.1%, reflecting a modest recovery but falling short of initial expectations. The combination of high interest rates and inflationary pressures weakened household purchasing power, while the burden of household debt remained a significant constraint on consumer sentiment and spending.

Exports expanded by 6.3%, playing a key role in the nation's economic growth. The semiconductor industry, fueled by rising demand for AI and data center applications, was a major contributor to export growth, while the automotive and shipbuilding sectors also maintained solid performance. However, the latter half of the year saw a moderation in export growth due to a weakening global economy and slower trade with China.

The unemployment rate stood at 2.8%, maintaining a similar level to the previous year. Employment expanded in the service sector and high-tech manufacturing, particularly in semiconductors, while the manufacturing and construction industries experienced job losses, as structural adjustments and economic downturns impacted labor demand.

Inflationary pressures remained, with consumer prices increasing by 2.3%. The rise in agricultural and livestock prices was a key driver of inflation, prompting the Bank of Korea (BOK) to maintain a cautious monetary policy stance, balancing inflation control with economic stability.

GDP Growth Trends



(Sources: IMF World Economic Outlook, October 2024, Bank of Korea, February 2025)

Prospects for 2025

GDP growth for 2025 is expected to slow to 1.5%, as domestic demand remains sluggish and export growth continues to decelerate, according to the BOK's latest economic outlook report. Private consumption is expected to gradually recover, supported by lower interest rates, an increase in household disposable income, and base effects. However, a deteriorating employment environment and instability in asset markets are likely to constrain the pace of recovery, making a full-fledged rebound unlikely in the near term.

The growth projection for 2025 by other organizations has also been readjusted downward. The Ministry of Economy and Finance projects Korea's GDP growth for 2025 at 1.8%, which is similar to the BOK's forecast. According to the OECD's outlook, the Korean economy is expected to grow by 2.1% in 2025, which compares to the IMF's projection of 2.0% and Fitch's 1.9%.

Amid persistent weakness in domestic demand, concerns are mounting over a potential downturn in exports, which have long served as a key pillar of economic resilience. As a result, the likelihood of a broader slowdown in Korea's economic growth trajectory is gradually increasing.

Private consumption is projected to experience a gradual recovery, driven by declining interest rates, rising household disposable income, and base effects. However, challenges such as weakening labor market conditions and volatility in asset markets are expected to temper the pace of improvement, limiting the potential for a robust rebound in the near term. As a result, private consumption growth is anticipated to edge up from 1.1% in 2024 to 1.4% in 2025.

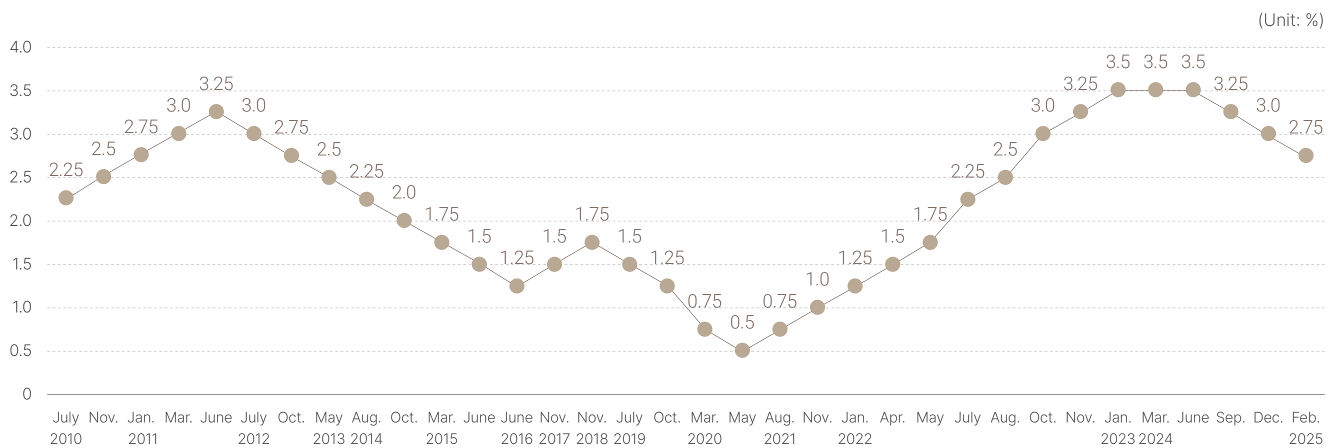
Equipment investment is expected to strengthen moderately, driven by improved investor sentiment following interest rate cuts and increased AI-related investments, with a projected growth rate of 2.6%. However, uncertainties surrounding a second-term Trump administration, a slowdown in semiconductor and global ICT markets that will affect export growth, and delayed recovery in non-ICT sectors are anticipated to weigh on the pace of investment expansion.

Construction investment will contract by 2.8% in 2025. Budget reductions for social overhead capital (SOC), a sustained decline in housing construction orders, permits, and ground-breaking activities, as well as delays in resolving unsold housing inventories in regional areas, are expected to extend the downward trend in construction investment for a second consecutive year.

Korea's merchandise exports are anticipated to grow by only 0.9%, as the high growth rate from the previous year moderates due to the deterioration of the trade environment.

The current account surplus is expected to reach USD 75 billion this year, lower than the previously projected USD 80 billion, due to factors such as the recent aggravation in global trade conditions.

BOK Benchmark Interest Rate (2010-2025)



(Source: Bank of Korea, March 2025)

Consumer price inflation is expected to be 1.9% this year, consistent with the previous outlook, as upward factors including the rise in the KRW-to-USD exchange rate are offset by downward factors such as low demand-side pressure and government price stabilization measures. Core inflation is projected to be at 1.8% this year, revised down by 0.1%p from the previous forecast of 1.9%.

The BOK adjusted the benchmark interest rate to 2.75% in February 2025, marking the first time in 28 months since October 2022 that the interest rate returned to the 2% range. The decision to lower the rate was driven by a sluggish domestic recovery and concerns over an economic downturn amid a slowdown in export growth. Market expectations for a rate cut were widespread, with the easing of exchange rate pressures also influencing the decision.

The increase in the number of employed persons is expected to decelerate from 160,000 last year to 100,000 this year. While employment in the manufacturing sector is anticipated to remain subdued, the construction and face-to-face service sectors are likely to experience further weakening due to reduced construction investment and a delayed recovery in domestic demand. However, the expansion of government employment programs, which are expected to create an additional 60,000 jobs, along with strong growth in sectors such as healthcare and social welfare, is projected to alleviate the overall slowdown in employment.

In 2025, the recovery of the Korean economy is expected to be limited due to the global economic slowdown and changes in the trade environment. Although exports in key industries such as semiconductors and automobiles are expected to show modest growth, the extent of export recovery may not be significant due to external uncertainties and the strengthening of protectionist policies.

Meanwhile, the recovery of private consumption may be constrained by the prolonged high-interest rate environment, household debt burdens, and adjustments in the real estate market. Corporate investment is also expected to maintain a cautious stance. In particular, potential risk factors such as the insolvency risk of real estate project financing (PF), an increase in marginal firms, and a slowdown in employment growth may weigh on the overall economy.

Under these circumstances, prudent policy responses are essential to ensure that the economic recovery translates into real, positive outcomes for people's lives. At the same time, it is crucial to maintain financial market stability and address structural vulnerabilities. To achieve sustainable growth, Korea needs to strengthen the competitiveness of future industries and proactively respond to changes in the global supply chain.

Key Economic Indicators

(Unit: %)

	2023	2024	2025(F)		
			First Half	Second Half	Annual
Real GDP	1.4	2.0	0.8	2.2	1.5
Consumer Spending	1.8	1.1	1.0	1.7	1.4
Equipment Investment	1.1	1.8	5.7	-0.2	2.6
Construction Investment	1.5	-2.7	-6.7	1.1	-2.8
Unemployment Rate	2.7	2.8	3.2	2.7	2.9
Current Account Surplus (USD billion)	32.8	99.0	28.5	46.5	75.0
Exports	2.9	6.3	0.7	1.2	0.9
Imports	-0.3	1.2	2.0	0.2	1.1
Consumer Price Inflation	3.6	2.3	2.0	1.9	1.9
Average Three-Year Treasury Yield	3.6	3.1	2.9	2.7	2.8
KRW/USD Exchange Rate (KRW per USD 1)	1,306	1,360	1,350	1,330	1,340

(Sources: Bank of Korea, February 2025, Korea Institute of Finance, December 2024)

Korean Insurance Market

2024 in Review

In 2024, the Korean insurance market grew moderately year on year, primarily driven by the expansion of protection-type insurance in the life insurance sector. According to preliminary results released by the Financial Supervisory Service in March 2025, there was a double-digit increase in premiums for protection-type life insurance products. While savings-type insurance premiums recovered from a significant contraction in the previous year, retirement annuity premiums experienced an unexpectedly sharp decline.

In the non-life insurance sector, premiums for long-term and general insurance products rose solidly, whereas premiums for motor insurance decreased slightly. Contrary to earlier industry expectations, retirement annuity premiums also declined in the non-life market.

In 2024, insurance companies in Korea recorded a net income of KRW 14,144 trillion, marking a 4.6% increase from the previous year. In the life insurance sector, although underwriting performance declined due to factors such as the reinforcement of IBNR reserve requirements, investment income saw a significant improvement, supported by higher interest and dividend gains. Similarly, in the non-life insurance sector, despite pressure on underwriting results from rising motor insurance loss ratios, investment income posted a notable increase, driven by stronger returns on interest and dividends.

The profitability ratios of the insurance industry increased in 2024 compared to the prior year. While its return on assets (ROA) ratio rose by 0.03%p to 1.13%, its return on equity (ROE) ratio decreased by 1.08%p to 9.12%. Non-life insurers reported higher ratios than life insurers as follows:

ROA and ROE

(Unit: %)

		2023	2024	Change (%p)
ROA	Life Insurers	0.60	0.63	0.03
	Non-Life Insurers	2.40	2.39	-0.01
	Total	**1.10**	**1.13**	**0.03**
ROE	Life Insurers	5.02	6.03	1.01
	Non-Life Insurers	13.05	13.81	0.76
	Total	**8.04**	**9.12**	**1.08**

(Source: Financial Supervisory Service, March 2025)

As of the end of December 2024, the total assets of insurance companies stood at KRW 1,273.2 trillion, up KRW 47.0 trillion from the previous year. The total assets are broken down into KRW 905.5 trillion for life insurance and KRW 367.7 trillion for non-life insurance.

Shareholders' equity of insurance companies stood at KRW 142.1 trillion, representing a decrease of KRW 26 trillion from the end of the previous year, mainly due to a larger increase in total liabilities compared to total assets.

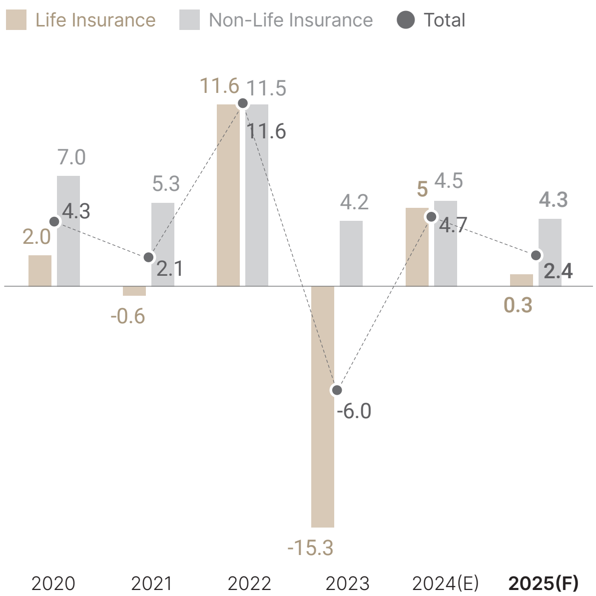
Prospects for 2025

The insurance market in Korea is anticipated to grow by 2.4% in 2025, following a -6.0% growth in 2023 and a 4.7% growth in 2024. According to an outlook report released by the Korea Insurance Research Institute in October 2024, the total premiums are forecast to reach KRW 254.7 trillion. The total premiums for life insurance in 2025 are expected to be similar to 2024, increasing by KRW 0.3 trillion to KRW 118.3 trillion. On the other hand, the total premiums for non-life insurance in 2025 are expected to rise by KRW 5.5 trillion, reaching KRW 136.3 trillion, up from KRW 130.8 trillion in 2024.

In 2025, the growth of the Contractual Service Margin (CSM) is expected to moderate for both life and non-life insurers, primarily due to a slowdown in new business sales. The CSM for life insurance is projected to reach KRW 60.5 trillion, representing a modest increase of 0.5% from the previous year, while the CSM for non-life insurance is forecast to rise by 3.0% year on year to KRW 69.7 trillion. However, these projections are subject to significant variability depending on key assumptions such as new business growth, new business CSM multiples, and policyholder retention rates. Scenario analysis reflecting these variables suggests that, whether pessimistic or optimistic assumptions, the life insurance CSM could range from KRW 55.1 trillion to KRW 66.8 trillion, and the non-life insurance CSM could vary between KRW 65.0 trillion and KRW 75.1 trillion.

Korean Insurance Market Growth Rates

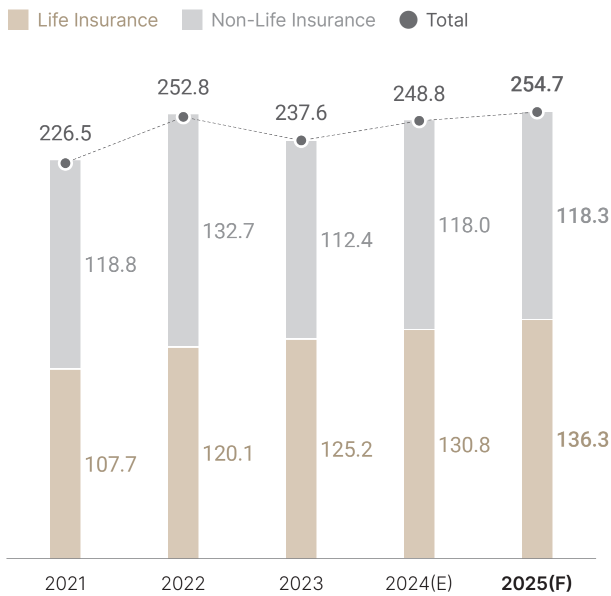
(Unit: %)



(Source: Korea Insurance Research Institute, October 2024)

Trends of Premium Income

(Unit: KRW trillion)



(Source: Korea Insurance Research Institute, October 2024)

Life Insurance

The life insurance market is projected to grow by 0.3% (KRW 0.3 trillion) in 2025, reaching KRW 118.3 trillion compared to 2024.

The protection-type insurance sector is expected to expand by 3.3%, rising from KRW 53.5 trillion in 2024 to KRW 55.3 trillion in 2025, driven by the sustained dominance of health insurance. In contrast, savings-type insurance is forecast to decline by 7.8%, dropping from KRW 27.7 trillion in 2024 to KRW 25.7 trillion in 2025, primarily due to weakened sales of lump-sum annuity products amid falling interest rates.

While variable life insurance is expected to see new sales momentum from a recovering stock market, it is unlikely to offset its overall downward trend, with a projected decline of 13.0% from KRW 11.6 trillion in 2024 to KRW 10.1 trillion in 2025.

Meanwhile, the retirement pension segment is forecast to grow by 8.4%, increasing from KRW 24.4 trillion in 2024 to KRW 26.5 trillion in 2025, fueled by rising demand for pension products, the expansion of the IRP market, and favorable policy measures.

Life Insurance Market Outlook by Line of Business

(Unit: KRW trillion)

	2022		2023		2024 (E)		2025 (F)	
	Premium	Growth Rate (%)	Premium	Growth Rate (%)	Premium	Growth Rate (%)	Premium	Growth Rate (%)
Total (including retirement annuity)	**132.7**	**11.6**	**112.4**	**-15.3**	**118.0**	**5.0**	**118.3**	**0.3**
Protection	46.5	5.0	48.0	3.2	53.5	11.5	55.3	3.3
Savings	45.1	40.9	27.9	-38.1	27.7	-0.8	25.7	-7.3
Others*	0.8	0.7	0.8	-1.7	0.7	-1.9	0.7	-0.6
Variable	12.7	-29.0	12.2	-4.0	11.6	-4.9	10.1	-12.7
Retirement annuity	27.5	15.5	23.5	-14.7	24.4	3.9	26.5	8.4
Total (excluding retirement annuity)	**105.1**	**10.7**	**88.9**	**-15.4**	**93.6**	**5.3**	**91.9**	**-1.8**

* Others include group life insurance. Individual figures may not add up to the total shown due to rounding.
(Source: Korea Insurance Research Institute, October 2024)

Non-Life Insurance

The non-life insurance market in 2025 is expected to grow by 4.3% (KRW 5.5 trillion) compared to 2024, reaching KRW 136.3 trillion.

Long-term non-life insurance is projected to see moderate growth, primarily driven by accident and health insurance, with an expected increase of 5.2%, rising from KRW 67.9 trillion in 2024 to KRW 71.4 trillion in 2025. Meanwhile, assuming there are no adjustments in premiums, the motor insurance market is anticipated to continue its slow growth, with a projected 0.5% increase from KRW 20.9 trillion in 2024 to KRW 21.0 trillion in 2025.

General P&C insurance is forecast to grow by 5.7%, from KRW 14.9 trillion in 2024 to KRW 15.8 trillion in 2025, supported by steady growth in fire insurance and strong growth in marine and specialty insurance.

Non-Life Insurance Market Outlook by Line of Business

(Unit: KRW trillion)

	2022		2023		2024 (E)		2025 (F)	
	Premium	Growth Rate (%)	Premium	Growth Rate (%)	Premium	Growth Rate (%)	Premium	Growth Rate (%)
Total (including retirement annuity)	**120.1**	**11.5**	**125.2**	**4.2**	**130.8**	**4.5**	**136.3**	**4.3**
Long-Term	61.8	5.0	64.3	4.0	67.9	5.6	71.4	5.2
Individual annuity	2.2	-15.9	1.9	-10.7	1.7	-12.1	1.5	-9.5
Motor	20.8	2.4	21.1	1.4	20.9	-1.1	21.0	0.3
General P&C	12.8	10.0	13.9	8.5	14.9	7.6	15.8	5.7
Retirement annuity	22.5	57.4	24.0	6.6	25.4	5.8	26.7	5.1
Total (excluding retirement annuity)	**97.6**	**4.5**	**101.2**	**3.7**	**105.4**	**4.2**	**109.7**	**4.1**

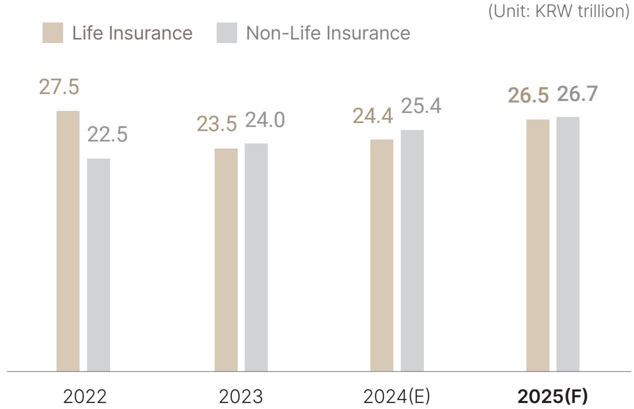
* Individual figures may not add up to the total shown due to rounding.
(Source: Korea Insurance Research Institute, October 2024)

Retirement Annuity

The volume of retirement annuity premiums in the insurance industry has steadily increased, driven by rising demand for retirement income security, the expansion of the Individual Retirement Pension (IRP) market, and supportive policy measures. In the non-life sector, retirement annuity premiums are expected to rise by 5.1% from KRW 25.4 trillion in 2024 to KRW 26.7 trillion in 2025, while life insurers are projected to see an 8.4% jump to KRW 26.5 trillion in 2025. As of 2023, total retirement annuity reserves amounted to KRW 382.4 trillion, with banks accounting for 51.8%, financial investment firms 22.7%, life insurers 20.5%, and non-life insurers 3.9%, indicating a relatively small share for the insurance industry.

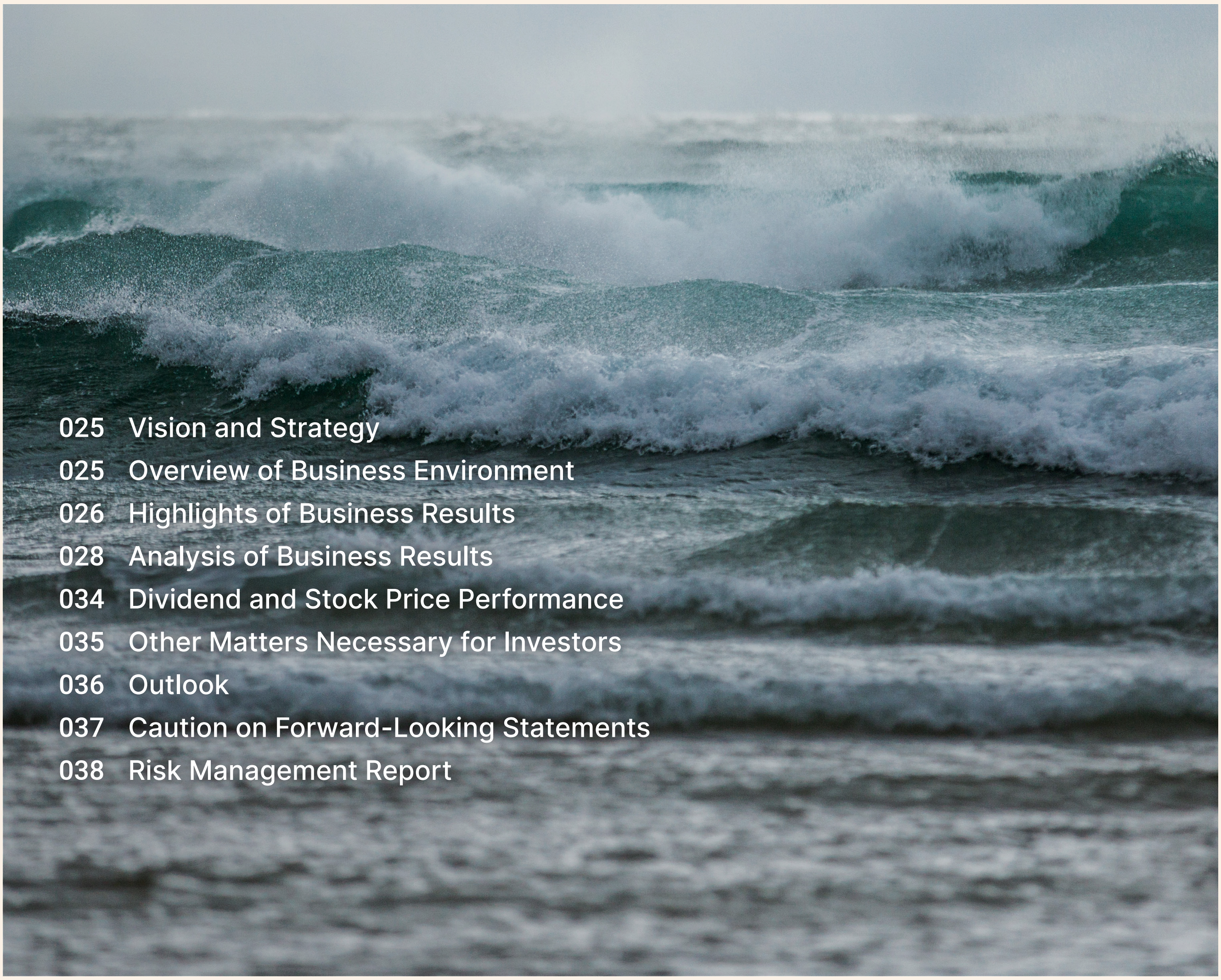
Retirement Annuity Premiums

(Unit: KRW trillion)



(Source: Korea Insurance Research Institute, October 2024)

Management's Discussion & Analysis



Vision and Strategy

Korean Re has redefined its vision to align with a more forward-looking and value-driven approach. Moving beyond our previous ranking-oriented objectives, we have set our sights on becoming a global top-tier reinsurer, emphasizing qualitative excellence over mere quantitative expansion. Rather than focusing solely on premium size, we aim to establish ourselves as a leader in all aspects of reinsurance, achieving the highest global standards in underwriting expertise, financial soundness, and client service.

To embody this vision in our strategies and corporate mindset, we have adopted the mid-term strategic slogan "Challenge Ourselves, Change the World." This slogan reflects our unwavering commitment to innovation, continuous self-improvement, and delivering unparalleled value to our clients. We are determined to push beyond conventional limits, embrace transformation, and proactively drive meaningful change in the global reinsurance industry.

A key pillar of our future strategy is the continued expansion of our global footprint. We will reinforce our overseas market presence, strengthen local partnerships, and enhance our portfolio to achieve sustainable growth across diverse markets. Through disciplined risk management and portfolio optimization, we seek to navigate evolving industry landscapes while securing long-term profitability.

Furthermore, we are committed to high-quality management and operational excellence. By investing in advanced analytics, digital transformation, and talent development, we will enhance our competitiveness and adaptability in an increasingly complex risk environment. Our approach is not merely about keeping pace with industry changes but actively shaping them to create long-term value.

Through these and other related efforts, Korean Re aspires to make a lasting impact on the reinsurance industry and beyond, contributing to the resilience and advancement of global economies and communities. With a vision grounded in excellence and innovation, we will continue our journey toward establishing ourselves as a truly top-tier global reinsurer.

Overview of Business Environment

In 2024, the Korean insurance market experienced moderate growth, driven by positive performance in both the life and non-life sectors. The growth in the life insurance market was fueled by continued strong sales of health insurance products, as life insurers focused on higher-margin protection products under IFRS 17. Additionally, both savings insurance and variable insurance recovered from previous contractions, while retirement annuities experienced a decline in premium income. In the non-life insurance market, long-term insurance and general property and casualty insurance delivered steady growth, but retirement annuities and motor insurance saw a reduction in premium income. Meanwhile, there was a notable increase in demand for liability insurance, such as indemnity and compensation coverage.

Market profitability increased in 2024 compared to the previous year, supported by improvements in investment performance. Both life and non-life insurers benefited from a substantial rise in investment gains in spite of weaker insurance service results. Investment results significantly improved thanks to an increase in interest and dividend income.

The insurance industry continued to adapt to the new regulatory framework established in 2023. With IFRS 17 in effect, insurers have been focusing on portfolio profitability and high-margin product development. In addition, under K-ICS, insurers are actively managing capital adequacy through measures such as issuing subordinated bonds, utilizing hybrid capital securities, and expanding the use of reinsurance and coinsurance. Even though the industry has demonstrated solid financial performance, insurers are expected to remain cautious amid ongoing economic uncertainties, including financial market fluctuations and real estate-related risks.

Highlights of Business Results

Key Figures

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Gross Written Premiums	7,924.8	5,791.1	8,539.0	6,471.7
Insurance Revenue (gross) 1)	5,136.6	3,753.6	5,167.6	3,916.6
Insurance Service Result (net)	198.7	145.2	206.2	156.3
Insurance Finance Result (net) 2)	-183.5	-134.1	-114.3	-86.6
Technical Result 2)	15.2	11.1	91.9	69.7
Investment Income 3)	389.3	284.5	263.8	200.0
Net Income	316.7	231.4	283.9	215.1
ROE	9.4%		9.5%	

1) Income from insurance contracts issued
2) Excluding exchange rate effects
3) Excluding the insurance finance result and gain/losses from foreign exchange and interest rate hedging for insurance liabilities

Throughout the year, Korean Re focused on strengthening its business portfolios with the goal of enhancing the profitability of its overall insurance business and improving investment performance. As a result, our top-line revenue slightly declined in 2024 compared to the prior year, but our bottom-line performance improved. Our gross written premium (GWP) decreased by 7.2% year on year to KRW 7,924.8 billion, while insurance revenue declined by 0.6% to KRW 5,136.6 billion. However, our net income increased by 11.6% to KRW 316.7 billion, with a return on equity (ROE) of 9.4%.

Our technical result, which includes the insurance service result and insurance finance result, declined by KRW 76.8 billion year on year to a profit of KRW 15.2 billion in 2024. The decline was spurred by a deficit in L&H reinsurance, stemming from a proactive valuation adjustment of a certain overseas life portfolio. In contrast, P&C reinsurance delivered a solid performance due to the impact of a reduced loss ratio driven by hard market conditions both domestically and internationally.

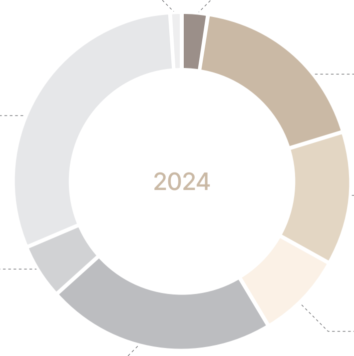
Meanwhile, active portfolio management enabled us to diversify our global business portfolio, increasing our presence in Europe and the Americas, which accounted for a greater share of the total business. According to a geographical breakdown of our gross written premiums, markets in Europe and the Americas accounted for 30.4% and 27.2%, respectively, of the entire overseas business portfolio in 2024. Their combined share reached 57.6% in 2024 compared to 42.2% in 2019. It is also noteworthy that the share of the Asian market declined to 38.8% in 2024 compared to the previous year as a result of our portfolio adjustments aimed at improving overall business results.

We achieved a high level of investment returns, amounting to KRW 389.3 billion in investment income. The year-over-year increase in investment income was KRW 125.5 billion, driven by a higher book yield and growth in invested assets. We conducted bond portfolio rebalancing in 2024, which was smaller in scale than in 2023, in anticipation of a gradual decline in interest rates, resulting in a slight improvement in book yield.

The total value of our assets continued to grow in line with our business growth. We reported KRW 13,160.4 billion in total assets as of the end of 2024, up KRW 1,094.1 billion year over year. There was a substantial increase of KRW 1,100.4 billion in invested assets, which totaled KRW 10,834.1 billion. This growth was mainly driven by an increase in net cash inflows from insurance operations and asset valuation gains following changes in foreign exchange rates and interest rates. Moreover, we maintained our capital position at a stable level, with total shareholders' equity increasing to KRW 3,452.9 billion as of the end of December 2024. The substantial growth in total shareholders' equity from the previous year is primarily due to our strong net income performance.

Overseas Business Portfolio* by Region in 2024

(Unit: %)



* Based on gross written premiums
** Others include multi-territory accounts.

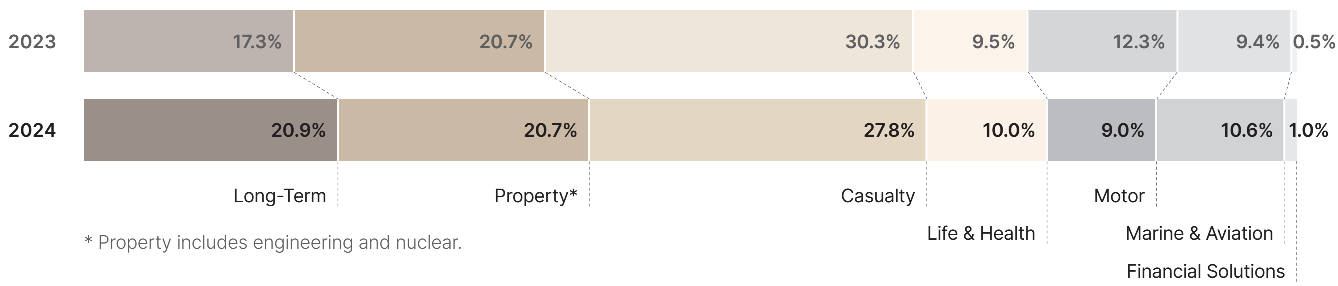
Breakdown of Insurance Revenue

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)	YoY Change [4]
Domestic Property [1]	529.9	387.2	528.0	400.2	0.4%
Domestic Engineering, Marine & Aviation	584.9	427.4	547.7	415.1	6.8%
Domestic Casualty	472.0	344.9	501.1	379.8	-5.8%
Domestic Motor, Surety & Agriculture	618.0	451.6	805.1	610.2	-23.2%
International Treaty	831.2	607.4	772.6	585.5	7.6%
International Facultative	271.5	198.4	268.8	203.7	1.0%
Long-Term	613.3	448.2	522.8	396.3	17.3%
Financial Solutions	30.4	22.2	13.9	10.6	118.7%
Domestic Life & Health	292.5	213.7	287.4	217.8	1.8%
Overseas Life & Health	438.0	320.1	503.0	381.2	-12.9%
Overseas [2] Operations	454.9	332.5	417.2	316.3	9.0%
Total [3]	**5,136.6**	**3,753.6**	**5,167.6**	**3,916.6**	**-0.6%**

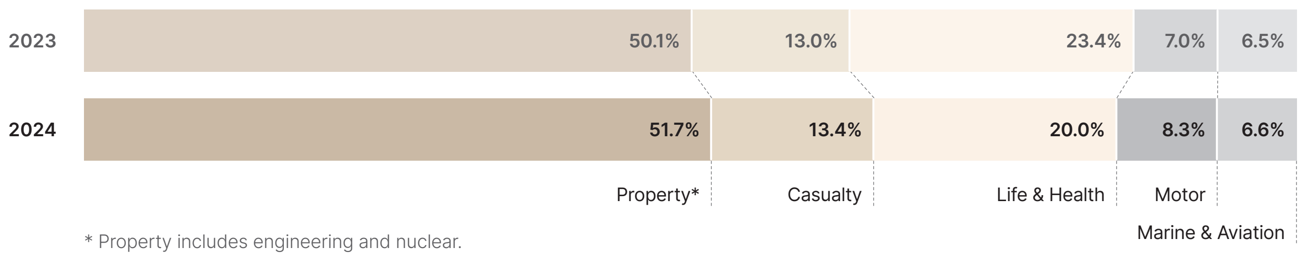
1) Domestic property covers Korean Interest Abroad (KIA) and nuclear insurance, which includes some overseas business.
2) Overseas operations include KRUL, KRSA, and branches in Singapore, Labuan, Dubai, and Shanghai.
3) Individual figures may not add up to the total shown due to rounding.
4) YoY change is based on the value in KRW.

Domestic Insurance Revenue Portfolio by Line of Business



* Property includes engineering and nuclear.

Overseas Insurance Revenue Portfolio by Line of Business



* Property includes engineering and nuclear.

Analysis of Business Results

Property and Casualty (P&C) Reinsurance

P&C Key Figures

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Insurance Revenue (gross) [1]	3,762.3	2,749.4	3,840.5	2,910.7
Domestic	2,020.3	1,476.3	2,197.4	1,665.4
Overseas	1,742.1	1,273.0	1,643.1	1,245.3
Insurance Service Result (net)	265.1	193.7	83.9	63.6
Insurance Finance Result (net) [2]	-65.1	-47.6	-28.7	-21.8
Technical Result [2]	200.0	146.1	55.2	41.8
Combined Ratio (%) [3]	89.1		96.4	

1) Income from insurance contracts issued
2) Excluding exchange rate effects
3) The combined ratio is calculated as insurance service expenses (net) divided by insurance revenue (net). The 2023 figure has been restated due to a change in the calculation method.

Our P&C insurance revenue decreased from KRW 3,840.5 billion in 2023 to KRW 3,762.3 billion in 2024, marking a 2.0% decline. Domestic insurance revenue fell by 8.1% to KRW 2,020.3 billion in 2024 due to portfolio adjustments. Throughout the year, we placed a strategic focus on strengthening our business portfolios and improving our long-term profitability. Accordingly, we restricted growth targets to prioritize reinforcing our business fundamentals and significantly reduced our underwriting volume for products with low profitability.

On the other hand, overseas P&C insurance revenue increased by 6.0% to KRW 1,742.1 billion in 2024, driven by the expansion of new treaties and rate increases. This growth in the overseas market partially offset our revenue decline in the domestic market.

The P&C insurance service result saw a substantial increase to KRW 265.1 billion in 2024, marking a 215% growth. This reflects a major improvement in underwriting profitability. The technical result also grew by 262% to KRW 200.0 billion in 2024.

As a result, the combined ratio improved from 96.4% in 2023 to 89.1% in 2024. A combined ratio below 100% indicates profitability in insurance operations, demonstrating a significant enhancement in overall business efficiency.

Upon reviewing our claim budget, which is planned at the beginning of each year, it is evident that P&C insurance service profit was driven by a reduction in attritional losses in 2024. The claim budget refers to the annually established acceptable level of losses to achieve profit targets. In 2024, only 84% of the claim budget for attritional losses was consumed, with actual attritional losses amounting to KRW 1,543.9 billion. This smaller-than-expected volume of attritional losses contributed to an overall decrease in losses. However, large losses exceeded our budgeted expectations in 2024 due to unusual events such as the Middle East floods (notably in Dubai) and significant loss creep related to the 2023 hailstorm in Italy.

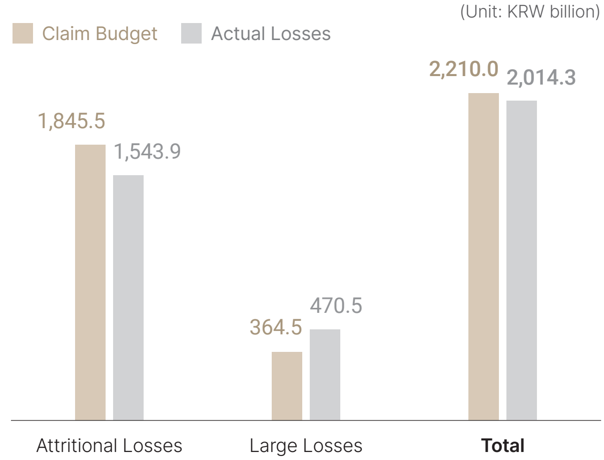
Major Large Losses in 2024

(Units: KRW billion, USD million)

Major Large Losses	Month of Loss	2024 (KRW)	2024 (USD)
Dubai Flood	April 2024	52.8	38.6
Italy Hailstorm	July 2023	39.6	28.9
Typhoon Yagi	September 2024	31.6	23.1

Claim Budget vs Actual Losses in 2024

(Unit: KRW billion)



Building on the progress we made in 2024, we look forward to further strengthening our underwriting performance in the years to come. The market has been responding to increasing claims costs by correcting prices and restricting terms and conditions. In step with these market movements, we will continue to exercise strong underwriting discipline to improve our technical profitability. Favorable pricing movements, coupled with our strictly disciplined approach to underwriting, will position our business to generate solid results going forward.

Life and Health (L&H) Reinsurance

In 2024, the insurance revenue of Life and Health (L&H) increased by 3.5% to KRW 1,374.2 billion compared to 2023. Domestic L&H insurance grew by 13.6% due to an increase in jointly developed long-term products, while overseas L&H insurance declined by 12.9% due to the termination of underperforming contracts.

From a profit and loss perspective, we delivered a weak performance in 2024, with the L&H insurance technical result recording a deficit of KRW 184.8 billion. In particular, we made a precautionary value adjustment for an unprofitable overseas life portfolio that could incur additional losses in the future. This led to the additional recognition of the liability for incurred claims.

Following the introduction of IFRS 17, revenue recognition in L&H shifted from simple settlement of premiums and claims to the amortization of the Contractual Service Margin (CSM), a liability that reflects future profits under the new accounting regime. As the CSM is released into earnings as insurance contracts are fulfilled as expected, it is an important indicator of future insurance business results.

To ensure the robust management of the CSM, which forms the foundation of future earnings, we are committed to meticulously analyzing the intrinsic value of each contract from an actuarial perspective and then incorporating the results into our portfolio strategy. When acquiring new treaties, we measure the Value of New Business (VNB) to verify if the incoming CSM aligns with our targets. For our in-force treaties, we identify loss-making contracts that negatively impact the CSM through the measurement of the Value of In-Force Business (VIF).

By the end of 2024, the CSM rose by 15% to KRW 953.0 billion compared to the previous year-end figure. The increase can be attributed primarily to the growth in our long-term business and a new coinsurance transaction with a global life insurer in 2024. In light of the CSM movement, we plan to actively manage the CSM by focusing on acquiring high-margin treaties.

L&H Key Figures

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Insurance Revenue (gross) [1]	1,374.2	1,004.2	1,327.1	1,005.8
Domestic	936.2	684.1	824.1	624.6
Overseas	438.0	320.1	503.0	381.2
Insurance Service Result (net)	-66.4	-48.5	122.3	92.7
Insurance Finance Result (net) [2]	-118.4	-86.5	-85.6	-64.9
Technical Result [2]	-184.8	-135.1	36.7	27.8
Combined Ratio (%) [3]	105.0		90.4	
Contractual Service Margin (net)	953.0	642.0	828.8	636.5

1) Income from insurance contracts issued
2) Excluding exchange rate effects
3) The combined ratio is calculated as insurance service expenses (net) divided by insurance revenue (net). The 2023 figure has been restated due to a change in the calculation method.

Investment Performance

We delivered remarkable investment results with an investment yield of 3.9%, backed by a significant increase in invested assets and a higher book yield. The growth in invested assets was largely attributed to the 2023 coinsurance transaction, while the rise in book yield resulted from portfolio rebalancing into high-interest bonds. Our investment profit reached KRW 389.3 billion, excluding the insurance finance result and gains or losses from foreign exchange hedging for insurance liabilities.

Taking advantage of the high-interest rate environment, we strategically increased our holdings of long-term government bonds to lock in higher yields and enhance portfolio returns. Meanwhile, we adjusted our strategy by reducing allocations to alternative investments and equities, taking into account risks associated with a potential economic downturn and external political uncertainties.

Looking ahead to 2025, our investment strategy will focus on preserving investment returns and maintaining the book yield based on expectations of a gradual decline in interest rates and a subdued economic outlook. In addition, we aim to improve the quality of our alternative investment portfolio and gradually increase overseas exposure.

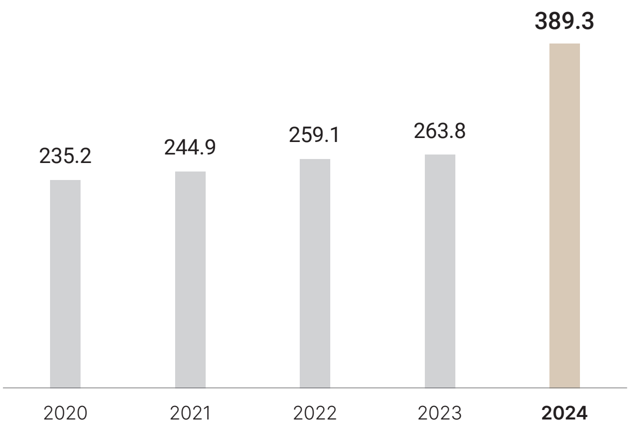
Given the ongoing risks related to domestic real estate project financing (PF) and overseas commercial real estate, concerns over financial market uncertainty remain high.

In response, we will proactively manage our financial soundness and closely monitor financial market stability to preemptively deal with potential risks.

We will also respond proactively to major regulatory changes to ensure stable investment results, leveraging the strength of our investment portfolio. At the same time, we will continue to explore new investment opportunities and strategies to maximize overall profitability throughout the year.

Investment Income

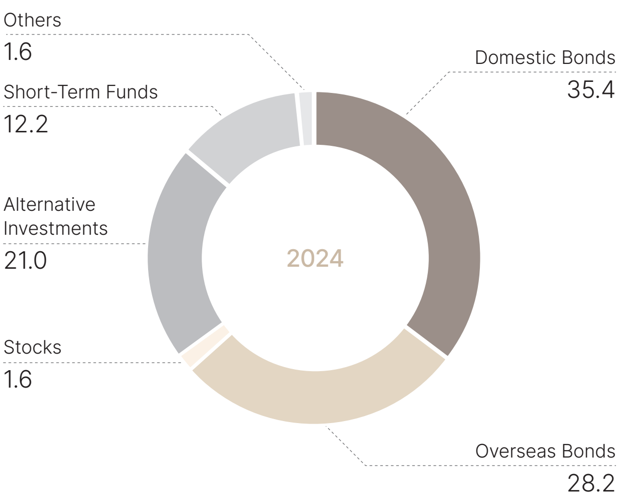
(Unit: KRW billion)



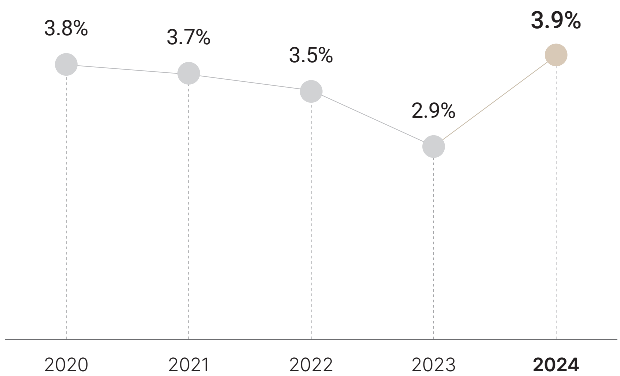
* Excluding gain/losses from foreign exchange and interest rate hedging for insurance liabilities for 2020 – 2024 and the insurance finance result for 2023 and 2024

Investment Portfolio Mix in 2024

(Unit: %)



Investment Yield



* Excluding gain/losses from foreign exchange and interest rate hedging for insurance liabilities for 2020 – 2024 and the insurance finance result for 2023 and 2024

** The investment yield for 2023 and 2024 is based on IFRS 9, while the rest are based on IAS 39.

Liquidity

Korean Re has maintained sufficient liquidity to meet all financial requirements in both stable and uncertain conditions. In 2024, our liquidity ratio declined from 293.3% to 254.7%, yet it remains at a solid and stable level.

While there was a sharp increase in liquidity ratio in 2023 due to the expanded recognition of liquid assets under the revised regulatory framework, we focused on purchasing medium- to long-term bonds, particularly long-term government bonds, to enhance our investment profitability in 2024. As a result, our liquid assets decreased by 17.8% (KRW 716.9 billion) compared to the previous year-end figure, while the average insurance claims also decreased by 5.4% (KRW 73.5 billion).

To ensure an adequate liquidity ratio, we also operate and maintain bank overdrafts to prepare for events that may deteriorate liquidity, such as losses from alternative investments and large-scale insurance claims. The size of our bank overdrafts stood at KRW 150 billion as of 2024.

Additionally, we took measures to enhance the management of our foreign currency liquidity, including that of our overseas branches. As part of these efforts, we introduced foreign currency money market fund (MMF) transactions to ensure a more efficient and stable liquidity management system.

Liquidity Ratio

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Liquid Assets (A) 1)	3,307.70	2,228.30	4,024.6	3,091.1
Average Insurance Payments (B) 2)	1,298.50	874.80	1,372.0	1,053.8
Liquidity Ratio (A/B)	254.7%		293.3%	

1) Liquid assets (A): current assets with remaining maturities of 3 months or less

2) Average insurance payments (B): average insurance payments over 3 months

Capital Strength

Korean Re always aims to optimize its capital structure and hold sufficient capital in excess of solvency requirements, generating a strong solvency margin ratio (or K-ICS ratio). In 2024, our K-ICS ratio increased by 8.5%p to 191.7% compared to the previous year thanks to our stable net income growth and effective ALM management.

Despite the switching of the solvency margin ratio system from the RBC regime to the K-ICS regime in 2023, as well as the associated increase in confidence levels related to capital requirements measurement, we have maintained a robust K-ICS ratio, demonstrating our financial health.

After the successful issuance of hybrid capital securities in 2014 and completing its redemption by successfully refinancing in the Korean capital market in 2019, Korean Re maintained efficient capital management by issuing new hybrid capital securities in line with the requirements of regulatory authorities and expectations of credit rating agencies. This has enabled us to maintain a sound solvency margin ratio and to further strengthen our balance sheet with an A (Positive) rating by S&P Global Ratings. Utilizing the buffer on the capital, we have been able to increase the level of retention on profitable domestic risks.

Hybrid Capital Securities

(Unit: KRW billion)

	Issue date	Coupon	2024	2023
2nd issuance	Oct. 21, 2019	3.40%	-	230
3rd issuance	May 30, 2022	4.90%	230	230
4th issuance	Oct. 28, 2022	6.70%	100	100
5th issuance	Mar. 16, 2023	5.50%	250	250
6th issuance	Oct. 11, 2024	4.27%	230	-
Total			**810**	**810**

Solvency Margin Ratio

	2024	2023	YoY Change
Solvency Margin Ratio (K-ICS Ratio*)	191.7%	183.2%	8.5%p

* The ratio refers to the solvency margin ratio under the Korean Insurance Capital Standard (K-ICS).

We completed redemption of the 2nd hybrid capital securities issued in 2019 by refinancing them in 2024. In the long term, we are pursuing organic growth of capital from consistently solid net income results and CAT reserve accumulation.

We will continue to implement prudent capital management measures in ways that enable us to take advantage of favorable market conditions and increase our reinsurance business acceptance as well as to maintain a strong capital position under the IFRS 17/K-ICS regimes.

Credit Ratings

Korean Re has maintained high credit ratings from both S&P Global Ratings and AM Best. The financial strength of a reinsurer is one of the most critical factors for primary insurers in selecting their reinsurance counterparties. We have been striving to remain financially strong, backed by sound risk-based capitalization and stable earnings.

In February 2024, S&P Global Ratings affirmed Korean Re's Financial Strength Ratings at A but revised its outlooks to Positive from Stable, reflecting its improved view on the company's capital and earnings. This outlook revision highlights a greater level of risk diversification and increased visibility on our future profits under IFRS 17. The credit rating agency said in its rating report, "The positive rating outlook reflects our expectation that Korean Re will continue to build a record of very strong capital adequacy, while maintaining its dominant position in the domestic reinsurance market over the next 12-18 months."

It is also expected that Korean Re's capitalization will be supported by the company's stable and sound profitability as it leverages its very strong competitive position, according to the statement by S&P Global Ratings.

In December 2024, AM Best upgraded the Long-Term Issuer Credit Rating (Long-Term ICR) to a+ (Excellent) from a (Excellent) and affirmed Korean Re's Financial Strength Rating (FSR) of A (Excellent). In addition, the rating agency revised the outlook of the Long-Term ICR to Stable from Positive while maintaining a Stable outlook for the FSR. The ratings reflect Korean Re's balance sheet strength, which AM Best assesses as very strong, as well as its adequate operating performance, favorable business profile, and appropriate enterprise risk management.

According to AM Best, the upgrade of the Long-Term ICR reflects Korean Re's improved balance sheet strength, underpinned by its risk-adjusted capitalization that showed a noticeable rise in 2023, and is expected to remain at a similar level over the medium term, as measured by Best's Capital Adequacy Ratio (BCAR). The improvement was driven by increased available capital from hybrid bond issuance in 2023, continued solid profit retention, as well as reduced underwriting risk following the restructuring of the company's business portfolio. The ongoing efforts to offload unprofitable business are expected to contain the increase in underwriting risk in the foreseeable future and benefit Korean Re with organic growth in retained earnings over the long term. At the same time, the company has demonstrated well-matched asset and liability management, which indicates its capability to maintain a stable solvency ratio and withstand interest rate fluctuations. Other supportive balance sheet strength considerations are good accessibility to capital markets and a conservative investment strategy.

Credit Ratings of Korean Re

Rating Agency	Ratings Details	
S&P Global Ratings	Financial Strength Rating Local Currency	A /Positive
	Issuer Credit Rating	A /Positive
AM Best	Financial Strength Rating	A (Excellent) / Stable
	Long-Term Issuer Credit Rating	a+ (Excellent) / Stable

(As of December 2024)

Credit Ratings of Korean Reinsurance Switzerland AG

Rating Agency	Ratings Details	
S&P Global Ratings	Financial Strength Rating Local Currency	A /Positive
	Issuer Credit Rating Local Currency	A /Positive

(As of December 2024)

Dividend and Stock Price Performance

Distributions to Shareholders

Korean Re has a long history of returning value to shareholders based on its consistent dividend policy to offer attractive and sustainable returns to shareholders. Its total dividend payout amount increased by KRW 11.5 billion to KRW 91.0 billion in 2024 due to higher net income, with the payout ratio being maintained at a similar level of 28.7%.

Considering the possible volatility of business results in the initial period of the IFRS 17 implementation, we intended to avoid excessive dividends that could impair our financial strength. The dividend payout ratio will continue to remain at a stable level under the new financial reporting regime.

Dividend Performance

	2020	2021	2022	2023	2024
Total Dividend Amount (KRW billion)	46.0	53.7	52.8	79.5	91.0
Payout Ratio (%)*	32.4	35.0	33.4	28.0	28.7
Dividend per Share (KRW)	450	525	430	540	515
Dividend Yield (%)	5.2	5.5	5.9	6.8	6.3

* The payout ratios for 2020 – 2022 are based on IFRS 4, while the 2023-2024 ratios are based on IFRS 17.

Stock Price Performance

In 2024, South Korea's stock market experienced a notable downturn, with the Korean Composite Stock Price Index (KOSPI) declining by nearly 10% over the year. One of the key factors behind this decline was domestic political turmoil. In December 2024, President Yoon declared martial law amid political disputes, a move that was swiftly overturned by Parliament. This event led to heightened investor concerns, resulting in a sharp decline in both the stock market and the value of the Korean won.

Economic challenges also played a part in the bearish stock market. Korea's export-driven economy faced headwinds, particularly with a slowdown in the semiconductor industry—a critical sector for the economy.

In response to these challenges, the Korean government introduced the Corporate Value-Up Program in February 2024, aimed at enhancing market quality and competitiveness. However, the stock market, in general, fell short of expectations, as evidenced by the continued dip in KOSPI.

Despite the broader market downturn, the insurance sector saw strong growth. The KODEX Insurance ETF surged by 22.7%, mainly driven by expectations that insurers would be actively participating in the Corporate Value-Up Program. In terms of market capitalization, the insurance sector soared by 25.2%, with life insurers rising by 27.4% and non-life insurers by 23.6%.

Korean Re's share price increased by 31.0% from KRW 6,068 (adjusted for bonus issues) at the end of 2023 to KRW 7,950 (adjusted for bonus issues) at the end of 2024. This extraordinary stock performance significantly enhanced our shareholder value for the year.

Market analysts remain highly optimistic about Korean Re, echoing market sentiment from the previous year. Although the global reinsurance market showed signs of softening during the January 1, 2025 renewals, the cumulative rate increases in past years have kept overall reinsurance pricing at a high level.

It is also worth noting that the company stands to benefit from steady growth in invested assets driven by coinsurance transactions and stable investment returns, supported by a strategic swap of lower-yielding bonds for higher-yielding ones in 2023 and 2024.

Over the past year, we delivered strong net income, reflecting our long-standing focus on prudent underwriting. Our efforts to strengthen risk management and reorganize our portfolio resulted in sustained growth in profitability. We also strategically capitalized on hard market conditions following frequent major natural disasters to deliver strong results.

As of year-end 2024, Korean Re's stock remains undervalued, with a price-to-book ratio (PBR) of 0.45 or lower. From a valuation perspective, this presents an attractive investment opportunity, further reinforcing the positive outlook for the company.

Other Matters Necessary for Investors

Regarding Significant Accounting Policies and Estimates

We prepared financial statements in accordance with the accounting standards adopted by Korea, which are based on the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as specified in Article 5(1)1 of the Act on External Audit of Stock Companies.

For details regarding the significant accounting policies applied in the preparation of the financial statements, please refer to the Notes to the Consolidated Financial Statements for 2024, particularly sections "2. Basis of Preparation and Significant Accounting Policies" and "3. Significant Accounting Judgments, Estimates, and Assumptions."

Regarding Matters Concerning Employees

Our company operates welfare programs such as financing support for the housing purposes, education assistance, and medical support systems to enhance the well-being and job stability of employees. Furthermore, we manage the risks associated with the turnover of key personnel and strengthen organizational competitiveness by incorporating various educational opportunities and individualized professional career management into our human resources administration. As a reinsurance specialist company, we strive to maintain the highest level of technical expertise and secure specialized personnel to support this endeavor.

Regarding Legal and Regulatory Factors

While regulatory amendments aimed at enhancing the capital strength of insurers and internal controls are underway, there are no specific regulations scheduled for the next fiscal year that are anticipated to significantly impact our business operations.

Outlook

Economic Outlook

Global growth is projected at 3.3% in both 2025 and 2026, below the historical average of 3.7% (2000–2019), according to the International Monetary Fund (IMF). The 2025 forecast remains largely unchanged from the October 2024 World Economic Outlook (WEO), as an upward revision for the United States offsets downward revisions in other major economies.

Global headline inflation is expected to decrease to 4.2% in 2025 and further to 3.5% in 2026, with advanced economies reaching their inflation targets sooner than emerging markets and developing economies.

Medium-term risks to the global economic outlook are tilted to the downside, while near-term risks remain mixed. In the short term, the United States may see stronger-than-expected growth, whereas other major economies face downside risks due to elevated policy uncertainty.

Potential policy-driven disruptions to the ongoing disinflation process could delay monetary policy easing, affecting fiscal sustainability and financial stability. Managing these risks requires a careful balance between inflation control and real economic activity. It is also important to seek stronger medium-term growth through structural reforms and enhanced multilateral cooperation.

World Economic Outlook

Real GDP Growth (%)	Estimate	Projections	
	2024	2025	2026
World	3.2	3.3	3.3
Advanced Economies	1.7	1.9	1.8
United States	2.8	2.7	2.1
Euro Area	0.8	1.0	1.4
Germany	-0.2	0.3	1.1
France	1.1	0.8	1.1
Italy	0.6	0.7	0.9
Spain	3.1	2.3	1.8
Japan	-0.2	1.1	0.8
Korea	2.2	2.0	2.1
United Kingdom	0.9	1.6	1.5
Emerging Market and Developing Economies	4.2	4.2	4.3
China	4.8	4.6	4.5
India	6.5	6.5	6.5
Russia	3.8	1.4	1.2
Brazil	3.7	2.2	2.2
Saudi Arabia	1.4	3.3	4.1

* For India, data and projections are presented on a fiscal year basis, with FY 2024/25 (starting in April 2024) shown in the 2024 column. India's growth projections are 6.8% for 2025 and 6.5% for 2026 based on the calendar year.

(Source: IMF, World Economic Outlook Update, January 2025)

Insurance Market Outlook

The global primary insurance market is expected to see slower growth in 2025 following robust growth in 2024, as non-life premium rates moderate and life insurance sales stabilize. Still, demand will be supported by steady global economic expansion, resilient labor markets, rising real incomes amid moderating inflation, and higher long-term interest rates.

The primary non-life insurance industry continues to improve its profitability as underwriting results benefit from easing inflation and elevated premium rates, and this strength is expected to continue. Combined with improving investment returns, profitability is likely to remain solid. We also expect the life sector to maintain profitability in the coming year given higher reinvestment yields.

Meanwhile, the reinsurance sector has been strong in terms of profitability and is expected to stay resilient in 2025, even as the pricing cycle has likely peaked. Solid profits in 2023 and 2024 were driven by the most favorable underwriting conditions in over two decades, coupled with steady investment income. The balance-sheet resilience of the reinsurance industry has also been bolstered by strong capital buffers and strengthened reserves. While reinsurers maintain underwriting discipline, capitalization is expected to remain strong, helping reinsurers cope with potential headwinds, including declining prices from recent highs, elevated catastrophe losses, and rising claims costs.

Outlook for Korean Re's Business in 2025

In 2025, our reinsurance portfolio is projected to grow by approximately 2.5%. This forecast reflects multiple factors, including baseline effects stemming from the previous year's coinsurance volume, as well as our continuous efforts to restructure our portfolio to enhance profitability. Furthermore, we are committed to actively expanding our portfolio with a focus on sustainable and profitable growth.

We will maintain a profitability-driven portfolio growth initiative by carefully managing retention levels in promising business lines. Despite the transition to a soft market across various business lines and regions, we remain dedicated to strategic business activities that ensure both growth potential and profitability.

Our growth strategy for the 2024-2026 period has been formulated in accordance with the new accounting and solvency regulations (IFRS 17 & K-ICS) to ensure compliance with key financial requirements. Under these regulatory frameworks, we aim to achieve stable net income and maintain an adequate solvency ratio by optimizing our portfolio structure and strengthening our market presence.

Our investment yield expectations remain conservative, with a target yield exceeding 3.6% in 2025. We seek to secure stable investment returns through the appropriate allocation of our diversified investment portfolio.

As of 2024, our overseas business accounted for 42.4% of our total portfolio. Despite ongoing comprehensive portfolio adjustments, we anticipate this share to reach 50% in the medium to long term. By establishing a globally diversified portfolio structure, we aim to maximize the benefits of risk diversification while strategically capitalizing on various opportunities in the global market.

Caution on Forward-Looking Statements

This report contains forward-looking statements, including statements regarding Korean Re's future operations, strategies, financial condition, and business prospects. These statements are based on current expectations and assumptions and are subject to risks and uncertainties that could cause actual results to differ materially. Korean Re undertakes no obligation to update or revise any forward-looking statements to reflect future events or circumstances.

Risk Management Report

Risk Management Framework

Our risk management framework upholds an efficient and effective risk management environment to support the achievement of the company's business goals and strategies. The framework sets out how Korean Re defines, manages, monitors, and reports risks based on its risk governance.

Objectives

Korean Re implements enterprise risk management initiatives to achieve a stable set of risk management objectives. The objectives are as follows:

- Continuously enhancing shareholder value
- Maintaining a high level of credibility with stakeholders, credit rating agencies, and supervisory agencies
- Diversifying insurance and investment portfolios, while also enhancing risk management with regard to overseas business growth

Strategic Risk Management

Korean Re's business strategy is aligned with its risk management strategy and risk appetite. The Risk Appetite Framework provides the main direction to steer the company as it moves forward, with all risks managed under this framework. Based on the capital plan and financial targets linked to our risk appetite, we establish business plans and operate the business in a stable manner by monitoring and evaluating business performance according to risk indicators.

Risk Appetite Framework

Korean Re's risk appetite framework is an enterprise-wide risk management guideline made up of three important components: risk appetite, risk tolerance, and risk limit.

Risk appetite defines the amount of risk we should accept in consideration of the company's vision and business objectives. The risk appetite statement is as follows:

- Maintain the solvency ratio within an optimal range (160%-200%)
- Focus on our comparative advantage businesses and achieve a target ROE
- Maintain a conservative risk management policy, with risks being retained at a medium-low level considering our capital
- Improve capital efficiency by optimizing our insurance and investment portfolios
- Continue to improve our risk-adjusted return on capital (RAROC)

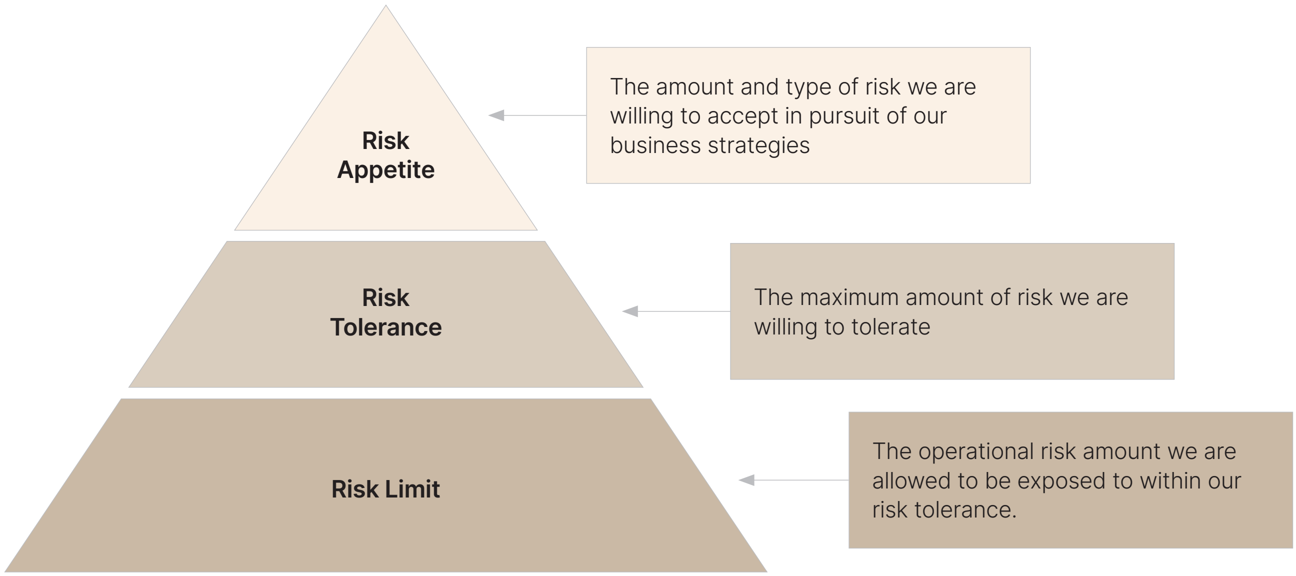
Risk appetite plays a significant role in maintaining our risk profile within the boundaries defined by different objectives, such as profitability, solvency, growth, and liquidity. Risk appetite also provides a solid foundation for decision-making with regard to strategic asset allocation, capital planning, portfolio management, and more.

Risk tolerance represents a quantitative level of risk acceptance within the risk appetite and helps create macro guidelines for capital adequacy, liquidity, and concentration. The risk tolerance statement is as follows:

- Maintain the solvency ratio within a stable range (above 150%)
- Maintain a credit rating of A or above
- Ability to meet day-to-day financial obligations (liquidity)

Risk limit describes the risk capacity constraints determined by capital and liquidity resources to ensure compliance with our risk appetite and risk tolerance.

Risk Appetite Framework



Capital Management

Korean Re's capital is managed through a framework which provides a robust foundation for capital management. To ensure Korean Re's sound capital management, we align our risk management strategy with our long-term business strategy. Strategic objectives are examined from the perspective of our risk management strategy to be certain if they are in accordance with our risk appetite, and the results are then reflected in our business plans. We also have a detailed capital management plan in place based on the levels of solvency ratio in order to maintain the optimal range of solvency. Korean Re's capital management framework is comprised of three main modules: capital planning, business planning, and risk planning. Each module is structured to ensure full compliance with Korean Re's risk appetite and tolerance.

Portfolio Optimization

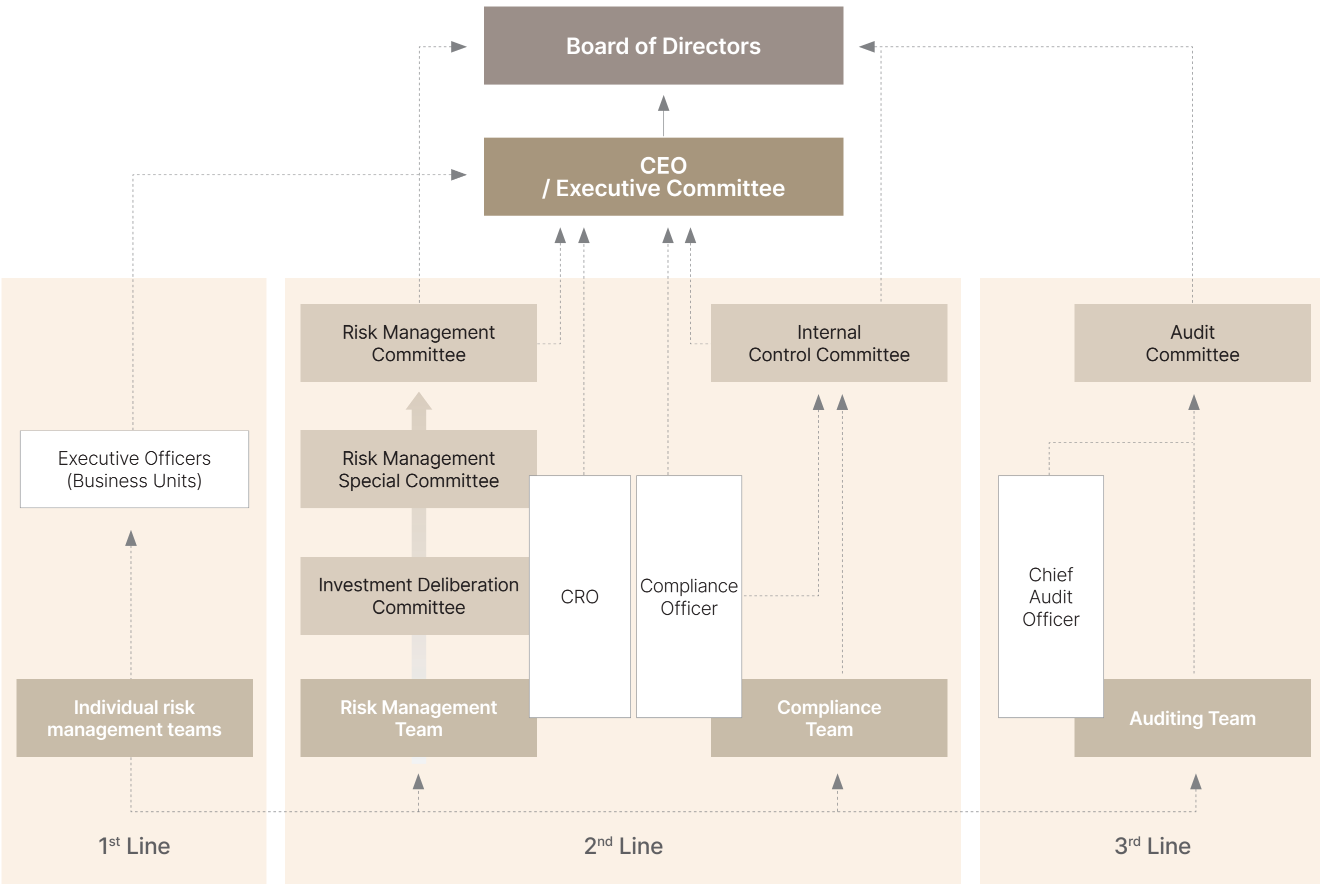
Korean Re performs business planning by analyzing the risks and profitability of its businesses. We measure return on risk-adjusted capital (RORAC) for each line of our insurance business and investment asset portfolio through our own internal model. Based on this, the Strategic Planning office draws up plans for optimal portfolios and then finalizes annual plans that can achieve capital efficiency with respect to risk appetite and improve our RORAC.

Risk Governance

Korean Re has built a comprehensive framework for risk governance based on central oversight and controls of risks with clear accountability. This structure supports risk-based decision-making and oversight across all operations of our businesses. Risk governance defines the roles and responsibilities of the Board of Directors, committees, management structures, and related teams. It also involves the implementation of three lines of defense as part of the structure.

The Three Lines of Defense model that we implement demonstrates our risk governance, laying out the roles of business and oversight organizations in managing our risk profile. The first line of defense includes front-line managers and staff who are responsible for day-to-day risk management and decision-making. (Overseas office staff are also a first line of defense.) Their primary responsibility is to maintain an effective control environment and ensure that all activities are within our risk appetite. The second line of defense deals with setting risk policies and overseeing our risk management status. This involves the Risk Management Team, the Chief Risk Officer (CRO), the Risk Management Committee (RMC), the Risk Management Special Committee (RMSC), the Investment Deliberation Committee, and compliance functions, that is, the Compliance Team, the Compliance Officer, and the Internal Control Committee. The third line of defense provides independent assurance through an internal audit and validates the effectiveness of the first and second lines of defense in fulfilling their responsibilities and managing our risk profile.

Three Lines of Defense



Risk Landscape of Korean Re

In the course of its business operations, Korean Re is confronted with a wide range of risks. These risks are consciously embraced, guided, and monitored in line with the actions taken toward the corresponding opportunities. The Board of Management's parameters and decisions regarding Korean Re's risk appetite, which are grounded in risk-bearing capacity calculations, are essential for risk acceptance. In this regard, our risk management plays a pivotal role in ensuring that risks to the reinsurance portfolio remain measurable and that even extraordinary major losses do not excessively impact the outcome.

Risk Landscape of Korean Re

Key Risks

We manage five key risks— insurance risk, financial risk (credit & market), liquidity risk, emerging risk, and operational risk (which includes strategy, reputation, regulation and legal risks)—all of which are likely to have a significant impact on our financial results and/or operational viability. In doing so, we implement a series of procedures that include risk identification, measurement, control, analysis, and reporting.

Insurance Risk

Korean Re defines insurance risk as the risk of unexpected financial losses arising from the inadequacy of premiums or reserves for natural catastrophe or non-catastrophe events, or from the unpredictability of biometric risks, such as the mortality rate.

We manage insurance risks in a consistent manner across the company by assessing and monitoring them in accordance with clearly defined underwriting guidelines.

Furthermore, we utilize a natural catastrophe modeling program and an accumulation management system to effectively control catastrophe risk at the corporate level.

Market Risk

Korean Re defines market risk as the risk of losses arising from fluctuations of the value of assets and liabilities due to changes in relevant factors, such as interest rates, stock prices, and foreign exchange rates. We manage this risk in our day-to-day operations and, more specifically, hedge against foreign exchange risk using derivatives in order to keep our exposure at a safe level.

At the same time, we closely monitor global economic and financial market conditions and outlooks that can affect our investment performance in order to analyze their potential impact and come up with effective countermeasures.

Credit Risk

Our credit risk system focuses on any losses arising from the failure of the counterparty to a reinsurance contract to meet its contractual obligations or from deterioration in the credit quality of invested assets.

We conduct an analysis of potential losses before making any high-risk business decisions, including whether to write new business contracts or invest in derivatives. When necessary, these decisions are made through the review process of the Risk Management Special Committee and the Investment Deliberation Committee. Identifying any abnormal signs related to retained risks is also an essential element of our preemptive risk management system.

Liquidity Risk

We plan and manage our liquidity positions in order to deal with future claims payments and expenses as they arise. To this end, we set liquidity limits based on our future cash flow, and then monitor them regularly.

Generally, our liquidity is managed based on short-term and mid-term working capital management plans by the Accounting Team and Investment Strategy & Operations Team. On this basis, we regularly monitor the liquidity status of the company.

We also manage liquidity risk through the regulatory liquidity ratio and S&P liquidity ratio to meet short-term and future payment obligations. Specifically, we establish our tolerance and limit based on our S&P liquidity ratio, which is measured by dividing stressed liquid assets by stressed insurance liability outflows. We set and manage the minimum liquid asset level on an ongoing basis to meet our daily business obligations, settlements, and expenses in a normal situation.

Operational Risk

Korean Re defines operational risk as the risk of potential losses arising from inadequate or failed internal processes or systems or human errors, and/or from external events. We have identified a set of operational risks that cover various business units and activities, including strategy, reputation, new product development, and claims management.

We manage these risks through effective policies and procedures that have a clear separation of duties, timely internal controls, and reporting systems. Through the internal control system, operational risks are managed systemically based on our Code of Conduct and other internal regulations.

Emerging Risk

Emerging risks are defined as types of risks that were either not recognized or not considered of significant interest in the past but have started to gain attention.

Our approach to managing emerging risks involves a comprehensive analysis, and each team establishes management strategies for their respective risks based on a detailed analysis report on potential emerging risks.

The emerging risks that we have selected for 2025 are as follows:

- Geopolitical Conflicts and Clashes
  - The escalation of armed conflicts may lead to large-scale migration and a concentration of risks in specific regions.
  - Maritime disputes can result in increased marine insurance premiums and transportation costs.
  - Rising tensions may cause asset losses due to strikes, riots, and civil commotions (SRCC) and also impact business interruption losses.

- Damage to Social Infrastructure Systems due to Increased Natural Disasters
  - The combined impact of disasters and the interconnectivity between major infrastructure and supply chains can lead to an accumulation of losses.
  - If critical infrastructure such as power transmission lines and power plants is damaged by natural disasters, claims may arise under Property Insurance and Business Interruption Insurance.
  - Facilities that rely on continuous power supply, such as hospitals, data centers, and security systems, may suffer cascading damages.

By proactively identifying and addressing these emerging risks, we aim to enhance our resilience and ensure the effectiveness of our risk management strategies. These efforts align with our commitment to staying ahead of evolving challenges and safeguarding the interests of our stakeholders.

Review of Operations

Note: This section covers business results for the head office only, with gross written premiums used to measure business volume and the combined ratio calculated under IFRS 4.

Domestic
Property & Casualty (P&C)

Property

The Korean property insurance market experienced modest growth in 2024, with stable premium increases and favorable loss trends. The loss ratio of the market stood at 55.4% as of November 2024, primarily due to fewer natural disasters and a reduction in large losses. Gross written premiums rose by 2.9% year over year to KRW 2,670 billion. By line of business, the fire insurance market grew by 8.4%, reaching KRW 314 billion in premium income, while the comprehensive insurance market saw a 2.2% year-over-year increase, totaling KRW 2,356 billion as of November 2024.

Treaty Business

We operate private treaties with 16 ceding insurers, and our premium income from these treaties increased by 6.8% to KRW 180 billion. Our domestic property treaty business consists of approximately 95% tariff rate-based contracts and 5% Korean Re rate-based contracts.

Since UY2023, we have continuously strengthened our underwriting review during treaty renewals. To mitigate adverse selection by ceding insurers, we have renewed variable quota share (Q/S) treaties with a narrower cession range. Additionally, we remain committed to structural improvements, including lowering treaty commission rates and imposing a loss participation clause (LPC) to enhance profitability.

Building on our stable performance in 2024, we have continued to ensure treaty profitability by maintaining strict underwriting discipline and resisting pressure to loosen treaty terms and conditions (T&Cs) during 2025 renewals. This will help us maintain stability in our business performance in the year ahead.

Facultative Business

Our premium income from the domestic property facultative business increased slightly by 0.6% to KRW 457 billion, as we prioritized selective underwriting and maintained a prudent approach to writing profitable accounts.

Korean Re's facultative business has been focusing on underwriting mega-sized accounts in a reinsurer-driven market since the widespread adoption of judgment rates in 2019. Mega-sized accounts provide reinsurers with sufficient payback opportunities, as improved policy terms follow large-loss occurrences. As a result, our facultative business currently is comprised of approximately 80% mega-sized accounts, defined as total sum insured (TSI) above KRW 1 trillion, and 20% small and medium-sized (SME) accounts.

On the other hand, SME accounts are characterized by intense rate competition and an insured-driven market. Given these conditions, we strive to selectively underwrite SME accounts that have shown stable performance with adequate premiums.

In 2025, the domestic property insurance market is expected to soften further, driven by improved market performance and an influx of overseas reinsurance capacity. While maintaining a profitability-focused underwriting stance in our facultative business, we will seek growth opportunities through our treaty business, leveraging our established relationships with ceding insurers to secure facultative placements.

Gross Written Premiums: Domestic Property

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Treaty	180.4	131.8	168.9	128.0
Facultative	456.6	333.7	454.0	344.1
Nuclear Insurance	8.4	6.1	7.5	5.7
Total	**645.4**	**471.6**	630.4	477.8

* Domestic property covers Korean Interest Abroad (KIA), and nuclear insurance includes overseas business.

Korea Atomic Energy Insurance Pool (KAEIP)

In Korea, nuclear risks are insured by the Korea Atomic Energy Insurance Pool (KAEIP), which is managed by Korean Re. With 12 member companies, KAEIP is a voluntary, unincorporated association. On behalf of its members, we support the operation of KAEIP based on our expertise in risk management and underwriting so that the pool can provide risk transfer solutions to the nuclear industry that would otherwise be unable to obtain insurance coverage. The pool jointly underwrites domestic and international nuclear risks.

There are 28 nuclear power plants (NPPs) in Korea, with 26 NPPs in operation and two NPPs permanently shut down (Kori Unit 1 in June 2017 and Wolsong Unit 1 in December 2019). At present, four additional units are under construction. Globally, a total of 417 reactors are commercially operational, and 62 reactors are currently being built. Major countries with nuclear reactors under construction include China (28 units), India (7 units), and Turkiye (4 units).

In 2024, KAEIP achieved growth in gross written premiums, which increased by KRW 1.7 billion to KRW 67.5 billion.

The domestic direct business is expected to grow in line with the ongoing construction of nuclear reactors. At the Shin-Hanul site, two units started construction in November 2024. Globally, the premium size is expected to remain stable or see only a slight increase, as the market growth driven by the Revised Paris Convention has already been accounted for in previous years.

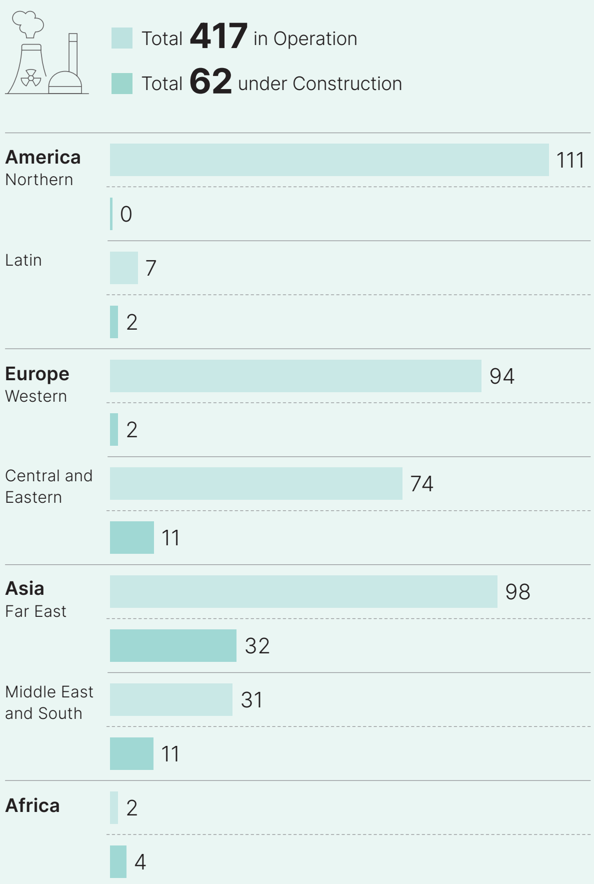
As a specialized insurance provider for the nuclear industry, KAEIP remains committed to supporting nuclear operators by offering insurance capacity and risk management services. While maintaining stable insurance capacity domestically, it will also seek new growth opportunities worldwide by adapting to market trends. Korean Re will play a leading role in these efforts, working alongside KAEIP to ensure stable growth of the pool.

Gross Written Premiums: Korea Atomic Energy Insurance Pool (KAEIP)

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Domestic Direct	43.2	31.5	40.6	30.8
Overseas Reinsurance Inward	24.3	17.8	25.2	19.1
Total	**67.5**	**49.3**	**65.8**	**49.9**

Global Reactor Status by Region



(Source: Power Reactor Information System (PRIS), International Atomic Energy Agency (IAEA), As of February 7, 2025)

Domestic
Property & Casualty (P&C)

Engineering, Marine & Aviation

Engineering

In 2024, the government increased the Social Overhead Capital (SOC) budget by 5.6% to KRW 26.4 trillion in an effort to counter an economic downturn. However, the construction industry continued to struggle due to financing difficulties caused by high interest rates and delays in large-scale public projects resulting from political instability.

Against this backdrop, the engineering insurance sector experienced a slowdown in overall growth but saw a significant improvement in profitability, making 2024 its most profitable year in history. This was primarily driven by the absence of major losses and an exceptionally low number of natural catastrophe events during the year. However, despite the favorable loss ratio, the global reinsurance market's low preference for the Korean market has persisted, showing no signs of improvement. Seizing this opportunity, Korean Re actively pursued an underwriting strategy focused on high-quality risks, thus achieving strong results.

In 2025, the construction industry is expected to remain sluggish due to a 3.6% reduction in the national SOC budget and ongoing political uncertainty. These factors are likely to delay the commencement of numerous public projects. Additionally, with persistently high interest rates, challenges such as delays in private-sector investments and significant cuts in corporate insurance budgets are anticipated, creating a more challenging environment for the engineering insurance market throughout the year.

Meanwhile, the consistently low loss ratio in the engineering insurance sector over the past few years has intensified competition among insurers, which is expected to drive a decline in overall premium rates.

It is worth noting, however, that the government is planning a supplementary budget to revitalize the construction industry. As part of this initiative, large-scale infrastructure projects, such as Gadeok-do New Airport and Great Train eXpress (GTX) Lines B and C, are expected to commence construction. Additionally, long-delayed offshore wind farm projects are likely to move forward.

On a global scale, the surging demand for artificial intelligence (AI)-related industries is driving significant expansion in large-scale AI data centers and related power infrastructure, presenting new opportunities in the insurance market.

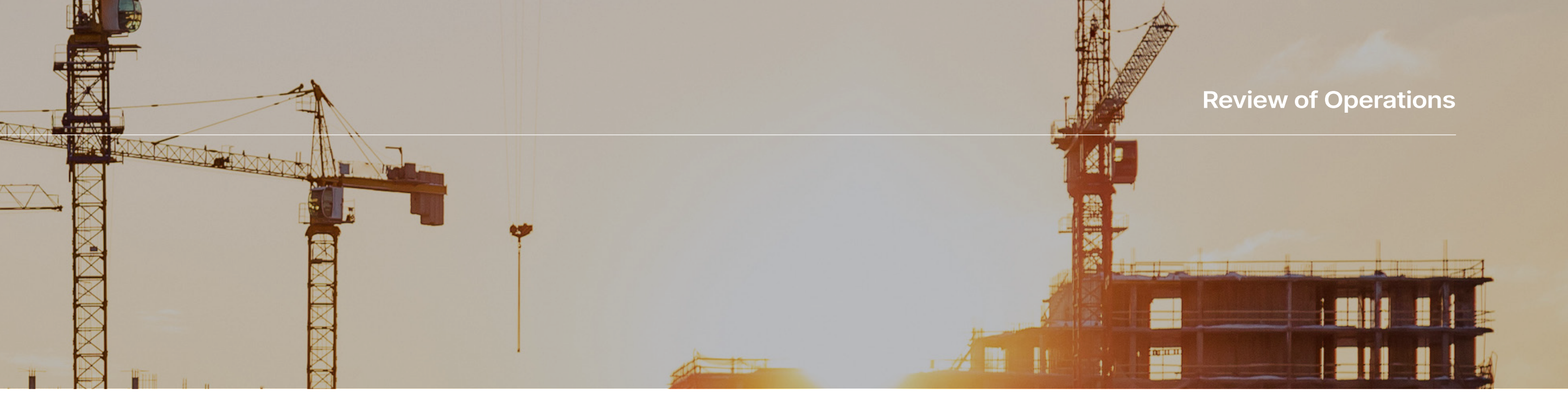
Furthermore, if the Russia-Ukraine war comes to an end, potential reconstruction projects could create new business opportunities, particularly for the Korean Interest Abroad (KIA) business.

Despite the uncertainties ahead, Korean Re will continue to leverage its expertise to actively explore new markets and optimize its portfolio, ensuring sustained profitability. Through these efforts, we aim to consistently deliver value to our clients and further strengthen our position as a leader in the engineering insurance market.

Marine & Aviation

In 2024, our marine and aviation business continued its upward trajectory, recording KRW 422.2 billion in gross written premiums—an increase from the previous year. Hull premiums grew by 4.7% year on year to KRW 223.6 billion, spurred by increased shipbuilding contracts, fleet expansion, and additional premiums imposed in high-risk areas due to heightened geopolitical conflicts worldwide. Market dynamics varied by fleet sizes. Although the overall market remained flat for small and medium-sized fleets, an influx of overseas capacity led to further rate softening for large and global fleets, resulting in a steeper rate decline than the previous year.

The volume of cargo premiums increased to KRW 99.9 billion in 2024, representing an increase of 6.2% from the previous year. This growth was primarily driven by the sustained increase in automobile cargo exports and the expansion of



new businesses in the defense sector. Meanwhile, aviation premiums surged by nearly 17% year on year to KRW 98.7 billion, bolstered by stable premium rates and the launch of satellites, including military-grade satellites.

Even though inflation remains a key concern for the marine and aviation industry, we have yet to experience any significant inflationary impact. In ship repairs, inflation has minimal influence since repair costs are typically settled within a year. On the other hand, we have observed that long-term cases such as General Average or Liability for Collision can take up to a decade to resolve, making their financial impact harder to track. In the South Korean shipbuilding industry, new order volumes have remained stable, with a notable increase in high-value LNG vessels compared to last year. This trend has sustained both premiums and the value of builder's risk insurance at elevated levels, a pattern expected to continue in the near future. Additionally, as the defense industry advances and grows, risk exposure is expected to increase, yet profitability in this segment remains strong.

While the degree of rate reductions varied across different lines of business, the overall market followed a softening trend in hull, cargo, and aviation in 2024. Despite this, our bottom line remained resilient, as the absence of major losses helped maintain stability alongside top-line growth.

Looking ahead to 2025, we expect this softening trend to continue, though at a more moderate pace than in 2024 for hull. Fleet volume is projected to remain mostly stable, albeit with growth showing a slight downward trend. On the cargo side, we expect a slight downturn in premiums caused by the global market instability regarding tariffs and geopolitical tension. A decrease in trade volume along with the softening rate trend will further impact the cargo market. Aviation premiums are expected to decrease slightly compared to the previous year due to the base effect of satellite launches.

Given these conditions, alongside our focus on profit-driven underwriting and maintaining pricing guidelines, we will continue to conduct in-depth analyses of loss patterns. This includes examining loss ratios by vessel type, cargo category, and both aircraft and pilot ages. Based on these insights, we will take a strategic approach to renewals, adjusting our exposure through selective increases or reductions to ensure long-term profitability.

Gross Written Premiums: Domestic Engineering, Marine & Aviation

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Engineering	262.8	192.0	276.6	209.6
Hull	223.6	163.4	213.5	161.8
Cargo	99.9	73.0	94.1	71.3
Aviation	98.7	72.1	84.7	64.2
Total	**685.0**	**500.6**	**669.0**	**507.0**

* Individual figures may not add up to the total shown due to rounding.

Domestic Property & Casualty (P&C)

Casualty

The Korean casualty insurance market experienced a phase of recovery and stabilization in 2024. The prolonged hardening of the domestic casualty market has gradually subsided, leading to a plateau in rate increases. This trend has led to an increase in competition, particularly in business lines with favorable loss ratios. Despite these market dynamics, our domestic casualty portfolio remained profitable, delivering solid performance.

In 2024, liability insurance accounted for the largest share of our total domestic casualty premiums at 46.5%, followed by personal accident insurance at 28.2% and special risk insurance at 25.4%. Over the year, we restructured our liability portfolio and exited underperforming accounts.

Meanwhile, the personal accident insurance sector grew by 7.4%, driven by the post-pandemic recovery of the travel insurance market.

We also continued to strengthen cooperation with our clients as we remained dedicated to providing effective responses to evolving market trends. Our client engagement is concentrated on supporting clients in navigating key industry challenges, including cyber security risks and ESG considerations.

Looking ahead, we are likely to encounter increased competition from overseas reinsurers. We will also have to deal with domestic primary insurers who continue to increase retention levels. Amid these challenges, we will respond agilely to changes in the domestic legislative landscape and continue to lead many domestic accounts by leveraging our underwriting expertise.

Moreover, our resources will be strategically allocated to strengthen risk management through thorough and proactive risk assessments, ensuring readiness for potential market changes. With a strong commitment to sustainable profitability, we remain confident in our ability to provide stable reinsurance capacity and tailored solutions that effectively meet the evolving needs of our clients.

Gross Written Premiums: Domestic Casualty

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023* (KRW)	2023* (USD)
Liability	281.8	205.9	284.3	215.5
Personal Accidents	170.8	124.8	159.0	120.5
Special Risks & Others	153.8	112.4	160.7	121.8
Total	**606.3**	**443.1**	**604.0**	**457.8**

* The 2023 figures have been restated to reflect the reclassification of certain items.
** Individual figures may not add up to the total shown due to rounding.

Motor, Surety & Agriculture

Motor

In 2024, the Korean motor insurance market experienced subdued growth compared to the previous year. Despite an increase in the number of registered vehicles, overall premium volume declined due to the third consecutive year of premium rate reductions.

Since the onset of COVID-19, the motor insurance sector has benefited from improved loss ratios and higher profitability. Following several years of significant improvement, premium rates have been continuously reduced since 2022, leading to a gradual increase in loss ratios. In 2024, the market-wide loss ratio is expected to rise by an additional 3%p compared to the previous year. However, Korean Re successfully managed to lower its loss ratio by 0.5%p to 79.6% in 2024. While primary insurers faced deteriorating performance, the reinsurance loss ratio remained stable due to a decline in accident severity and the absence of major natural catastrophe events.

In terms of top-line performance, Korean Re recorded negative growth, with gross written premiums declining to KRW 245.9 billion in 2024. This was primarily driven by the termination of certain proportional treaties, reflecting a reduced appetite among primary insurers for quota share reinsurance following the implementation of IFRS 17. In response, we have focused on offering reinsurance solutions that better meet the needs of ceding insurers. Additionally, we have expanded existing programs covering higher-risk exposures.

Looking ahead, the Korean motor insurance market is likely to face ongoing challenges in 2025, with direct premiums expected to stay close to KRW 21 trillion. While the growing number of high-value vehicles could help drive premium growth, the market is still dealing with continued premium rate cuts. These reductions are part of government efforts to ease the financial burden on consumers amid persistent inflation and high interest rates. As a result, the loss ratio is expected to increase further due to lower premium levels and inflationary pressures.

Under these tough market conditions, Korean Re has set a gross written premium target of KRW 257 billion for its domestic motor business in 2025. This marks a 4.3% increase from the previous year, aligning with the growth of mutual associations. To achieve this target, we will continue to develop innovative reinsurance programs and strengthen our partnerships with primary insurers. Our focus remains on driving sustainable growth while delivering value to both our partners and our company.

Gross Written Premiums: Domestic Motor

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Domestic Motor	245.9	179.7	358.5	271.7

Domestic Property & Casualty (P&C)

Surety & Credit

Korea's GDP growth initially showed sluggish performance in 2024 due to global semiconductor downturns and a contraction in private consumption caused by high interest rates and inflation. For the whole year, the GDP growth rate increased from 1.4% to 2.0% year on year, supported by recovery in exports and domestic consumption despite global economic uncertainties.

The Bank of Korea's interest rate decreased from 3.5% in the previous year to 3.0% in 2024. The interest rate cuts in 2024 were mainly driven by efforts to stimulate economic growth and counteract the effects of a slowing economy.

While the primary surety and credit insurance market continued its growth trend, there was a shift in loss experience. During the COVID-19 pandemic, loss ratios dropped to a historically low level in an environment characterized by low interest rates. However, under the current higher interest rate conditions, there has been a noticeable increase in loss ratios, particularly in the consumer product sector.

In 2024, our gross written premiums for surety and credit insurance grew by 6.5% compared to the previous year, aligning with the growth observed in the primary market. However, we experienced a considerable increase in loss ratios compared to the last three years. In particular, the credit insurance loss ratio, which had benefited from the lower interest rate environment during the COVID-19 pandemic, showed a slightly higher rate of increase compared to the surety insurance loss ratio.

Gross Written Premiums: Surety & Credit

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Surety & Credit	181.6	132.7	164.1	124.4

Agriculture

Korean Re has been a reliable source of reinsurance capacity for the domestic agricultural industry. It is essential for farmers to have insurance coverage against natural catastrophes in order to maintain their business stability, and we have played a crucial part in promoting the local agricultural insurance market. Apart from utilizing our own capacity, we have also provided access to global reinsurance capacity to support the development of the local market.

The domestic crop insurance market continued its growth trajectory in 2024, with original gross premiums increasing by 12% to KRW 1,051 billion. The livestock insurance market experienced a modest rebound, with its premiums increasing to KRW 214 billion in 2024. Our business volume in domestic crop decreased due to stringent underwriting, generating gross written premiums of KRW 101.2 billion from crop insurance and KRW 98.6 billion from livestock insurance.

In 2024, the crop insurance market recorded a higher loss ratio of 84.4% compared to the previous year due to atypical losses such as rice crop infestations during the growing season and heavy snowfall at the end of November. Nevertheless, the adverse impact on overall performance was mitigated by structural improvements implemented in 2021, including the transfer of high-risk perils such as spring frost to the government, as well as an improved profit and loss distribution structure. Meanwhile, the livestock insurance market went through a rough patch with multiple shed fires, a prolonged heatwave, and heavy snowfall driving the loss ratio to 112.2%.

The agricultural machinery insurance market grew by 7% compared to the previous year, resulting in gross written premiums of KRW 38.6 billion in 2024. After years of continued losses, the market started to turn around noticeably in 2020 and has since delivered favorable results, driven by the standardization of loss adjustment manuals

and the implementation of strict underwriting guidelines. Benefiting from this market trend, we achieved a loss ratio of 77.9% in 2024 - higher than the previous year but still at a favorable level.

The natural perils insurance market has stabilized in scale following a period of rapid growth up to 2023. Alongside crop and livestock insurance, our profitability-focused underwriting strategy led to a slight decline in gross written premiums, which fell to KRW 27.7 billion compared to the previous year.

The heavy snowfall in November had the most significant impact on the natural perils insurance market, resulting in total incurred losses of KRW 74.2 billion. However, due to our prudent underwriting focus on high-quality treaties, we successfully limited our losses to below KRW 20 billion, achieving a loss ratio of 92.9%.

Since 2020, continuous underwriting reinforcement has helped us turn around our overseas agriculture business, leading to profitability in 2023. In 2024, we recorded another profitable year, with a loss ratio of 36.4%, although gross written premiums decreased to KRW 4.3 billion. This improvement resulted not only from the reduced impact of past run-off contracts but also from our profitability-oriented portfolio management strategy.

In 2025, in the face of uncertainties posed by climate change that affects our business worldwide, we will continue our efforts to build a more diversified and profitable portfolio, with the aim of improving the bottom line of our business. As a major capacity provider of the domestic agriculture market, we will not waver from our commitment to promoting the growth of the government-sponsored agricultural insurance market, recognizing its role in both market stability and our long-term business expansion. For our overseas business, we will continue to prioritize portfolio management, emphasizing profitability over top-line growth through selective underwriting.

Gross Written Premiums: Agriculture

(Units: KRW billion, USD million)

		2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Domestic Agriculture	Crop	101.2	74.0	262.6	199.0
	Livestock	98.6	72.1	107.3	81.3
	Agricultural Machinery	38.6	28.2	36.2	27.4
	Natural Perils	27.7	20.2	43.0	32.6
	Environment Liability	2.3	1.7	2.6	2.0
Overseas Agriculture		4.3	3.1	13.9	10.6
Total		**272.6**	**199.2**	**465.5**	**352.8**

* Individual figures may not add up to the total shown due to rounding.

International
Property & Casualty (P&C)

Treaty Business

In 2024, the reinsurance market navigated a shifting landscape influenced by macroeconomic volatility, climate change-driven catastrophe losses, moderating inflation, and geopolitical uncertainties. While the global economy showed signs of stabilization, reinsurers remained cautious about claims cost inflation and regulatory changes impacting reserving practices.

Demand for reinsurance remained robust, particularly in property catastrophe coverage, as insurers sought protection against frequent and severe natural disasters. However, with ample capacity and increasing competition, pricing softened across most property lines, especially for well-capitalized insurers. Casualty reinsurance, despite ongoing concerns over social inflation and litigation risks, experienced stable renewals with improved risk-adjusted margins.

The impact of climate change and rising secondary perils—such as wildfires, floods, and convective storms—continued to be a key concern, particularly in regions like North America, Europe, and the Middle East. Despite these challenges, reinsurers sustained profitability, driven by disciplined underwriting, strong investment returns, and diversification strategies.

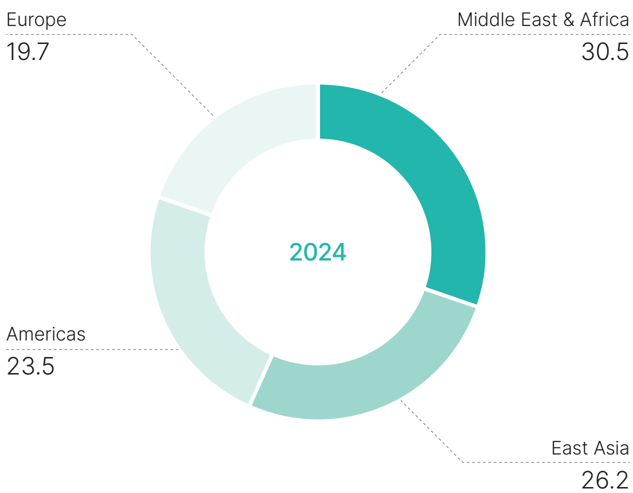
In 2024, the international treaty business written by our head office recorded an increase of 5.7% in gross written premiums, totaling KRW 1,159.5 billion (USD 847.3 million, an increase of 1.9%). We secured solid market growth in the Middle East and Americas, demonstrating a well-balanced and steady expansion. On the other hand, we adjusted our portfolio in Europe by 9.2% to reduce volatility stemming from climate change, secondary perils, and social inflation.

Notably, our property, engineering & marine portfolio has comparable shares of 30.5% for the Middle East & Africa and 26.3% for East Asia, with the Americas and Europe following closely at 23.5% and 19.7%, respectively. In terms of the motor & casualty business, Europe & the Middle East make up 68.5%, while the Americas & Asia account for 31.5%.

Our company remains committed to expanding non-property classes of business as part of our strategy to further diversify our global portfolio. Over the past year, our share of non-property business has increased from 41.8% to 43.7%, reflecting our dedication to achieving a

International Treaty Portfolio by Region in 2024 (Property, Engineering & Marine)

(Unit: %)



well-balanced risk profile across multiple lines. This shift strengthens our resilience and positions us for sustained growth in an evolving reinsurance landscape.

Our diversified international treaty portfolio underscores our commitment to serving clients worldwide. We have continued to refine our portfolio strategy by region while proactively preparing for the impact of catastrophes and large-risk losses. The absence of significant catastrophe events contributed to a record-high net underwriting income of KRW 193.8 billion (USD 141.6 million), resulting in a technical combined ratio of 83.3%.

Given the ongoing uncertainties surrounding natural disasters and economic conditions, we are continuing to place greater emphasis on enhancing profitability by strictly managing natural catastrophe exposures and adopting a more cautious approach to underwriting.

Moreover, we are actively exploring both traditional and alternative reinsurance solutions to offset the potential effects of loss volatility driven by global climate change and evolving regional market dynamics.

Gross Written Premiums: International Treaty

Property, Engineering & Marine

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Middle East & Africa	199.3	145.6	195.2	148.0
East Asia	171.3	125.2	167.0	126.6
Europe	128.6	94.0	141.7	107.4
Americas	153.5	112.2	134.6	102.0
Total	**652.7**	**477.0**	**638.5**	**483.9**

* Individual figures may not add up to the total shown due to rounding.

Casualty & Motor

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Europe & Middle East	347.3	253.8	288.2	218.4
Americas & Asia	159.6	116.6	170.6	129.3
Total	**506.8**	**370.3**	**458.8**	**347.7**

* Individual figures may not add up to the total shown due to rounding.

International Property & Casualty (P&C)

Facultative Business

Property

UY2024 closed with the bottom line exceeding targets, as gross written premiums slightly increased from KRW 167 billion in 2023 to KRW 168 billion in 2024. This growth was backed by a rise in the number of new accounts written across all lines of business, as we continued to navigate opportunities in untapped markets. Our strict and conservative underwriting approach played a key role in achieving a favorable profit margin, with a technical combined ratio of 63.8%.

Our underwriting (U/W) guidelines for 2025 will remain unchanged, as our priority continues to be on bottom-line performance. Our U/W discipline is refined through risk selection, line size management, analysis of discrepancies between actual premium rates and technical rates, and coverage restrictions. We will take a conservative approach on high-hazardous occupations, as well as risks vulnerable to inflation and economic ups and downs, including those with high business interruption exposure.

Over the years, we have focused on tailoring our underwriting approach to align with regional preferences, allowing for greater flexibility in accessing new accounts. This strategy has led to creating opportunities across North America, where rates remained resilient and demand for new capacity grew higher than ever before.

We are also making good strides in terms of achieving a balanced regional portfolio, as North America and the Middle East and Africa (MEA) gradually replace our exposure in Asia and Europe.

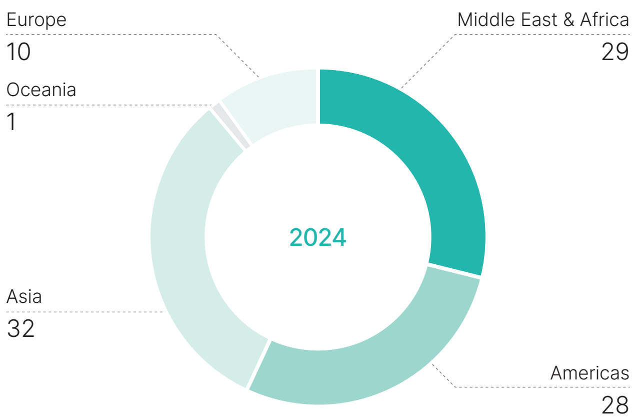
Our premium breakdown by territory is illustrated below, with Asia and MEA collectively accounting for more than half of the entire premium income, followed by the Americas (28%), Europe (10%), and Oceania (1%).

The favorable pricing momentum that once allowed us to achieve both growth and profitability has now largely come to an end. Market trends have varied across regions depending on their natural perils exposure. In catastrophe-prone regions with high natural catastrophe activity, flat renewals have become the ceiling for rate adjustments. On the other hand, in less catastrophe-prone regions, downward pricing pressure has intensified, with some areas experiencing double-digit reductions.

Between 2022 and 2023, we witnessed a significant increase in accounts seeking facultative coverage as a solution to tightened treaty requirements. While this trend benefited us to some extent, we remained focused on

International Facultative Portfolio by Region in 2024 (Property)

(Unit: %)



Gross Written Premiums: International Property Facultative

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
International Property Facultative	167.5	122.4	167.1	126.6

maintaining underwriting discipline, ensuring that our risk selection was grounded in stringent risk assessment and modeling.

As we move forward, various uncertainties arising from geopolitical events, catastrophic losses, and regulatory changes will continue to challenge our ability to attain our goals. Nevertheless, we are confident that we will stay committed to providing our clients with the underwriting expertise and capacity they need. These strengths have been at the core of our business success and will continue to serve as the bedrock of our long-term growth.

Engineering & Construction

In 2024, Korean Re's international engineering and construction facultative business maintained a strategic focus on enhancing profitability. Our market positioning was driven by a shift toward portfolio optimization, emphasizing disciplined underwriting and risk selection. By prioritizing quality over volume, we strategically aligned our business with the most favorable opportunities, reinforcing our commitment to sustainable underwriting profitability. While market hardening has shown signs of plateauing, we continue to leverage prevailing market conditions to strengthen our competitive position and drive long-term value creation.

The global construction market is showing signs of stabilization, but the outlook for mega projects in our key target regions remains promising. With the rapid advancement of emerging technologies, we anticipate significant investments in supporting infrastructure, which will drive long-term growth in the construction sector. These developments present substantial opportunities for Korean Re as we continue to align our business with industry trends and capitalize on evolving market demands.

While eco-friendly construction methods and renewable energy projects remain a focal point amid the increasing emphasis on environmental, social, and governance (ESG) initiatives, traditional power generation and energy investments are also gaining renewed attention. With the new U.S. administration prioritizing infrastructure and energy security, significant investments are expected in conventional power generation and oil & gas projects. At the same time, improvements in global supply chain conditions—following the peak disruptions of previous years—are fostering a more stable environment for large-scale developments worldwide. While geopolitical uncertainties remain, sustained infrastructure spending and energy-sector investments continue to underpin market growth, creating long-term opportunities in the construction industry.

Looking ahead, we are focused on achieving sustainable and profitable growth in 2025. Our commitment to maintaining relevance in the market is reflected in our continued efforts to strengthen long-term partnerships and deliver meaningful value to our key clients worldwide. To support this strategy, we will actively manage our portfolio by closely monitoring early indicators of changes in loss ratio trends and exposure to natural catastrophes. This disciplined approach is reinforced by seamless collaboration between our claims team, risk engineers, and underwriters, ensuring we stay agile in an evolving market landscape.

Gross Written Premiums: International Engineering & Construction Facultative

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
International Engineering & Construction Facultative	85.2	62.3	110.0	83.4

International
Property & Casualty (P&C)

Marine & Energy

The global marine insurance market expanded in 2024 as rising maritime activity and inflation-driven asset values increased total premiums. However, competitive pressures led to softening rates, creating a challenging pricing environment. In particular, the upstream energy market came under significant downward pressure on pricing during 2024, as insurers pursued top-line growth in a sector that had performed strongly in recent years. The market is evidently on a softening trend, increasing insurer competition and creating more options for insureds, while rising claims costs due to economic inflation are straining insurers.

A tug-of-war between insureds and insurers will lead to a varied spectrum of balance based on tensions between premium affordability for insureds and insurers' need for sustainable pricing, while navigating geopolitical challenges. We are witnessing an increasingly wider divergence in pricing between premium accounts with strong risk management practices and those with less transparency in the treatment of risk.

Despite these market conditions, our international marine and energy business achieved robust growth in 2024, with gross written premiums increasing by 15.9% year on year to KRW 78.0 billion. One of the key drivers behind the growth was our commitment to expanding our portfolio into wind turbine installation and offshore wind farms as part of our initiative to embrace the carbon-neutral movement. Furthermore, the stabilization of global oil and gas prices at USD 70-80, compared to the COVID-19 pandemic lows of USD 30-35, has spurred project activity in the upstream energy sector. This resurgence has fueled demand for

upstream energy insurance, a trend expected to continue over the next few years.

As previously noted, the capacity glut and consistent profitability in the markets have increased pressure on signing desired shares, making it challenging for insurers to achieve growth. In the midst of fierce competition, we remained steadfast in our focus on ensuring underwriting profitability and protecting our signed lines, which resulted in a technical profit of KRW 11.5 billion before management expenses.

We are committed to continuously re-underwriting underperforming sub-classes, and, at the same time, capturing new opportunities, especially in energy transition and renewables. We are taking steps to tap into the fast-growing offshore wind farm and offshore electricity transmission sectors as the renewable market becomes more disciplined in response to the evolution of new technologies. We are confident that we can achieve stable growth and profitability by proactively adjusting our portfolio mix between conventional risks and green technology risks.

Gross Written Premiums: International Marine & Energy Facultative Business

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
International Marine & Energy Facultative	78.0	57.0	67.3	51.0

Life & Health (L&H)

Long-Term

The long-term insurance market in Korea maintained its growth momentum in 2024, with direct premiums rising by around 5.3% year on year as of November 2024. This continued growth was mainly backed by the rapid growth of personal accident and health insurance premiums.

Following the implementation of IFRS 17, the long-term insurance market has seen heightened sales competition, as insurers strive to increase their Contractual Service Margin (CSM). Major insurers have adopted proactive sales strategies, leveraging general agency (GA) channels. This trend is likely to continue, serving as a key growth driver for the market.

In 2024, Korean Re achieved a growth in long-term insurance premiums to KRW 1,590 billion. We also delivered better underwriting results as we continued to focus on writing more profitable risks by working closely with direct insurers to develop new products. This effort allowed us to reduce our combined ratio before management expenses by 0.3%p to 97.9%.

In 2025, the long-term insurance market is expected to grow at a steady rate of 5.2%. This outlook is driven by the continued rise in medical expense insurance premium rates and insurers' coordinated marketing initiatives to promote newly developed products, particularly those offering premium discounts for preferred policyholders.

In response to these market trends, we will continue to support our clients in terms of product development based on an extensive analysis of their product portfolios. We will also provide underwriting services and the necessary reinsurance programs, as well as risk transfer solutions, in a way that contributes to the sustainable growth of insurers offering long-term insurance coverage.

As insurers have transitioned to IFRS 17, we will make sure that our efforts are directed toward responding to their needs, such as providing risk management services and solvency capital relief, by being more attentive to their individual business profiles and conditions. Through these efforts, we will seek to strengthen our cooperation with direct insurers to develop new products so that we can build a more profitable business portfolio.

Gross Written Premiums: Long-Term

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Long-Term	1,590.0	1,161.9	1,459.2	1,105.9

Life & Health (L&H)

Domestic Life & Health

In 2024, the domestic life insurance market experienced a robust recovery, rebounding from the contraction of the previous year, with strong premium growth. This significant growth was attributed to strong sales performance in protection insurance, as life insurers have focused on protection insurance as an effective means to secure the Contractual Service Margin (CSM) under the IFRS 17 framework and improve their financial soundness. The total CSM for life insurance increased modestly year on year.

Demand for short-term payment whole life insurance expanded, while sales of non-refund and low-refund type health insurance increased, leading to strong year-on-year growth in protection insurance. In contrast, sales of savings insurance failed to gain growth momentum due to the impact of lower profitability under IFRS 17 and the continued higher interest rate environment.

Despite efforts to reduce low-margin portfolios and implement clean-cut strategies, Korean Re recorded KRW 886.5 billion in gross written premiums, a slight decrease of 0.1% from the previous year. This was driven by improved underwriting terms for in-force policies and a proactive strategy to acquire high-margin new contracts. Notably, in spite of an increase in IBNR reserves due to changes in reserve calculation methods, the continued enhancement of medical expense reinsurance treaty terms and a conservative underwriting strategy based on precise profit and loss analysis led to a KRW 2.9 billion increase in net profit to KRW 34.5 billion, exceeding profitability targets. We are also contributing to the advancement of the domestic life reinsurance market by introducing AI-driven underwriting techniques to primary insurers, hosting specialized medical seminars, and providing technical collaboration and support.

Looking ahead to 2025, the domestic life insurance market is expected to remain highly competitive in protection insurance sales, driven by efforts to secure new business CSM as well as by the growing market dominance of general agencies (GAs). Premium income from protection insurance is projected to reach KRW 55.3 trillion, reflecting a 3.3% year-on-year growth. Conversely, savings insurance is anticipated to decline by 7.3%, recording KRW 25.7 trillion in premium income, due to the expected fall in interest rates and concerns over an economic slowdown, despite growth drivers such as an aging population and the increasing need for retirement planning. Overall, the total premium income from protection and savings insurance is expected to decline by 0.2% to KRW 81 trillion, reflecting a shift in product portfolio dynamics within the life insurance industry.

In response to these external conditions, we will focus on securing profitability amid intensifying market competition in protection insurance through sophisticated pricing techniques based on data-driven conservative underwriting strategies. Additionally, we will continue to provide technical marketing support to primary insurers and facilitate joint product development efforts to counteract growth stagnation. By leveraging decades of accumulated experience in domestic reinsurance operations, we will also strengthen stable business relationships with primary insurers while implementing capital-efficient portfolio strategies in compliance with IFRS 17.

Gross Written Premiums: Domestic Life & Health

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Domestic Life & Health	886.5	647.8	887.2	672.4

Overseas Life & Health

In 2024, the global life and health reinsurance market experienced stabilized mortality rates in the post-COVID-19 environment. However, uncertainty lingers as to whether mortality rates will return to pre-pandemic levels and what the long-term health impacts of the post-pandemic period will be, making it increasingly challenging to establish appropriate assumptions for pricing. Additionally, emerging risks, such as potential new pandemics, rising drug use, and increasing suicide rates, continue to impact life reinsurance pricing and risk assessment. Despite these challenges, we remain committed to a profit-focused underwriting approach, ensuring sustainable and responsible growth in an evolving market landscape.

Korean Re strategically adjusted its overseas life and health portfolio in 2024, with gross written premiums decreasing by 11.2% to KRW 463.8 billion. This adjustment was driven by our strategic decision aimed at enhancing portfolio profitability through recaptures and the discontinuation of new business in underperforming segments, aligning with our focus on profitability-driven underwriting. From a regional perspective, North America accounted for the largest share at 52%, followed by Asia at 35%, with China and Japan contributing 22% and 11%, respectively. South America represented approximately 9% of the total.

In terms of profitability, 2024 saw a decline compared to the previous year due to the unfavorable performance of past in-force business and the impact of a more detailed valuation approach, which led to increased reserves.

However, with portfolio improvements made in 2024, we anticipate better profitability in the upcoming year. While uncertainties persist, and competition in the life reinsurance sector is still intense, we continue to bolster our profitability, primarily through short-term contracts that effectively respond to evolving market uncertainties.

Looking ahead to 2025, we will closely monitor mortality and morbidity market trends, with a strong emphasis on maintaining low volatility and stable profitability through a diversified risk portfolio by region and product. At the same time, we will continue to enhance collaboration with our overseas branches, leveraging our expertise in life and health reinsurance to develop tailored solutions that address the evolving needs of our partners. Through this approach, we aim to strengthen our market position and drive sustainable growth in an ever-changing global landscape.

Gross Written Premiums: Overseas Life & Health

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Asia	163.5	119.5	206.7	156.7
Americas & Oceania	286.7	209.5	303.3	229.9
Europe, Middle East & Africa (EMEA)	13.7	10.0	12.5	9.5
Total	**463.8**	**338.9**	**522.4**	**395.9**

* Individual figures may not add up to the total shown due to rounding.

Life & Health (L&H)

Financial Solutions

With the introduction of IFRS 17 and K-ICS in 2023, the standards for evaluating financial soundness of primary insurers have been reinforced, and the needs for financial solutions to manage their capital have been growing accordingly.

Major life insurers such as Samsung Life and Shinhan Life are utilizing coinsurance as an effective tool for the improvement of asset-liability management (ALM) and the alleviation of P&L volatility, thereby securing capital for shareholders.

In addition, the adoption of lapse risk under K-ICS allowed primary insurers to take advantage of mass lapse reinsurance, creating new reinsurance demand. Mass lapse risk refers to the capital shock that occurs when a large number of policyholders cancel their contracts in the wake of a financial crisis, such as a bank run. Many primary insurers are looking to mass lapse reinsurance covers to manage their solvency ratios.

Coinsurance

Since the introduction of coinsurance into the domestic market in 2020, eight coinsurance deals have been finalized, the total of which are worth about KRW 3 trillion in terms of gross premium reserves. Among these, Korean Re has won four mega deals, representing a market share of more than 50%, or KRW 1.65 trillion in gross premium reserves. This noteworthy achievement underscores our leadership position in the domestic coinsurance market.

Even though we have performed successfully in the early stages of the domestic coinsurance market, it is crucial to acknowledge the evolving market landscape. Foreign competitors are actively pursuing entry into the Korean market, presenting a new set of challenges. Top-tier reinsurers with a presence in Korea are seeking to penetrate the domestic market, backed by financial and technical support from their respective headquarters, while other overseas reinsurers specializing in coinsurance are also exploring business opportunities in the Korean market.

Korean Re remains committed to providing both life and non-life insurers with comprehensive financial solutions, including coinsurance arrangements, employing extensive analysis with respect to accounting, risk, and actuarial aspects. Notably, we are the only reinsurer in Korea to have entered into both asset-transfer and funds-withheld transactions.

We successfully signed our first coinsurance deal with Shinhan Life in January 2022, followed by a second one with Samsung Life in November 2022 and a third one with Samsung Life in November 2023. All these deals were structured as “asset-transfer” type coinsurance, which is considered to be the most traditional coinsurance type in global markets, as initial consideration (single payment of coinsurance premium) is paid to the reinsurer at the inception of the contract.

Additionally, in December 2024, we entered into another coinsurance transaction with a global life insurer. This contract is a "funds withheld" coinsurance arrangement, where the cedant retains the initial consideration and pays interest on the withheld funds. We expect to achieve stable profit from this transaction by implementing hedging strategies using derivative instruments to manage the interest rate risk inherent in the transaction.

Mass Lapse Reinsurance

After the introduction of K-ICS in 2023, some primary insurers experienced difficulties in managing their solvency ratios because of mass lapse risk in the current higher interest rate environment.

Korean Re closely monitored and responded aggressively to deal with their concern about ways to improve solvency ratio management. Specifically, we provided our clients with

various solutions, including a stop loss reinsurance program, sufficient retrocession capacity based on our A rating from S&P, and competitive premium rates through retrocession. Notably, we achieved both stability and profitability with a conservative underwriting approach by selecting reinsured portfolios properly.

In 2025, we are actively in discussions with major insurers to explore different types of coinsurance and mass lapse reinsurance opportunities to expand our business territory. The coinsurance market is becoming increasingly active due to the strengthened regulatory framework by supervisory authorities in 2024, as well as the competitive market entry of offshore reinsurers. There is also a growing trend of transactions beyond life insurers to non-life insurers, and we are actively exploring new business opportunities to engage with companies that are introducing coinsurance for the first time.

Although the number of insurers capable of ceding mass lapse reinsurance has decreased due to interest rate cuts, demand for mass lapse reinsurance has increased as insurers seek solutions to address strengthened solvency margin regulations. Our objective is to enter into mass lapse transactions at a stable scale and maintain them over the long term. Furthermore, we are developing reinsurance solutions for a broader range of life and health insurance risks in addition to mass lapse.

By drawing on our experience, we will keep improving our expertise in pricing and risk management, thus solidifying our leading position by writing new financial reinsurance deals. Moreover, we are also planning to expand our reinsurance capacity through our strategic alliance with the Carlyle Group, if necessary. Through these efforts, we will contribute to the growth and profitability of our business as a whole.

Gross Written Premiums: Financial Solutions

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Coinsurance	209.5	153.1	749.0	567.7
Mass Lapse Reinsurance	6.2	4.5	3.7	2.8
Total	**215.7**	**157.6**	752.7	570.5

Investment

In 2024, domestic insurers continued refining their investment and risk management strategies in response to evolving financial conditions and regulatory shifts. While the initial impact of IFRS 17, IFRS 9, and K-ICS implementation was absorbed in 2023, insurers focused on optimizing asset allocations under the new capital framework. With persistent interest rate volatility and growing concerns over long-term yield sustainability, we adopted a balanced approach, prioritizing stable returns and capital efficiency.

As a result, our total investment income increased by 45.9% to KRW 387.1 billion, while our total investment portfolio grew by 10.3% to KRW 10.68 trillion, reflecting effective portfolio management. At year-end, bond holdings accounted for 62.2% (approximately KRW 6.64 trillion) of total invested assets, while alternative investments, including loans, comprised 21.3% (KRW 2.27 trillion), as we adjusted our portfolio in line with risk downsizing strategies.

The U.S. economy remained resilient despite initial slowdown concerns. The Federal Reserve cautiously began cutting interest rates as inflation eased, while the S&P 500 continued to rise, fueled by AI and tech sector gains. However, bond market volatility persisted as investors reacted to shifting monetary policies. Geopolitical uncertainties, including U.S.-China trade tensions and conflicts in the Middle East, further contributed to market instability.

In Korea, GDP growth rebounded modestly to 2.1%, driven by recovering semiconductor exports and consumer spending. Still, structural challenges such as weak domestic demand persisted. The Bank of Korea maintained its policy rate at 3.5% for most of the year before lowering it to 3.0% in the fourth quarter, aligning with global monetary easing trends. In response, insurers diversified investments and strengthened risk management to adapt to shifting financial conditions.

Two key factors drove the growth of our investment assets and operating income. First, net inflows from insurance operations exceeded expectations by KRW 350 billion, allowing for expanded investment deployment. Second, the appreciation of the U.S. dollar and other foreign currencies resulted in foreign exchange valuation gains exceeding KRW 300 billion, further enhancing our financial position.

Despite KRW 10.1 billion in capital losses from bond sales, we strategically rebalanced our portfolio by replacing lower-yielding bonds with higher-yielding alternatives in a high-rate environment. This reinvestment improved our book yield, ensuring more stable long-term returns. As a result, investment performance in 2024 remained strong, with domestic bond returns surging 46% to KRW 145.8 billion, while overseas bonds generated KRW 93.3 billion in investment income. Elevated interest rates also contributed to robust interest earnings.

Meanwhile, alternative investment income amounted to KRW 124.3 billion, a level similar to that of the previous year. Given economic uncertainties, including the U.S. presidential election, we scaled back alternative investments from our initial plans. However, solid interest and dividend income helped offset the impact, ensuring overall portfolio stability.

The global economy in 2025 is expected to remain sluggish, with inflation stabilizing and interest rate cuts anticipated in the second half of the year. However, uncertainty is still high as the U.S. Federal Reserve takes a cautious approach to rate reductions, balancing inflation concerns driven by Trump's tariff policies and increased government bond

Investment Results [1)]

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Invested Assets	10,680.2	7,195.0	9,679.3	7,434.2
Investment Income [2)]	387.1	282.9	265.3	201.1
Investment Income [3)]	657.6	480.6	295.2	223.7
Yield (%) [2)]	3.9	3.9	3.0	3.0
Yield* (%) [3)]	6.7	6.7	3.3	3.3

1) Investment results are based on IFRS 9
2) Excluding the insurance finance result
3) Including gains/losses from foreign exchange and interest rate hedging for insurance liabilities

issuance. In Korea, despite economic slowdown concerns, gradual rate cuts are expected, as the high exchange rate and household debt burden limit monetary policy flexibility. Rising global uncertainties and weakening industrial competitiveness reinforce the need for a prudent investment approach to navigate a prolonged low-growth environment.

In response, our 2025 investment strategy will focus on optimizing returns and preserving book yield amid expected rate cuts. We will prioritize corporate bonds and alternative debt instruments over government bonds to enhance profitability. Additionally, we aim to improve the quality of our alternative investment portfolio and gradually increase overseas exposure. We will also continue reducing low-yield assets like demand deposits and establish liquidity limits by overseas branches to enhance short-term fund management, with a view to becoming more effective in how we allocate and manage our capital.

Building on last year's efforts, we will continue refining our Strategic Asset Allocation (SAA) framework in 2025. Our focus will be on optimizing expected returns relative to risk exposure to determine long-term investment allocations and strengthen asset-specific management guidelines. As part of this initiative, we plan to introduce benchmarks for securities and implement performance evaluations across asset classes, reinforcing a structured and disciplined investment approach.

Investment Income

(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Domestic Bonds	145.8	106.5	99.7	75.6
Overseas Bonds	93.3	68.2	23.7	18.0
Stocks	7.7	5.6	2.0	1.5
Alternative Investments [1]	124.3	90.8	124.0	94.0
Short-Term Funds	27.9	20.4	20.2	15.3
Others	-11.9	-8.7	-4.3	-3.3
Total (excluding derivatives)	387.1	282.9	265.3	201.1
Derivatives [2]	270.5	197.7	29.9	22.7
Total	657.6	480.6	295.2	223.7

1) Alternative investments include loans and structured notes.
2) Gains and/or losses from foreign exchange and interest rate hedging for insurance liabilities

Invested Assets

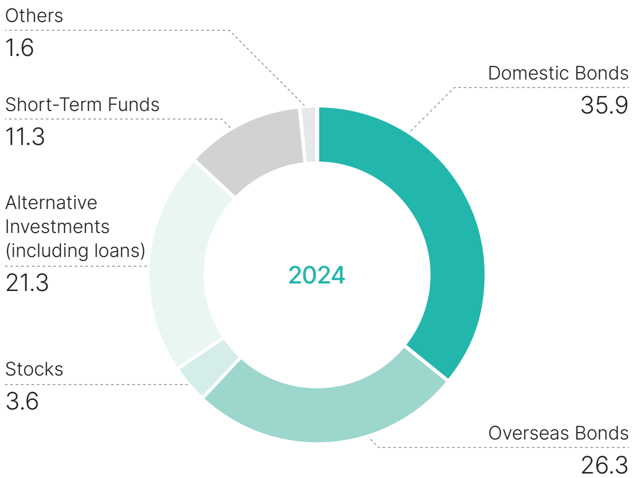
(Units: KRW billion, USD million)

	2024 (KRW)	2024 (USD)	2023 (KRW)	2023 (USD)
Domestic Bonds	3,833.8	2,582.7	3,717.5	2,855.2
Overseas Bonds	2,804.7	1,889.5	2,048.0	1,573.0
Stocks	389.4	262.3	315.4	242.2
Alternative Investments (including loans)	2,274.6	1,532.3	2,278.1	1,749.7
Short-Term Funds	1,203.3	810.6	1,133.1	870.3
Others	174.4	117.5	187.2	143.8
Total	**10,680.2**	**7,195.0**	**9,679.3**	**7,434.2**

* Individual figures may not add up to the total shown due to rounding.

Investment Portfolio Mix in 2024

(Unit: %)



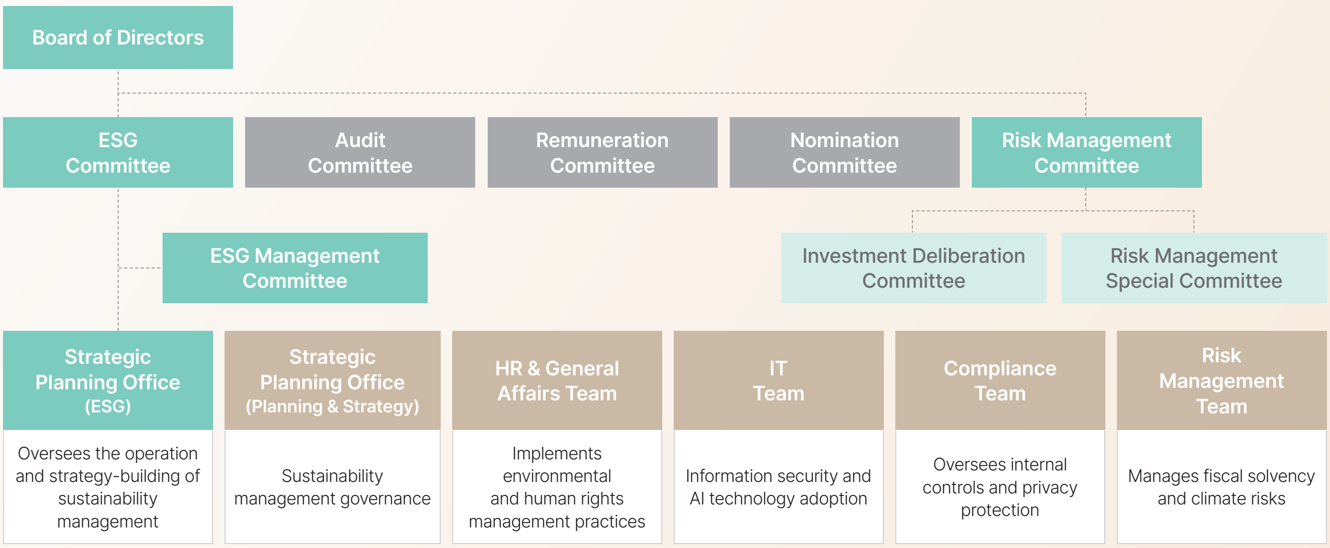
Non-Financial Report

Overview

At Korean Re, we are committed to providing reinsurance services of the highest possible standards, with a focus on sound environmental, social, and governance (ESG) practices. Our commitment to ESG is based on the values of promoting transparency in corporate governance, protecting the environment, and being a socially responsible member of the communities we work and live in. Upholding these values is not only the right thing to do but also helps us ensure sustainable business operations. Our success as a reinsurer will be driven not just by how well our business is operated commercially, but by how actively we participate in climate crisis response initiatives and support the communities in which we operate as well.

Sustainability Management Governance

Sustainability Decision-Making Bodies



ESG Committee

Korean Re operates its ESG Committee under the Board of Directors (BOD) to swiftly and proactively adapt to the evolving ESG management landscape. The committee consists of two external directors with expertise in insurance and finance, and consults external experts as needed. The ESG Committee is responsible for deliberating and establishing strategies and goals for sustainable growth. It oversees the implementation of company-wide ESG practices, ensuring that the company fulfils its environmental and social responsibilities, while maintaining transparent governance. The committee reports all significant ESG matters to the BOD and assesses risk and opportunity factors related to core ESG issues to develop appropriate countermeasures.

ESG Management Committee

The ESG Management Committee, consisting of all managing directors, including the Chief Financial Officer (CFO) and Chief Risk Officer (CRO), acts as a consultative body for the ESG Committee's resolutions and reporting matters. It reviews the ESG Committee's deliberations and coordinates and adjusts agendas as necessary. This process ensures the consistent implementation of the company's sustainability management strategies across all operational departments, overseeing performance and driving continuous improvement.

ESG Function

The Strategic Planning Office identifies critical issues related to sustainable management, establishes company-wide ESG policies and strategies, and sets short-, mid-, and long-term goals with detailed implementation plans. These are then referred to the ESG Management Committee and the ESG Committee for deliberation or reporting. Furthermore, the Strategic Planning Office regularly shares the company's sustainability performance and plans with all employees, and continuously operates ESG education programs to enhance employees' capabilities and support their ESG conscious decision-making.

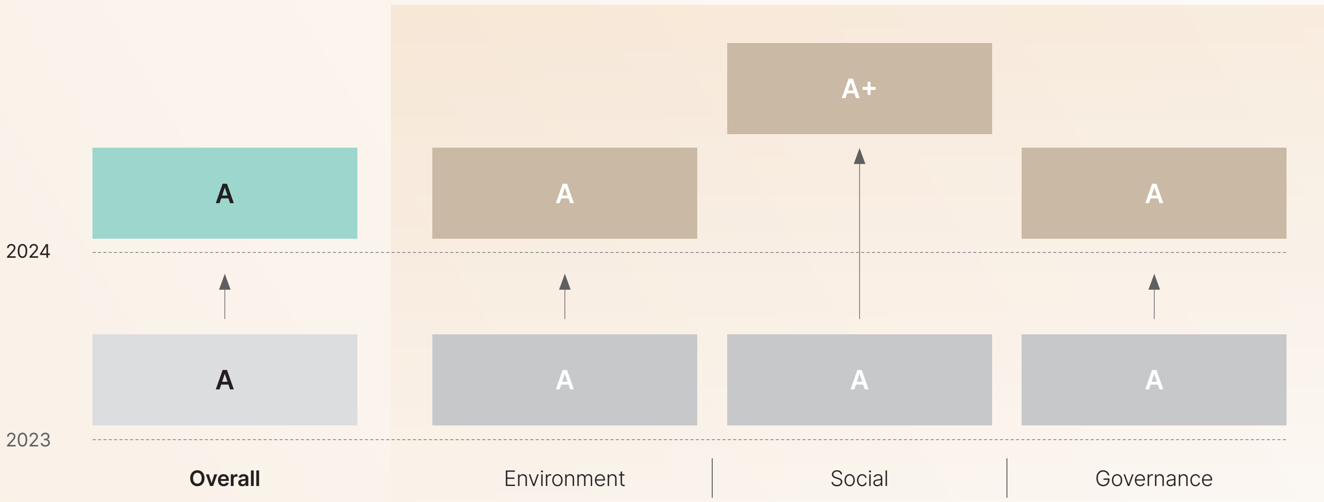
ESG Rating

Korean Re has achieved an upgraded rating of A+ (Highly Outstanding) in the Social (S) category of the 2024 ESG evaluation by the Korea Institute of Corporate Governance and Sustainability (KCGS). The company has maintained an ESG integrated rating of A (Outstanding) for the second year in a row.

The improved rating reflects the company's steadfast commitment to corporate social responsibility and ethical practices within the Social category. Recently, the company conducted a human rights assessment across its operations and disclosed the results, while setting clear social indicators with mid- to long-term goals based on its newly established policies for occupational health and safety management.

Korean Re has also taken further steps toward systematic ESG management, such as reinforcing oversight by its Board of Directors and subcommittees on major ESG issues and enhancing disclosure practices in business and governance reports.

Korean Re's ESG Ratings from KCGS

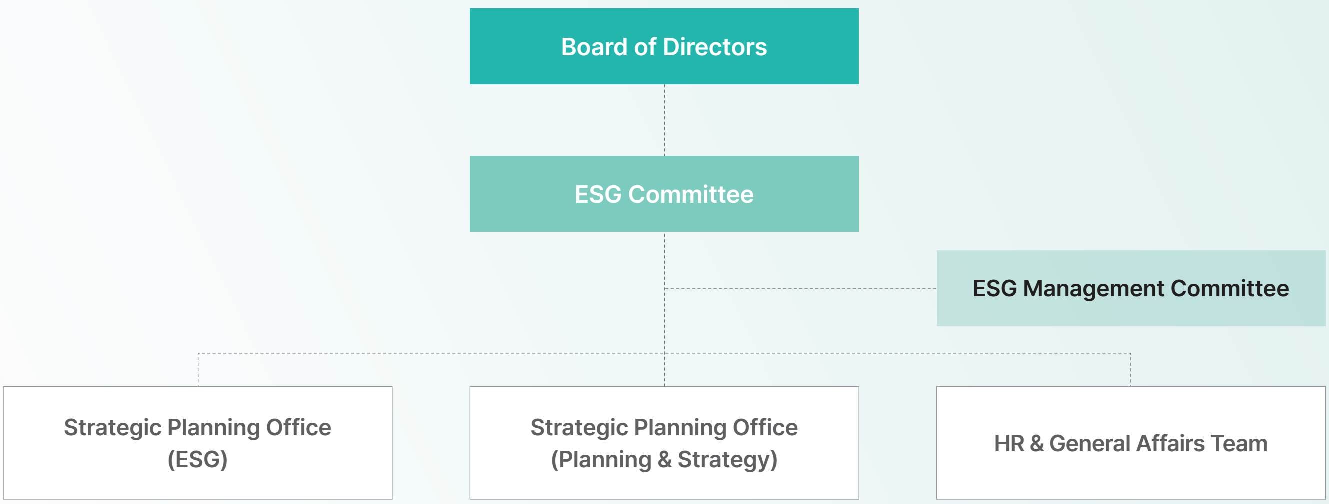


Protecting the Environment

Environmental Management Governance

The Korean Re ESG Committee has been delegated the authority and responsibility for company-wide environmental management by the BOD, the company's highest decision-making body, which includes the CEO. The committee oversees the formulation and implementation of related strategies, goal setting, and performance management, with support from the ESG Management Committee (a consultative body of managing directors) and dedicated operational teams, such as the Strategic Planning Office and the HR & General Affairs Team.

Environmental Management Governance



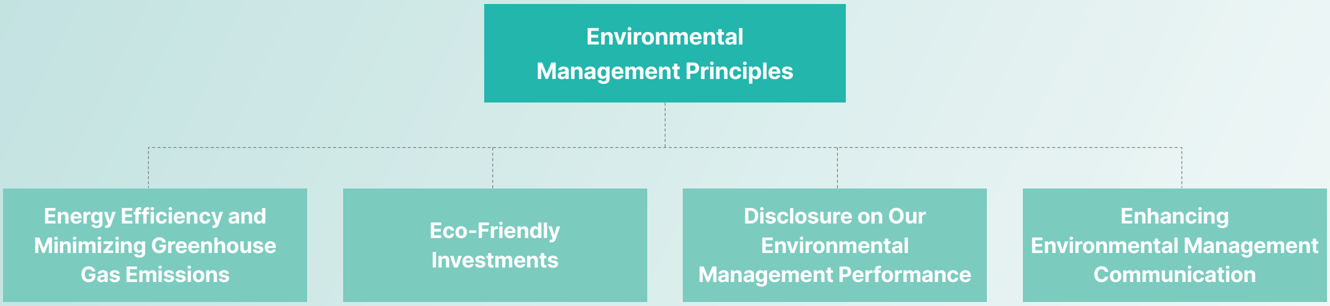
Roles & Responsibilities

Formulating Environmental Management Strategy	Implementing and Managing Environmental Management Strategies and Performance
• Establishing decarbonization policies, such as the declaration on the phase-out of coal financing • Proactively responding to climate change issues • Reviewing environmental management strategies and systems	• Setting and managing targets for energy use and greenhouse gas emission reductions • Implementing resource recycling activities, such as waste recycling and a paperless office initiative • Fulfilling our social responsibility to the environment

Environmental Management Policy

Korean Re supports the Paris Agreement and recognizes its mission and responsibility as a global reinsurance company to limit the average temperature increase of the earth to 1.5°C or below compared to pre-industrial levels.

To ensure responsible environmental management by all employees, including top management, we established our own Environmental Management Declaration and Code of Conduct.



Principles and Objectives

· Fulfillment of responsibilities by mindful and responsive top management and employees

Energy Efficiency

· Monitoring energy use
· Setting targets for reducing greenhouse gas emissions
· Providing regular education to raise environmental management awareness

Eco-Conscious Investments

· Adjusting the portion of high environmental risk assets in the investment portfolio (i.e., companies that overlook climate risks or are involved in high-emission projects)

Greater Transparency

· Publicly disclosing objective environmental management performance data with third-party assurance
· Joining domestic and international environmental initiatives

Declaration on the Phase-Out of Coal Financing

There are increasing demands for responsible investment by financial institutions. For the insurance industry, in particular, underwriting and managing assets with internalized ESG factors are becoming increasingly important.

In November 2022, Korean Re declared its intention to phase out coal financing, following a resolution by the ESG Committee. This initiative aims to contribute to the transition to a carbon-neutral economic system as a global reinsurer and internalize ESG factors across our management practices.

We are committed to achieving net-zero carbon emissions by 2050 through phasing out coal financing and setting eco-friendly underwriting and investment goals.

Responsible Investment Standards

In May 2023, Korean Re established the Responsible Investment Standards to recognize its social responsibility and impact on sustainability and to strengthen its asset management policies related to the coal phase-out declaration and carbon neutrality goals as part of its active participation in the 2015 Paris Agreement. The standards contain a set of principles that should be applied from the stage of the identification and proposal of businesses and projects to the final deliberation and resolution.

ESG Investment Criteria and Process

Korean Re bases its investments on socially responsible investment (SRI*) criteria. We allocate funds raised through the issuance of sustainable bonds to areas with clear ESG advancement objectives, such as renewable energy. In the process of making investment decisions regarding stocks, bonds, and other securities, we prioritize companies demonstrating outstanding ESG performance. Additionally, we strive to reduce the net greenhouse gas emissions from our investment portfolio in line with our 2050 Net-Zero goals.

* Socially Responsible Investment (SRI): A financial activity that invests in companies based on a wide range of performance metrics, including human rights, environment, labor, and community contributions, in addition to financial performance.

Investment Restrictions and Exceptions

Korean Re proactively reviews and restricts investments in companies and industries that negatively impact the environment and society. We gradually limit investments in the following areas, and we regularly update our investment restrictions list for certain listed companies and bond issuers as necessary:

- Coal mining and coal-fired power plant construction
- Tar sands, Arctic, and deep-sea oil and gas
- Other companies and industries deemed not to be in support of social responsibility

However, exceptions may be considered for special purpose bonds and funds that align with ESG objectives or for investments in socially necessary areas, such as national energy policies, support for the socially disadvantaged, and assistance to underdeveloped countries. In such cases, prior coordination with the ESG Manager is required to minimize social and environmental risks associated with any investments.

Climate Risk Management

Accurately assessing disaster risks is crucial for the reinsurance business. Overestimating risks can constrain business operations, while underestimating them can lead to risk management failures. Since the expected damages from natural disasters due to extreme weather and their associated insurance payouts may not increase linearly, precise assessment of climate risks is becoming increasingly important.

In this context, Korean Re puts a priority on ensuring business stability and minimizing losses through accurate climate risk evaluation. We have also implemented a number of different measures to achieve this goal, such as operating catastrophe (CAT) models and expanding research collaborations with academic institutions.

CAT Modeling

To effectively manage catastrophe risk, one of the major physical risks for our company, we have an organizational unit dedicated to CAT modeling that consists of experts in natural disaster risks. This team calculates the precise impact of each risk factor, such as typhoons and earthquakes, and monitors the financial impacts of climate risks to keep them under control within our risk limits. In 2023, we enhanced our extreme event risk management by adopting Moody's RMS model, which now operates alongside the existing Verisk AIR model.

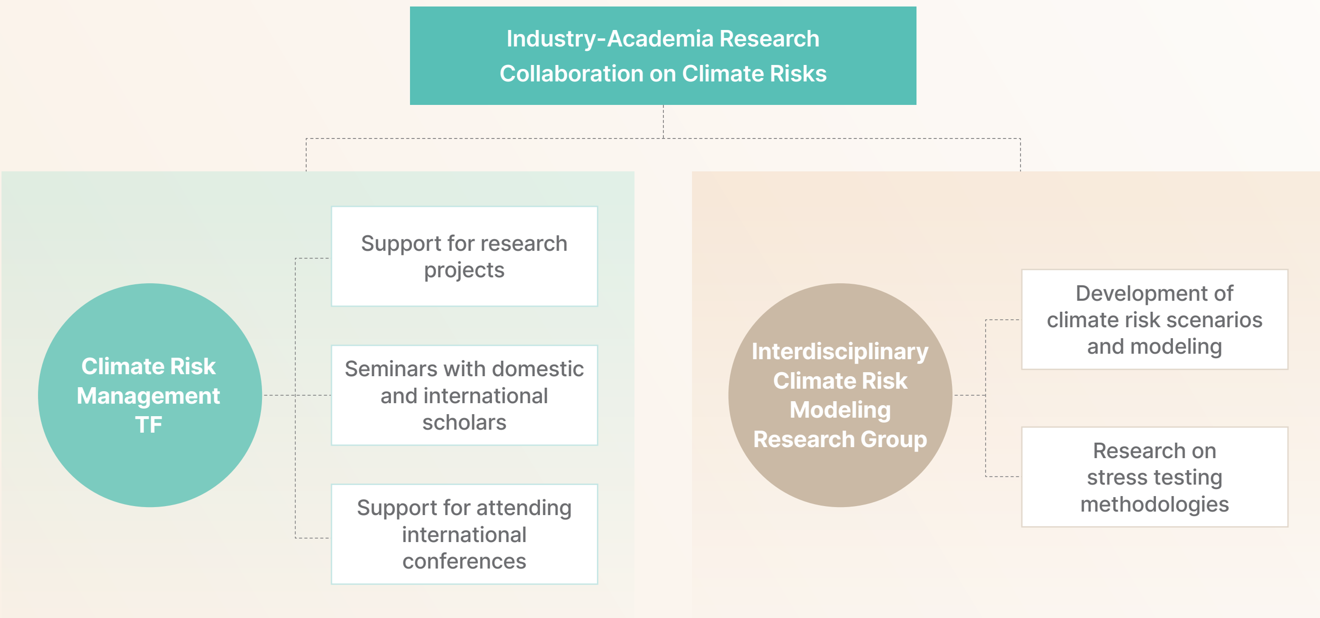
Moreover, with climate change leading to increased secondary peril damages globally, Korean Re continuously strengthens related risk management through updates to the Hazard Map system and underwriter training.

Industry-Academia Research Collaboration on Climate Risks

In 2022, Korean Re, in collaboration with the Korean Risk Management Society, launched the Climate Risk Management Task Force (TF). This initiative aims to share climate change expertise with academia and the insurance industry through research projects and seminars.

A year later, in 2023, Korean Re formed an interdisciplinary climate risk modeling research group. Consisting of four teams from three universities, the group conducts joint research on climate risk scenario analysis and stress testing methodologies.

Through these industry-academia research collaborations, Korean Re fosters interdisciplinary discussions and disseminates the latest research findings. This effort has established a platform for strategic discussions to address evolving climate risks, positioning Korean Re as a leader in the insurance industry.



• Climate Risk Management Task Force

Through the operation of the Climate Risk Management Task Force (TF), in collaboration with the Korea Risk Management Society, Korean Re is at the forefront of addressing climate crises by sharing expertise and insights from various fields with academia and the insurance industry.

The TF expands climate crisis research by integrating disciplines such as insurance, climate science, meteorology, and engineering. Today, it continues to support academic studies by providing a platform for emerging researchers.

• Interdisciplinary Climate Risk Modeling Research Group

Increasing extreme weather events impact economic systems in the form of physical and transitional risks. Therefore, precisely predicting potential climate risks and modeling their financial and insurance impacts is essential to the insurance business. To address this, Korean Re has formed an Interdisciplinary Climate Risk Modeling Research Group in collaboration with leading university researchers. Together, they are developing an integrated climate risk management model that incorporates future climate change impacts into our existing CAT models. This initiative ultimately aims to establish a more advanced climate risk management framework.

The research comprises three stages: climate change scenario development, climate risk quantification, and financial and insurance impact analysis. Each research area is sequentially and interdependently linked. In addition, we have hosted industry-academia research seminars on each of these research stages to share knowledge and discuss response strategies with industry and academic stakeholders.

Environmental Protection and Biodiversity Conservation Activities

Environmental management practices are an integral part of our business activities. Korean Re employees participate in several environmental protection and biodiversity conservation activities. The company encourages employee engagement in these initiatives to raise their eco-consciousness and establish environmental management as a core value shared across the organization.

Korean Re has regularly cleaned up the area around Yongmuchi Beach in Dangjin since adopting it as a partner beach in 2022. In terms of biodiversity conservation activities, we took it upon ourselves to clean up the Yeouido Saetgang Ecological Park. Our employees volunteered their time to throw soil balls containing microorganisms that break down pollutants around the area, helping to improve the river's water quality. We also removed invasive species, such as Humulus japonicas and Aralia elata, to protect the river area's ecosystem, while planting spirea plants along the riverbank, thus contributing to urban forestation and air quality improvement.

In 2024, Korean Re employees participated in a "Bee-Friendly Forest" campaign, volunteering to plant nectar-producing trees in urban areas to restore habitats for pollinators, especially bees. This initiative supports biodiversity, strengthens urban ecosystems, and reflects Korean Re's commitment to environmental sustainability and community involvement.

Delivering Social Value

Human Rights Management

Korean Re supports human rights protection and respects the guidelines and principles set forth by the UN Human Rights Council, the International Labour Organization, and domestic labor laws.

Our Human Rights Management Declaration and Code of Conduct provide a behavioral code applicable to all stakeholders. It is clearly stated that in the event of a human rights issue, the responsibility and obligation to resolve the problem is imposed on all members, including the top management of Korean Re, so that all members need to take responsibility for diligently resolving and correcting any issue that comes up.

Raising Awareness of Respect for Human Rights

Since 2023, Korean Re has annually conducted a human rights impact assessment survey among internal stakeholders to identify the perceived likelihood and severity of various human rights risks within the company. The assessment also considers stakeholders vulnerable to human rights risks, such as local residents and partner companies. Korean Re plans to continuously strengthen the human rights issue management process to address the significant risk factors identified in all of our future human rights impact assessments.

Korean Re provides human rights education on an annual basis to foster a healthy organizational culture of mutual respect among employees. The education, which is offered to all employees, including those dispatched abroad and locally hired staff, covers topics such as the prevention of workplace and sexual harassment, as well as improving awareness of disabilities.

Human Rights Grievance Channels

Korean Re operates several anonymous channels to protect the human rights of stakeholders and to prevent unjust discrimination. For internal reporting of employee grievances, difficulties, and workplace misconduct, we utilize a system called Sinmungo*, a whistleblowing channel under the direction of the CEO. Recently, we added a grievance check to the regular employee survey on our corporate culture to collect feedback for improving our grievance system.

Based on the latest human rights impact assessment findings, we amended the previous Misconduct Reporting Form into a Compliance Reporting Form. This updated form will serve as a channel for listening to the voices of external stakeholders, as well as employees. The Compliance Reporting Form is available on the Korean Re website for anyone wishing to report human rights violations, such as unfair benefit requests by employees, sexual harassment, gender discrimination, and discrimination against disabled persons. The confidentiality of both the reporter and the report content is strictly maintained. The Compliance Officer and Compliance Team manager must inform the reporter of the investigation results following a fair probe into the reported issue.

Under internal control regulations, Korean Re ensures that information about reports and reporters received through the grievance channels is not disclosed or leaked. It is explicitly stated that reporters will not face any form of personnel disadvantage as a result of filing a report, thereby ensuring the system's effectiveness.

* The term “Sinmungo” refers to the traditional Korean grievance mechanism, in which the monarch used to handle the grievances of commoners.

Enhancing Corporate Social Responsibility (CSR) Efforts

Korean Re has been continuously undertaking CSR activities in consideration of the social role of the reinsurance business to promote prosperous coexistence between the private sector and society. In particular, to systematically carry out CSR activities, the CEO and executive management take responsibility for managing and supervising the performance of CSR activities. We have also established a decision-making system where a regular CSR Council meeting is held with the CEO and all managing directors in attendance.

Global CSR Activities

As a global reinsurer, Korean Re is dedicated to fulfilling its social responsibility and continuously promotes global CSR activities to make a significant societal impact.

In February 2024, Korean Re dispatched an overseas volunteer team of employees, including new recruits, to rebuild houses for low-income residents living in poor housing conditions in Tangerang, Indonesia. The team assisted in carrying bricks and materials and mixing mortar and plastering, thereby contributing to the reconstruction of homes for families in vulnerable living conditions.

We will continue to support various regions in need through ongoing international projects.

Patronage of Wings Cello Ensemble

In 2017, Korean Re established a mecenat partnership with the Miral Welfare Foundation. Since then, we have sponsored the Wings Cello Ensemble, comprising children and adolescents with developmental disabilities. Our patronage helps them develop their artistic talents, further their dreams, and grow into valued members of society.

Employee Engagement Activities

Korean Re pegs employees' CSR participation with its credit system to encourage employee participation in the company's CSR initiatives.

This system awards credits to employees for engaging in job-related self-learning (such as job competency building courses and underwriting communities of practice), in-house training programs, and company task forces, which are then factored into performance evaluations. Employees earn preset credits based on their volunteer hours.

Furthermore, to ensure participation in our Employee Volunteer Service program, we announce the company's annual CSR activity plans and schedules at the beginning of each year, giving employees the opportunity to schedule their volunteer activities well in advance and at their convenience.

We believe these efforts provide our employees with a wide array of opportunities and motivation to voluntarily participate in social contribution activities. Of particular note, Korean Re has been participating in Habitat for Humanity Korea's Building Houses of Hope project since 2013. In fact, over that time, it has become our signature program for employee volunteerism.

Fostering Cooperative Labor Relations

At Korean Re, we strive to develop a flexible organizational culture grounded in open communication between the company and our workforce. To achieve this, we are committed to fostering cooperative labor relations. In compliance with all relevant laws, Korean Re guarantees employees' freedom of association and respects union activities. The union regularly communicates with the company's top management to address employee grievances and provide input on a wide range of issues.

We also operate a Labor-Management Council on an on-going basis throughout the year, which is composed of an equal number of representatives from both labor and management (four each). This council actively gathers opinions and concerns regarding the working environment, assesses and identifies areas for improvement in employee rights, and discusses a variety of consultation topics.

Work-Family Balance Policies and Maternity/Paternity Benefits

Korean Re's cafeteria plan provides employees with subsidies and benefits, serving different needs according to individuals' respective life stages. These policies are expected to positively impact not only our employees but also society at large, thereby promoting social sustainability. We will continue to introduce diverse policies that support a healthy balance between work and family life.

Marriage Support Program

Korean Re recognizes diverse forms of families in tandem with social and cultural changes. In 2023, we introduced criteria for recognizing common-law marriages, allowing employees in such unions to access the same fringe benefits as their legally married colleagues, such as medical expense subsidies and congratulatory/condolence allowances.

Pregnancy and Childbirth Support Program

In 2022, Korean Re launched its Childbirth Encouragement Program to promote childbirth among its employees and support their healthy balance between work and family life before and after childbirth. The program is designed as a sustainable and ongoing initiative to financially assist employees having children, as well as practical assistance for their childcare.

Korean Re also provides Expecting Mother Gift Bags to pregnant employees. Furthermore, pregnant employees are entitled to a flexible working hour system for their healthy work-life balance. For employees facing infertility issues, we provide support for infertility treatment expenses and related examination fees, along with an additional three days of paid leave annually for infertility treatment. For female employees aged 30 to 45, we offer egg freezing subsidies.

Moreover, we offer a variety of support measures to ensure employees can give birth and raise their children in a more secure environment. These measures include childbirth congratulatory allowances, an Employee Stock Ownership Plan (ESOP) as an incentive for employees with two or more children, medical expense subsidies, and maternity leave before and after childbirth.

Childcare and Education Support Program

Korean Re shares the cost of raising a child with employees through various support programs. Each employee is entitled to one year of parental leave per child. If they choose not to use this leave, they can opt for reduced working hours for up to two years. Additionally, the company provides financial support for employees' child education across all school levels. For example, employees receive tuition subsidies for their children who are attending high school or university.

We will continue to develop and support an array of other programs to provide more benefits, helping employees maintain a healthy balance between work and family life.

Family-Friendly Corporation Certification

Korean Re was awarded Family-Friendly Corporation Certification by the Ministry of Gender Equality and Family in December 2022 in recognition of its strong commitment to family-friendly policies and support for a healthy work-life balance. This certification reflects our continued efforts to foster a supportive workplace culture and contribute to enhancing national competitiveness. We will stay committed to implementing various initiatives that promote employee well-being and work-life harmony.

Talent Development

To foster globally competitive reinsurance professionals, we provide customized training for each work function to strengthen employees' core competencies. We also actively encourage employees' self-development with a variety of supports and incentives for certification prep programs.

At the same time, we offer numerous opportunities for overseas training and language programs to strengthen our employees' global competitiveness.

Furthermore, to enhance organizational competitiveness and minimize risks associated with the turnover and retirement of key personnel, we have developed individual professional career management programs to systematically operate human resources administration.

Korean Re offers a number of different opportunities to enhance employees' job expertise through its Core Competency-Building Program. This includes job skills enhancement training, training with field experts, and commissioned training, all delivered through diverse platforms and channels tailored to individual needs. Notably, our certification prep courses support education and exam costs for professional certifications like the Chartered Property Casualty Underwriter (CPCU) and actuary credentials.

Ensuring Stable and Transparent Governance

Korean Re is committed to promoting sound corporate governance practices so as to create enduring value for our business, clients, employees, and all other stakeholders.

Governance fundamentally involves how Korean Re makes decisions and provides oversight of business management.

Governance Charter

In 2023, Korean Re established and promulgated its Governance Charter, a set of corporate governance principles, based on the recognition that establishing efficient and transparent governance is essential to protecting the interests of our stakeholders.

The Governance Charter codifies the principles of shareholder and stakeholder protection, the roles and responsibilities of the Board of Directors and audit organization, and fair corporate activities, providing a benchmark for sound governance.

The management board of Korean Re will continue to carry out responsible management under the supervision of a professional and independent BOD, aiming for shared growth with stakeholders based on a sound governance framework.

Board Independence, Diversity, and Expertise

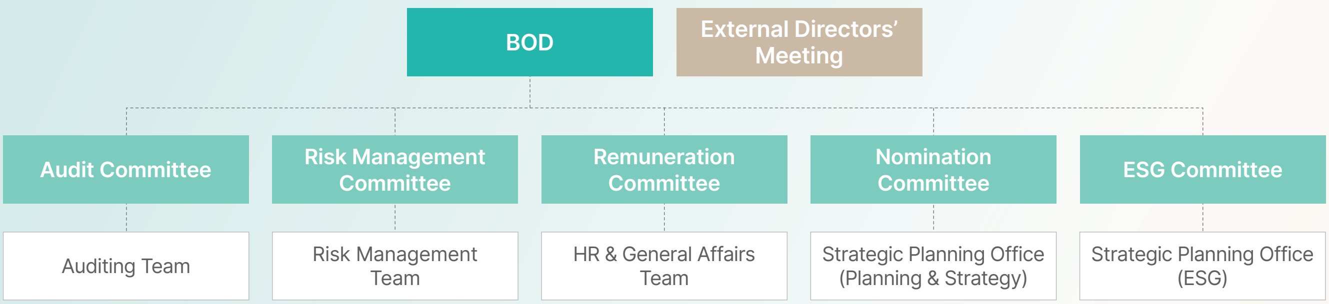
BOD Composition

Korean Re's Board of Directors (BOD) is the company's top decision-making body. It consists of seven members: two internal, one non-executive, and four external directors.

A director's tenure is determined by the general shareholders' meeting (GSM) within a range of three years, while external directors can serve for up to five years to ensure continuity in their functions.

The BOD deliberates and decides on matters prescribed by law or Articles of Incorporation, issues delegated by the GSM, and major issues related to the company's management policies and business operations. The BOD also has the authority to appoint and dismiss the CEO and the chairman of the board.

The BOD operates five subcommittees under it so as to ensure expertise and independence in its activities.



Independence

Over the years, Korean Re has enhanced the independence of its BOD by separating the roles of the CEO and the chair of the BOD, thereby strengthening the company's accountability management system.

To establish effective checks and balances on management, the majority of the BOD consists of external directors, with the lead external director presiding over all regular meetings of the external directors.

All of the BOD's committees, except the Nomination Committee, are entirely composed of external directors. When appointing two or more Audit Committee members at the annual GSM, they are elected independently.

Additionally, to strictly protect the committee's independence, regulations prohibit re-voting on any decisions made by the Audit Committee.

Diversity and Expertise

Korean Re does not discriminate based on gender, age, or any other factors when nominating and appointing board member candidates. The current BOD includes one female external director, and we will continue to make sure that we have a balanced and inclusive governance structure.

The Nomination Committee ensures the selection of experts with extensive experience and knowledge in relevant fields, such as finance, insurance, accounting, and business management.

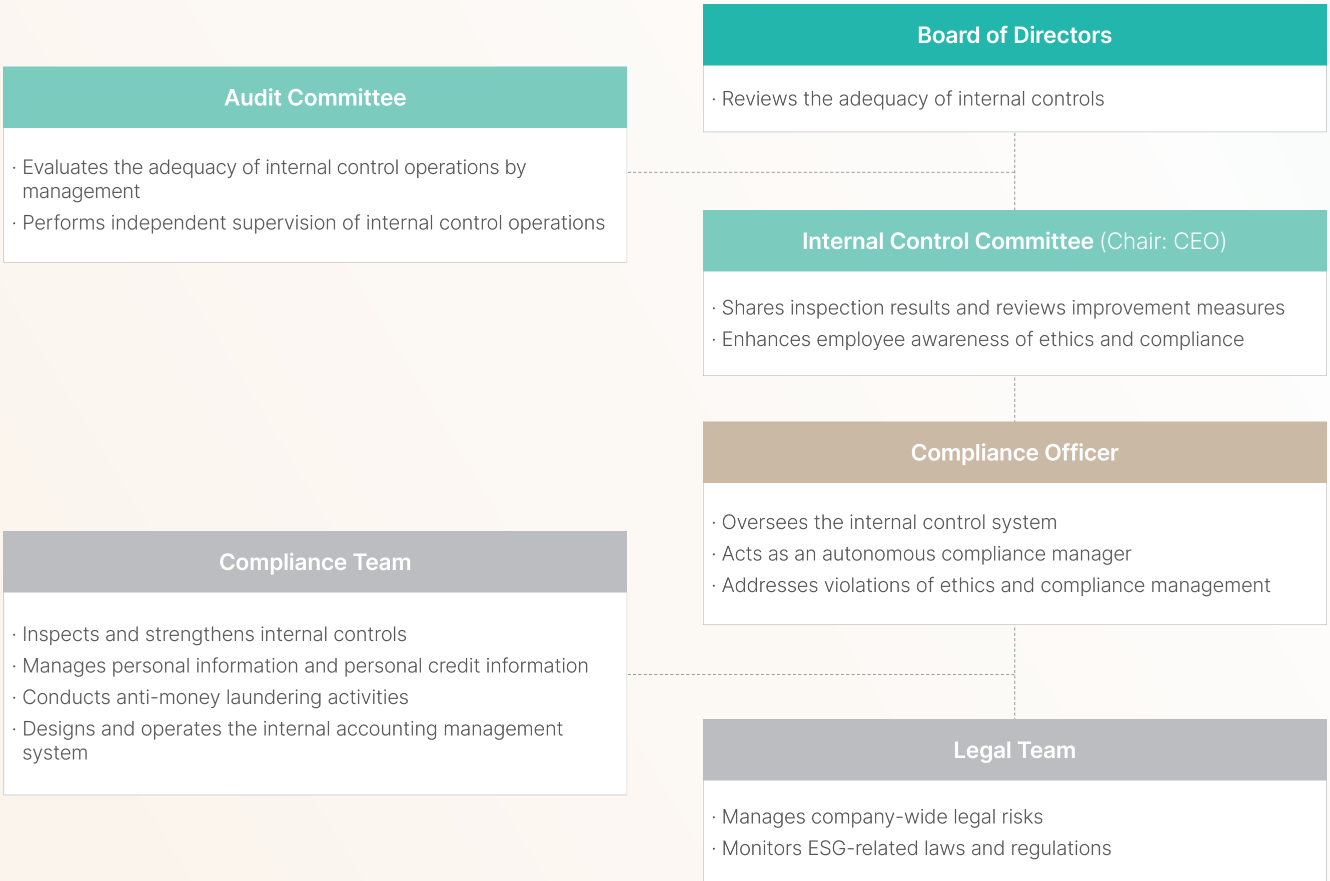
At least one member of the Audit Committee is a financial or accounting expert, as required by relevant laws and regulations, and members of the Risk Management Committee are selected from among BOD members who have a comprehensive understanding of risk management.

BOD and Executive Remuneration

Korean Re's executive performance-based pay scheme aligns with the fundamental principles to balance with the company's capital management. To that end, we peg the remuneration scheme to performance indicators that check profitability, sustainability, and soundness.

Notably, for sustainable growth, the key performance indicators (KPIs) for internal directors incorporate major ESG issues reviewed by the BOD, securing new growth drivers and business innovation. At the same time, Korean Re's remuneration scheme considers the scope and nature of executives' job duties, as well as their performance results, to determine their remuneration within the limits approved by the GSM.

Ethics and Compliance Governance



Korean Re convenes its Internal Control Committee, chaired by the CEO, semiannually to discuss major issues related to internal controls. The committee is responsible for continuous monitoring, inspection, and reporting of improvement measures concerning compliance, financial incidents, and internal control vulnerabilities. Additionally, the CEO reviews the internal control system and operations at least once a year, reporting the findings to the BOD.

The Audit Committee evaluates the adequacy of management's operation of the internal control system and reports its findings and any deficiencies to the BOD. The committee also has the authority to independently oversee internal control operations as needed.

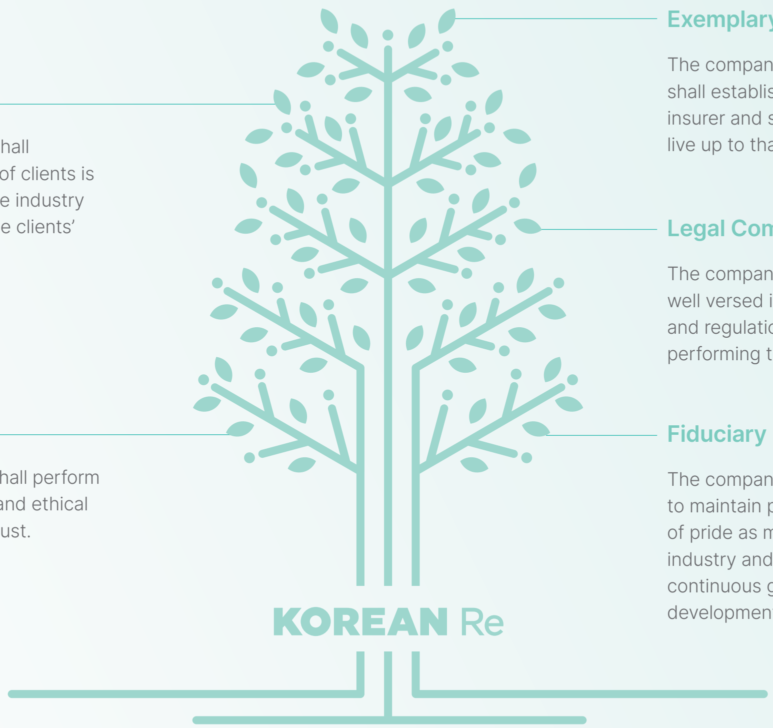
Korean Re appoints a Compliance Officer through a BOD resolution. The Compliance Officer is tasked with overseeing the internal control system and operations. While the independence of this role is guaranteed to ensure the impartiality of his or her work, the Compliance Officer reports the compliance status of internal control regulations to the Audit Committee through pre-review procedures.

The Compliance Team handles the monitoring of internal controls, designing and operating internal accounting control systems, compliance tasks, fair trade compliance, and anti-money laundering efforts. For its part, the Legal Team proactively addresses legal risks by monitoring all related laws and regulations.

Ethics and Compliance Management

Korean Re aims to cultivate strong ethical awareness among employees in the promotion of an ethical and trustworthy society and the development of the insurance business through transparent, ethics-based management.

Grounded in principles of good faith, fiduciary duty, legal compliance, and a customer-first attitude, we have implemented a company-wide ethics and compliance management system to foster an esteemed culture of business ethics.



Customer-First

The company and its members shall recognize that the development of clients is the development of the insurance industry and always think and act from the clients' perspective.

Good Faith

The company and its members shall perform their duties fairly and in a moral and ethical manner based on honesty and trust.

Exemplary Insurer

The company and its members at all levels shall establish the desired image of an insurer and strive for self-development to live up to that standard.

Legal Compliance

The company and its members shall be well versed in and fully comply with all laws and regulations related to insurance in performing their duties.

Fiduciary Duty

The company and its members shall strive to maintain professionalism with a sense of pride as members of the insurance industry and shall fulfill their duties for the continuous growth of the company and the development of the insurance industry.

Compliance Practices

Fair Trade Compliance and Anti-Bribery Systems

Korean Re implements fair trade compliance and anti-bribery systems to achieve its business goals through fair and free competition. The Compliance Team ensures that there are no gaps in compliance management by conducting mandatory preliminary reviews of internal transactions between the company and its employees, affiliated groups, and related parties.

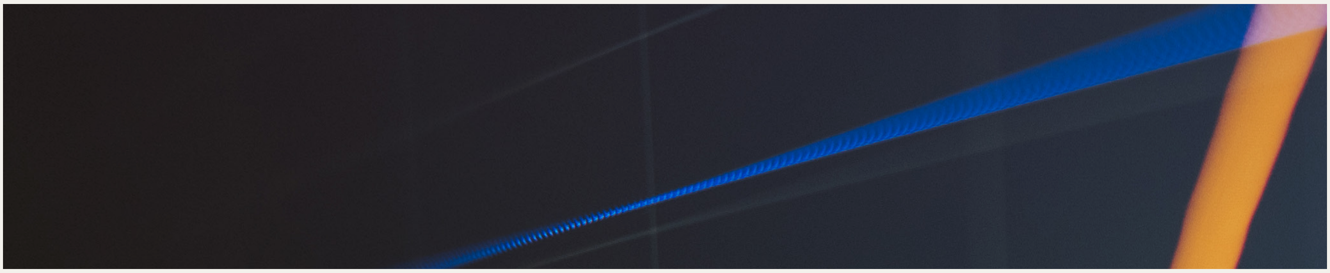
In addition, we conduct preliminary checks on all types of foreign transactions exceeding a certain threshold amount and, if necessary, report them to the relevant executives for further review. To reinforce our commitment to a culture of fair trade, Korean Re sends out biannual notices to all business partners, seeking their cooperation.

Anti-Money Laundering (AML) Measures

Korean Re has established its Anti-Money Laundering Task Processing Rules to prevent illegal money laundering through financial transactions and enhance transparency. Under these rules, we are required to report suspicious transactions and large cash transactions and implement internal control activities, including customer due diligence (CDD), to strictly prevent money laundering attempts.

We verify information on business partners located in non-cooperative countries identified by the Financial Action Task Force (FATF)* to prevent any illegal or criminal activities related to money laundering in our operations.

* The Financial Action Task Force (FATF) was established in 1989 to combat money laundering and terrorist financing.



Financial Report

Consolidated Statements of Financial Position

As of December 31, 2024 and 2023

(Units: KRW million, USD thousand)

	FY 2024 (KRW)	FY 2024 (USD)	FY 2023 (KRW)	FY 2023 (USD)
Assets				
I. Cash and cash equivalents	399,416	269,076	510,175	391,839
II. Deposits	280,639	189,059	377,504	289,942
III. Financial assets measured at fair value through profit or loss	2,591,617	1,745,902	2,271,825	1,744,873
IV. Financial assets measured at fair value through other comprehensive income	4,821,730	3,248,269	2,752,819	2,114,300
V. Financial assets measured at amortized cost	2,565,507	1,728,312	3,626,015	2,784,958
VI. Derivative financial assets designated as hedges	45,363	30,560	33,958	26,081
VII. Other receivables	160,591	108,186	113,948	87,518
VIII. Investments in associates	7,848	5,287	12,141	9,325
IX. Insurance contract assets	29,658	19,980	24,890	19,117
X. Reinsurance contract held assets	2,017,243	1,358,962	2,048,131	1,573,065
XI. Property and equipment	106,419	71,692	96,652	74,233
XII. Investment properties	66,771	44,982	90,131	69,225
XIII. Intangible assets	38,327	25,820	47,623	36,577
XIV. Other assets	29,263	19,714	60,512	46,476
Total assets	**13,160,392**	**8,865,801**	**12,066,324**	**9,267,529**
Liabilities				
I. Insurance contract liabilities	9,103,335	6,132,670	8,174,698	6,278,570
II. Reinsurance contract held liabilities	63,986	43,106	90,945	69,850
III. Financial liabilities measured at fair value through profit or loss	385	259	771	592
IV. Financial liabilities measured at amortized cost	37,910	25,539	28,061	21,552
V. Derivative financial liabilities designated as hedges	12,241	8,246	926	711
VI. Current income taxes liabilities	33,714	22,712	2,856	2,194
VII. Deferred tax liabilities	344,065	231,787	361,959	278,002
VIII. Net defined benefit liabilities	40,965	27,597	33,322	25,593
IX. Provisions	289	195	212	163
X. Other liabilities	70,633	47,584	119,678	91,919
Total liabilities	**9,707,523**	**6,539,695**	**8,813,428**	**6,769,146**
Equity				
I. Capital stock	97,411	65,623	82,684	63,505
II. Capital surplus	139,152	93,743	153,879	118,187
III. Hybrid securities	808,180	544,449	808,089	620,652
IV. Capital adjustments	(134,858)	(90,850)	(134,169)	(103,048)
V. Accumulated other comprehensive income	219,684	147,995	215,499	165,514
VI. Retained earnings	2,323,300	1,565,146	2,126,914	1,633,573
Total shareholders' equity	**3,452,869**	**2,326,106**	**3,252,896**	**2,498,383**
Total liabilities and shareholders' equity	**13,160,392**	**8,865,801**	**12,066,324**	**9,267,529**

Note: For the B/S section, Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,484.4 per USD 1 for FY 2024 and KRW 1,302.0 for FY 2023. For the I/S section, the applicable exchange rate was KRW 1,368.45 per USD 1 for FY 2024 and KRW 1,319.43 for FY 2023.

* Individual figures may not add up to the total shown due to rounding.

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Units: KRW million, USD thousand)

	FY 2024 (KRW)	FY 2024 (USD)	FY 2023 (KRW)	FY 2023 (USD)
I. Insurance service	**198,691**	**145,195**	**206,233**	**156,304**
1. Insurance income	5,860,763	4,282,775	6,265,445	4,748,599
(1) Income from insurance contracts issued	5,136,558	3,753,559	5,167,614	3,916,550
(2) Income from reinsurance contracts held	724,205	529,216	1,097,831	832,049
2. Insurance service expenses	5,662,072	4,137,580	6,059,212	4,592,295
(1) Expenses from insurance contracts issued	4,189,272	3,061,326	4,406,548	3,339,736
(2) Expenses from reinsurance contracts held	1,367,421	999,248	1,553,479	1,177,386
(3) Other insurance expenses	105,379	77,006	99,185	75,173
II. Investment service	**206,023**	**150,554**	**157,656**	**119,488**
1. Investment income	1,091,881	797,897	694,141	526,092
(1) Insurance finance income	269,428	196,886	170,850	129,488
(2) Interest income	292,313	213,609	242,626	183,887
(3) Dividend income	23,687	17,309	17,934	13,592
(4) Income from investment in financial instruments	129,551	94,670	119,949	90,910
(5) Other investment income	376,902	275,423	142,782	108,215
2. Investment expenses	885,858	647,343	536,485	406,604
(1) Insurance finance expenses	723,484	528,689	306,428	232,243
(2) Interest expenses	418	305	359	272
(3) Expenses from investment in financial instruments	117,712	86,018	147,957	112,137
(4) Asset management expenses	16,118	11,778	14,926	11,312
(5) Property management expenses	3,372	2,464	3,244	2,459
(6) Other investment expenses	24,754	18,089	63,571	48,181
III. Other operating income and expenses	**719**	**525**	**(215)**	**(163)**
1. Other operating income	5,209	3,806	3,720	2,819
2. Other operating expenses	4,490	3,281	3,935	2,982
IV. Operating income	**405,433**	**296,274**	**363,674**	**275,629**
V. Non-operating profit and loss	**(6,618)**	**(4,836)**	**(2,237)**	**(1,695)**
1. Non-operating income	1,159	847	1,422	1,078
2. Non-operating expenses	7,777	5,683	3,659	2,773
VI. Income before income tax expenses	**398,815**	**291,438**	**361,437**	**273,934**
VII. Income tax expenses	**82,143**	**60,026**	**77,568**	**58,789**
VIII. Net income	**316,672**	**231,412**	**283,869**	**215,145**
IX. Other comprehensive income (loss), net of tax	**5,124**	**3,744**	**100,096**	**75,863**
X. Total comprehensive income	**321,796**	**235,156**	**383,965**	**291,008**

Note: For the B/S section, Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,484.4 per USD 1 for FY 2024 and KRW 1,302.0 for FY 2023. For the I/S section, the applicable exchange rate was KRW 1,368.45 per USD 1 for FY 2024 and KRW 1,319.43 for FY 2023.

* Individual figures may not add up to the total shown due to rounding.

Consolidated Statements of Changes in Equity (KRW)

For the years ended December 31, 2024 and 2023

(Unit: KRW million)

	Capital stock	Capital surplus	Hybrid securities	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total
As of January 1, 2023	**70,411**	**166,148**	**558,631**	**(134,157)**	**149,592**	**1,905,005**	**2,715,630**
The effect of change in accounting policy	-	-	-	-	(34,189)	31,000	(3,189)
Balance after reflecting the effect of change in accounting policy	**70,411**	**166,148**	**558,631**	**(134,157)**	**115,403**	**1,936,005**	**2,712,441**
Transactions with owners :							
Issuance and disposition of treasury stocks	-	4	-	-	-	-	4
Annual dividends	-	-	-	-	-	(52,771)	(52,771)
Bonus issue	12,273	(12,273)	-	(103)	-	-	(103)
Amortization of discounted stock issuance	-	-	-	91	-	(91)	-
Issuance of hybrid securities	-	-	249,458	-	-	-	249,458
Dividends of hybrid securities	-	-	-	-	-	(40,098)	(40,098)
Total transactions with owners	**12,273**	**(12,269)**	**249,458**	**(12)**	**-**	**(92,960)**	**156,490**
Comprehensive income:							
Net income	-	-	-	-	-	283,869	283,869
Insurance finance income (expenses) from insurance contracts issued	-	-	-	-	(87,721)	-	(87,721)
Insurance finance income (expenses) from reinsurance contracts held	-	-	-	-	8	-	8
Gains on debt securities at fair value through other comprehensive income	-	-	-	-	150,729	-	150,729
Exchange difference on translating foreign operations	-	-	-	-	14,973	-	14,973
Gains on valuation of derivative instruments designated as cash flow hedges	-	-	-	-	23,801	-	23,801
Revaluation surplus	-	-	-	-	91	-	91
Losses on remeasurement of the net defined benefit liabilities	-	-	-	-	(1,785)	-	(1,785)
Total comprehensive income	**-**	**-**	**-**	**-**	**100,096**	**283,869**	**383,965**
As of December 31, 2023	**82,684**	**153,879**	**808,089**	**(134,169)**	**215,499**	**2,126,914**	**3,252,896**
As of January 1, 2024	**82,684**	**153,879**	**808,089**	**(134,169)**	**215,499**	**2,126,914**	**3,252,896**
Transactions with owners :							
Annual dividends	-	-	-	-	-	(79,524)	(79,524)
Bonus issue	14,727	(14,727)	-	(119)	-	-	(119)
Refund of hybrid securities issuance costs	-	-	4	-	-	-	4
Issuance of hybrid securities	-	-	229,517	-	-	-	229,517
Redemption of hybrid securities	-	-	(229,430)	(570)	-	-	(230,000)
Dividends of hybrid securities	-	-	-	-	-	(41,700)	(41,700)
Total transactions with owners	**14,727**	**(14,727)**	**91**	**(689)**	**-**	**(121,224)**	**(121,822)**
Comprehensive income:							
Net income	-	-	-	-	-	316,672	316,672
Insurance finance income (expenses) from insurance contracts issued	-	-	-	-	(142,715)	-	(142,715)
Insurance finance income (expenses) from reinsurance contracts held	-	-	-	-	8,460	-	8,460
Gains on debt securities at fair value through other comprehensive income	-	-	-	-	42,558	938	43,496
Exchange difference on translating foreign operations	-	-	-	-	97,421	-	97,421
Gains on valuation of derivative instruments designated as cash flow hedges	-	-	-	-	992	-	992
Losses on remeasurement of the net defined benefit liabilities	-	-	-	-	(2,531)	-	(2,531)
Total comprehensive income	**-**	**-**	**-**	**-**	**4,185**	**317,610**	**321,795**
As of December 31, 2024	**97,411**	**139,152**	**808,180**	**(134,858)**	**219,684**	**2,323,300**	**3,452,869**

Consolidated Statements of Changes in Equity (USD)

For the years ended December 31, 2024 and 2023

(Unit: USD thousand)

	Capital stock	Capital surplus	Hybrid securities	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total
As of January 1, 2023	**47,434**	**111,929**	**376,335**	**(90,378)**	**100,776**	**1,283,350**	**1,829,446**
The effect of change in accounting policy	-	-	-	-	(23,032)	20,884	(2,148)
Balance after reflecting the effect of change in accounting policy	**47,434**	**111,929**	**376,335**	**(90,378)**	**77,744**	**1,304,234**	**1,827,298**
Transactions with owners :							
Issuance and disposition of treasury stocks	-	3	-	-	-	-	3
Annual dividends	-	-	-	-	-	(35,550)	(35,550)
Bonus issue	8,268	(8,268)	-	(69)	-	-	(69)
Amortization of discounted stock issuance	-	-	-	61	-	(61)	-
Issuance of hybrid securities	-	-	168,053	-	-	-	168,053
Dividends of hybrid securities	-	-	-	-	-	(27,013)	(27,013)
Total transactions with owners	**8,268**	**(8,265)**	**168,053**	**(8)**	**-**	**(62,624)**	**105,424**
Comprehensive income:							
Net income	-	-	-	-	-	191,235	191,235
Insurance finance income (expenses) from insurance contracts issued	-	-	-	-	(59,095)	-	(59,095)
Insurance finance income (expenses) from reinsurance contracts held	-	-	-	-	5	-	5
Gains on debt securities at fair value through other comprehensive income	-	-	-	-	101,542	-	101,542
Exchange difference on translating foreign operations	-	-	-	-	10,087	-	10,087
Gains on valuation of derivative instruments designated as cash flow hedges	-	-	-	-	16,034	-	16,034
Revaluation surplus	-	-	-	-	61	-	61
Losses on remeasurement of the net defined benefit liabilities	-	-	-	-	(1,203)	-	(1,203)
Total comprehensive income	**-**	**-**	**-**	**-**	**67,431**	**191,235**	**258,666**
As of December 31, 2023	**55,702**	**103,664**	**544,388**	**(90,386)**	**145,175**	**1,432,845**	**2,191,388**
As of January 1, 2024	**55,702**	**103,664**	**544,388**	**(90,386)**	**145,175**	**1,432,845**	**2,191,388**
Transactions with owners :							
Annual dividends	-	-	-	-	-	(53,573)	(53,573)
Bonus issue	9,921	(9,921)	-	(80)	-	-	(80)
Refund of hybrid securities issuance costs	-	-	3	-	-	-	3
Issuance of hybrid securities	-	-	154,619	-	-	-	154,619
Redemption of hybrid securities	-	-	(154,561)	(384)	-	-	(154,945)
Dividends of hybrid securities	-	-	-	-	-	(28,091)	(28,091)
Total transactions with owners	**9,921**	**(9,921)**	**61**	**(464)**	**-**	**(81,664)**	**(82,067)**
Comprehensive income:							
Net income	-	-	-	-	-	213,333	213,333
Insurance finance income (expenses) from insurance contracts issued	-	-	-	-	(96,142)	-	(96,142)
Insurance finance income (expenses) from reinsurance contracts held	-	-	-	-	5,699	-	5,699
Gains on debt securities at fair value through other comprehensive income	-	-	-	-	28,670	632	29,302
Exchange difference on translating foreign operations	-	-	-	-	65,630	-	65,630
Gains on valuation of derivative instruments designated as cash flow hedges	-	-	-	-	668	-	668
Losses on remeasurement of the net defined benefit liabilities	-	-	-	-	(1,705)	-	(1,705)
Total comprehensive income	**-**	**-**	**-**	**-**	**2,820**	**213,965**	**216,785**
As of December 31, 2024	**65,623**	**93,743**	**544,449**	**(90,850)**	**147,995**	**1,565,146**	**2,326,106**

Note: Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,484.4 per USD 1.

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Units: KRW million, USD thousand)

	FY 2024 (KRW)	FY 2024 (USD)	FY 2023 (KRW)	FY 2023 (USD)
I. Cash flows from operating activities	**1,151,148**	**775,497**	**684,529**	**525,752**
1. Cash generated from operations	902,954	608,296	510,987	392,464
2. Receipt of interest	263,000	177,176	210,755	161,870
3. Payment of interest	(366)	(247)	(359)	(276)
4. Receipt of dividends	23,687	15,957	17,934	13,774
5. Payment of income taxes	(38,127)	(25,685)	(54,788)	(42,080)
II. Cash flows from investing activities	**(1,153,329)**	**(776,966)**	**(840,190)**	**(645,307)**
III. Cash flows from financing activities	**(125,971)**	**(84,863)**	**162,862**	**125,086**
IV. Effects of changes in foreign exchange rates on cash and cash equivalents	**17,393**	**11,717**	**4,070**	**3,126**
V. Net increase in cash and cash equivalents	**(110,759)**	**(74,615)**	**11,271**	**8,657**
VI. Cash and cash equivalents at the beginning of the year	**510,175**	**343,691**	**498,904**	**383,183**
VII. Cash and cash equivalents at the end of year	**399,416**	**269,076**	**510,175**	**391,839**

Note: Korean won amounts have been converted into the U.S. dollar based on the exchange rate of KRW 1,484.4 per USD 1 for FY 2024 and KRW 1,302.0 for FY 2023.

* Individual figures may not add up to the total shown due to rounding.

Notes to Consolidated Financial Statements

1. Summary of significant accounting policies

(1) Basis of financial statement preparation

The Company and its subsidiaries (collectively, the “Group”) prepares statutory consolidated financial statements in the Korean language in accordance with the International Financial Reporting Standards as adopted by the Republic of Korea (“KIFRS”) enacted by the Act on External Audit of Stock Companies. The consolidated financial statements have been prepared on a historical cost basis, except for financial assets measured at fair value through profit or loss, derivative financial instruments designated as hedges, financial assets measured at fair value through other comprehensive income, insurance contract assets and liabilities, and reinsurance contract held assets and liabilities. The carrying amounts of assets and liabilities designated as hedged items of fair value hedge are not recorded at amortized cost, but recorded after reflecting the change in fair value corresponding to the risk hedged in effective hedge relationships. The accompanying consolidated financial statements have been translated into English from the Korean language consolidated financial statements.

The management has reasonable expectations that at the time of approving the consolidated financial statements, the Group has sufficient resources to continue as an entity for a foreseeable future period. Therefore, management prepared the consolidated financial statements on a going-concern principle.

(2) Classification and measurement of financial assets

Financial assets are classified into the following measurement categories:

- Financial assets measured at fair value through profit or loss
- Financial assets measured at fair value through other comprehensive income; and
- Financial assets measured at amortized cost.

Financial assets are classified based on the business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

The gains and losses on financial assets measured at fair value are recognized in profit or loss or othercomprehensive income. Investments in debt instruments are recognized in profit or loss or other comprehensive income according to the business model for holding the assets. The Group only reclassifies debt instruments when there is a change in the business model for managing financial assets.

For investments in equity instruments that are not held for trading, the Group can make an irrevocable election at initial recognition to recognize subsequent fair value changes in other comprehensive income. Fair value changes in investments in equity instruments that are not designated are recognized in profit or loss.

At the initial recognition, financial assets are measured at fair value. For financial assets that are not measured at fair value through profit or loss, the transaction costs directly attributable to the acquisition of the financial assets are added to the fair value. The transaction costs for financial assets measured at fair value through profit or loss are expensed in profit or loss.

For compound instruments that include embedded derivatives, the entire contract is considered when determining whether the contractual cash flows are solely payments of principal and interest.

i) Financial assets measured at fair value through profit or loss

Financial assets not classified as financial assets measured at fair value through other comprehensive income or financial assets measured at amortized cost are classified as financial assets measured at fair value through profit or loss.

Financial assets measured at fair value through profit or loss are measured at fair value, and gains and losses arising from changes in fair value are recognized in profit or loss. Dividends and interest income received from financial assets are also recognized in profit or loss.

ii) Financial assets measured at fair value through other comprehensive income

The Group classifies as financial assets measured at fair value through other comprehensive income those debt securities that satisfy the condition of being part of a business model classified for cash flow collection and sale and whose contractual cash flows consist solely of principal and interest, as well as equity securities that are not intended to be sold in the short term and are strategically held and designated as financial assets measured at fair value through other comprehensive income. Financial assets measured at fair value through other comprehensive income are measured at fair value after initial recognition. Gains and losses arising from changes in fair value, excluding foreign exchange differences on monetary assets directly recognized in profit or loss, interest income according to the effective interest method, and dividend income are recognized in other comprehensive income components of equity.

iii) Financial assets measured at amortized cost

Financial assets that are classified for cash flow collection according to the business model and satisfy the evaluation of contractual cash flow characteristics are classified as financial assets measured at amortized cost. After initial recognition, they are measured at amortized cost using the effective interest method, and interest income is recognized using the effective interest method.

(3) Foreign currency transactions

When preparing the consolidated financial statements, the Group measures and recognizes all the transactions in the functional currency. The term "functional currency" is defined as the currency of the primary economic environment in which the Group operates, and transactions conducted in currencies other than the functional currency shall be recorded in the functional currency by applying the exchange rate.

(4) Property and equipment

Property and equipment are stated at cost, less any accumulated depreciation and accumulated impairment losses. Such cost includes an expenditure that has directly occurred for the acquisition of the asset.

The initial and subsequent costs are recognized as an asset when it is probable that future economic benefits associated with the asset will flow to the Group and the costs of the asset can be measured reliably. The other maintenance and repairs are expensed in the year in which they are incurred, and the carrying amount of certain parts that are replaced is derecognized.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the related asset if the recognition criteria for a provision are met.

(5) Investment properties

Investment properties are initially recognized at cost and transaction costs are included in the initial measurement. The investment properties are also subsequently measured at cost.

Investment properties are recognized as assets only if it is probable that future economic benefits associated with the assets will flow to the Group and the costs of the assets can be measured reliably. Investment properties are derecognized on disposal or when no future economic benefits are expected from their use. Any gain or loss arising from the derecognition of the assets calculated as the difference between the net disposal proceeds and the carrying amount of the assets is recognized as profit or loss in the consolidated statement of comprehensive income and OCI in the period in which the asset is derecognized. Transfers are made to, or from, investment properties only when there is a change in use.

(6) Insurance contract liabilities

i) Scope

The Group applies K-IFRS 1117 to insurance contracts, including reinsurance contracts it issues, reinsurance contracts it holds, and investment contracts with discretionary participation features it issues, provided the entity also issues insurance contracts.

Furthermore, when identifying contracts within the scope of application, K-IFRS 1117 assesses whether a set or series of contracts should be treated as a single contract. Additionally, it determines whether embedded derivatives, distinct investment components, and distinct goods and services components should be separated and accounted for under different standards.

ii) Level of aggregation

Under K-IFRS 1117, insurance contracts and investment contracts with discretionary participation features are aggregated into a group of contracts for measurement purposes. To determine the group of contracts, a portfolio of contracts is identified first, with the portfolio comprising contracts subject to similar risks and managed together. Each group of contracts within the portfolio does not include contracts issued more than one year apart in the same group. The group of contracts for each issuance year is categorized into the following three groups:

- A group of contracts that are onerous at initial recognition, if any;
- A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and
- A group of the remaining contracts in the portfolio, if any.

iii) Measurement: General approach

The Group applies the general approach to long-term non-life insurance and life insurance, and at initial recognition, the group of insurance contracts is measured as the sum of the fulfillment cash flows, which consist of estimates for future cash flows, risk adjustment for non-financial risks, and the contractual service margin.

The risk adjustment for non-financial risks is measured as the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risks, ensuring that the fulfillment of the liability with a range of possible outcomes arising from non-financial risks and the fulfillment of the liability generating a fixed cash flow with the identical expected present value as the insurance contract are indifferent.

The contract service margin is measured at initial recognition of the group of insurance contracts and is the amount that ensures no income or expenses arise from the following, except onerous contracts or when eliminating assets for cash flows do not relate to insurance acquisition cash flows:

- The initial recognition amount of the fulfillment cash flows;
- All cash flows arising from contracts within the group of contracts at initial recognition; and
- The derecognition at the date of initial recognition of any asset for insurance acquisition cash flows and any other asset or liability previously recognized for cash flows related to the group of contracts.

iv) Measurement: Premium allocation approach

The Group applies the premium allocation approach to simplify the measurement of the group of contracts for general non-life insurance when the coverage period of each contract in the group at the inception (including insurance contract services arising from all premiums within the contract boundary) is one year or less, or when it is reasonably expected that such simplification would produce a measurement of the liability for the remaining coverage for the group that would not differ materially from the one that would be produced applying the requirements in the general approach.

v) Reinsurance contract held

Except for the following, the Group applies the same accounting policies to the measurement of groups of reinsurance contracts as the Group does to groups of insurance contracts.

The Group includes all risks related to the non-performance of the issuer of the reinsurance contract (including the effects of collateral and losses due to disputes) in the measurement of groups of reinsurance contracts. The Group remeasures the effects of the non-performance risk of the issuer of the reinsurance contract at the end of each reporting period and recognizes changes in the non-performance risk in profit or loss. The risk adjustment for non-financial risks is calculated to reflect the risks transferred to the issuer of the reinsurance contract. Reinsurance contracts held are not classified as a group of onerous contracts or recognized in profit or loss for the expected net outflows, even if the cash flows at initial recognition are net outflows, considering the nature of reinsurance.

(7) Hybrid securities

Hybrid security is classified as an equity only if its contractual arrangements at the time of the issuance of the security meet the criteria to be classified as an equity.

2. Translation of consolidated financial statements indicated in foreign currencies.

Assets and liabilities, including equity indicated in the consolidated financial statements, are translated into the U.S. dollar at the rate of KRW 1,484.40 to USD 1, the telegraphic transfer selling rate of exchange as of December 31, 2024. The profit and loss account is translated at KRW 1,368.45 to USD 1, the average exchange rate of the period.

3. Cash and cash equivalents

Cash and cash equivalents as of December 31, 2024 are as follows:

(Units: KRW million, USD thousand)

	FY 2024 (KRW)	FY 2024 (USD)
Short-term bank deposits	399,416	269,076
Total	**399,416**	**269,076**

4. Financial assets

Carrying value and fair value of financial assets as of December 31, 2024 are as follows:

(Units: KRW million, USD thousand)

	Carrying value		Fair value	
	KRW	USD	KRW	USD
Cash and cash equivalents	399,416	269,076	399,416	269,076
Deposits	280,639	189,059	280,639	189,059
Financial assets measured at fair value through profit or loss	2,591,617	1,745,902	2,591,617	1,745,902
Financial assets measured at fair value through other comprehensive income	4,821,730	3,248,269	4,821,730	3,248,269
Financial assets measured at amortized cost	2,565,507	1,728,312	2,384,774	1,606,558
Derivative financial assets designated as hedges	45,363	30,560	45,363	30,560
Receivables	160,591	108,186	160,582	108,180
Total	**10,864,863**	**7,319,364**	**10,684,121**	**7,197,602**

5. Deposits

Deposits as of December 31, 2024 are as follows:

(Units: KRW million, USD thousand)

	FY 2024 (KRW)	FY 2024 (USD)
Overseas deposits	225,415	151,856
Other deposits	55,224	37,203
Total	**280,639**	**189,059**

6. Financial assets measured at fair value through profit and loss

Financial assets measured at fair value through profit and loss as of December 31, 2024 are as follows:

(Units: KRW million, USD thousand)

	FY 2024 (KRW)	FY 2024 (USD)
Stock	12,765	8,599
Equity investment	260,295	175,354
Special bonds	88,962	59,931
Financial bonds	37,839	25,491
Corporate bonds	118,273	79,677
Beneficiary certificates	1,531,159	1,031,501
Securities in foreign currencies	515,612	347,354
Other securities	303	204
Derivative financial assets held for trading	3,899	2,627
Loan receivables	22,510	15,164
Total	**2,591,617**	**1,745,902**

7. Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income as of December 31, 2024 are as follows:

(Units: KRW million, USD thousand)

	FY 2024 (KRW)	FY 2024 (USD)
Equity instruments :		
Stock	102,341	68,944
Securities in foreign currencies	50,698	34,154
Others	386,189	260,165
Debt instruments :		
Government and public bonds	1,551,663	1,045,313
Special bonds	266,620	179,615
Corporate bonds	388,522	261,737
Financial bonds	187,573	126,363
Securities in foreign currencies	1,888,124	1,271,978
Total	**4,821,730**	**3,248,269**

8. Financial assets measured at amortized cost

Financial assets measured at amortized cost as of December 31, 2024 are as follows:

(Units: KRW million, USD thousand)

	FY 2024 (KRW)	FY 2024 (USD)
Government and public bonds	144,741	97,508
Special bonds	236,800	159,526
Financial bonds	50,000	33,684
Corporate bonds	419,781	282,795
Securities in foreign currencies	1,155,373	778,342
Loans	565,866	381,209
Subtotal	**2,572,561**	**1,733,064**
Less: Allowance for loan losses	(5,778)	(3,892)
Present value premium	20	13
Less: Deferred loan fees and costs	(1,296)	(873)
Total	**2,565,507**	**1,728,312**

9. Other receivables

Other receivables as of December 31, 2024 are as follows:

(Units: KRW million, USD thousand)

	FY 2024 (KRW)	FY 2024 (USD)
Accounts receivables	39,235	26,432
Accrued income	120,295	81,039
Guarantee deposits	1,262	850
Subtotal	**160,792**	**108,321**
Less: Allowance for doubtful receivables	(182)	(123)
Less: Present value discount	(19)	(13)
Total	**160,591**	**108,186**

10. Insurance contract assets and liabilities

The insurance contract assets and liabilities as of December 31, 2024, are as follows:

(Units: KRW million, USD thousand)

	FY 2024							
	General Non-Life		Long-Term Non-Life		Life		Total	
	KRW	USD	KRW	USD	KRW	USD	KRW	USD
Insurance contract assets	27,087	18,248	4	3	2,567	1,729	29,658	19,980
Insurance contract liabilities	5,551,050	3,739,592	771,629	519,826	2,780,656	1,873,252	9,103,335	6,132,670
Net liabilities	**5,523,963**	**3,721,344**	**771,625**	**519,823**	**2,778,089**	**1,871,523**	**9,073,677**	**6,112,690**
Reinsurance contract held assets	2,001,725	1,348,508	11,497	7,745	4,021	2,709	2,017,243	1,358,962
Reinsurance contract held liabilities	9,798	6,601	199	134	53,989	36,371	63,986	43,106
Net assets (liabilities)	**1,991,927**	**1,341,907**	**11,298**	**7,611**	**(49,968)**	**(33,662)**	**1,953,257**	**1,315,856**

11. Equity

(1) Capital stock

Details of capital stock as of December 31, 2024 are as follows:

	FY 2024 (KRW)	FY 2024 (USD)
Number of common shares authorized (shares)	320,000,000	320,000,000
Par value (KRW, USD)	500	0.3
Number of common shares issued and outstanding (shares)	194,821,031	194,821,031
Capital stock (KRW million, USD thousand)	97,411	65,623

(2) Capital surplus

Capital surplus consists of the following as of December 31, 2024 :

(Units: KRW million, USD thousand)

	FY 2024 (KRW)	FY 2024 (USD)
Paid-in capital in excess of par value	66,503	44,801
Other capital reserve	72,649	48,942
Total	**139,152**	**93,743**

(3) Capital adjustments

Capital adjustments consist of the following as of December 31, 2024 :

(Units: KRW million, USD thousand)

	FY 2024 (KRW)	FY 2024 (USD)
Treasury stock	(134,066)	(90,317)
Other capital adjustments	(792)	(534)
Total	**(134,858)**	**(90,850)**

(4) Accumulated other comprehensive income

Accumulated other comprehensive income consists of the following as of December 31, 2024 :

(Units: KRW million, USD thousand)

	FY 2024 (KRW)	FY 2024 (USD)
Gains (losses) on valuation of financial assets measured at fair value through other comprehensive income	121,589	81,911
Finance income (expenses) from insurance contracts issued	(133,527)	(89,954)
Finance income (expenses) from reinsurance contracts held	(15,553)	(10,478)
Asset revaluation surplus	69,980	47,144
Exchange difference on translating foreign operations	153,955	103,715
Gain (loss) on valuation of derivative instruments designated as cash flow hedges	25,451	17,146
Remeasurement of the net defined benefit liabilities	(2,211)	(1,489)
Total	**219,684**	**147,995**

(5) Retained earnings

Retained earnings as of December 31, 2024 are as follows:

(Units: KRW million, USD thousand)

	FY 2024 (KRW)	FY 2024 (USD)
Legal reserve	41,342	27,851
Bad debt reserve	22,202	14,957
Catastrophe reserve	1,378,548	928,690
Surrender value reserve	102,015	68,725
Business stabilization reserve	2,033	1,370
Voluntary reserve	553,294	372,738
Unappropriated retained earnings	223,866	150,815
Total	**2,323,300**	**1,565,146**

(6) Hybrid securities

Hybrid securities as of December 31, 2024 are as follows:

	Description[1]			
Date issued	May 30, 2022	Oct 28, 2022	Mar 16, 2023	Oct 11, 2024
Amounts issued (Unit: KRW million)	₩ 230,000	₩100,000	₩250,000	₩230,000
Maturity	30 years, Revolving	30 years, Revolving	30 years, Revolving	30 years, Revolving
Distribution term[2]	4.90% per annum on a face value basis	6.70% per annum on a face value basis	5.50% per annum on a face value basis	4.27% per annum on a face value basis

* Redetermination of interest rate every 5 years, Step up 100bps once at 10th year

1) Although hybrid securities have maturities, they meet the criteria to be classified as equity, such as that the Group has the right to continue to extend maturities.

2) The Group will not pay interest if no dividends are paid on the common shares.

Independent Auditor's Report

The Shareholders and the Board of Directors Korean Reinsurance Company

Opinion

We have audited the consolidated financial statements of Korean Reinsurance Company and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as of December 31, 2024 and 2023 and the consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statements of cash flows for each of the two years in the period ended December 31, 2024, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the two years in the period ended December 31, 2024 in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS").

We have audited the Group's internal control over financial reporting ("ICFR") as of December 31, 2024 based on the Conceptual Framework for Design and Operation of ICFR established by the Operating Committee of ICFR in Korea, in accordance with Korean Standards on Auditing ("KSA"), and our report dated March 20, 2025 expressed an unqualified opinion thereon.

Basis for opinion

We conducted our audit in accordance with KSA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matter

A key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Loss ratio as part of the assumptions applied for evaluation of insurance contract liabilities

As described in Note 2 to the consolidated financial statements, (BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION) the Group's insurance contract liabilities consist of estimates on future cash flows from its the insurance contracts held (including cash flows related to insurance contract loans, reflecting the effects of the time value of money, etc.), risk adjustments, and contractual service margins.

The measurement of fulfillment cash flows from the insurance contracts not measured under the insurance premium allocation approach is affected by the assumptions determined by the insurance company at the closing date. Among these assumptions, the loss ratio, which is assumed in relation to the estimated future insurance claims, is the most material assumption, accompanied by management's significant judgment. Therefore, we identified this matter as key audit matter as it requires our significant attention.

The primary audit procedures we performed in this regard are as follows:

- Understand the Group's procedures and calculation basis regarding the calculation of the loss ratio assumptions and review whether the calculation basis complies with the Regulations on Supervision of Insurance Business and the Detailed Regulations on Supervision of Insurance Business.
- Understand the internal control regarding the calculation of the loss ratio and evaluate the effectiveness of design and operation of the relevant internal control.
- Assess whether there is any omission or mapping error of data by comparing the basic data used for calculating the loss ratio with the data on the Group's actuarial settlement system and relevant statements.
- Assess whether there is any omission or mapping error of data by comparing the values on the cash flow model table using the loss ratio with the calculated results of loss ratio.
- Review the probable errors by comparing the loss ratio calculated by the Group with the loss ratio recalculated by the auditor.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with KIFRS, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with KSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSA, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We are solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

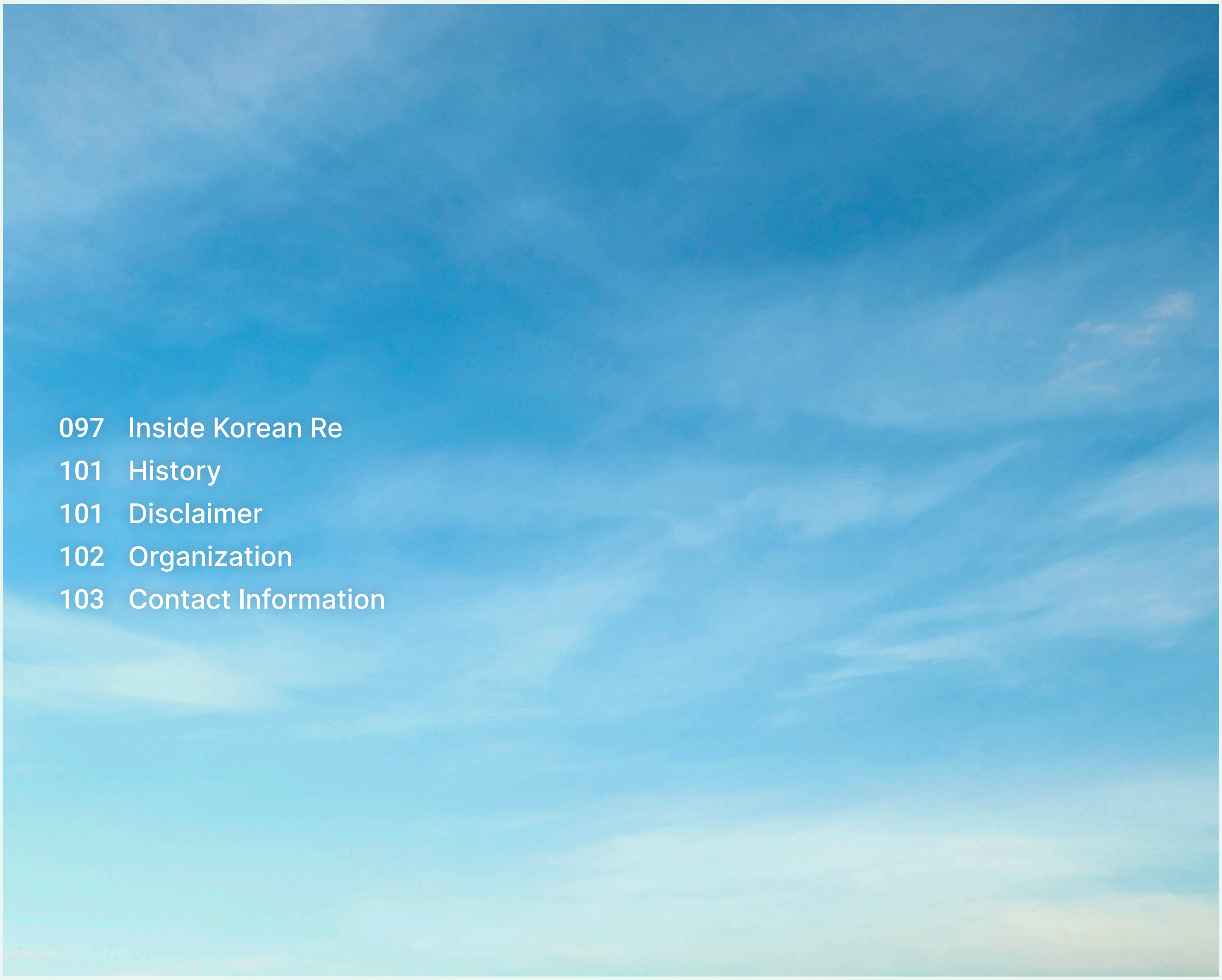
The engagement partner on the audit resulting in this independent auditor's report is Myung Hyun Kim.

Ernst & Young Han Young

March 20, 2025

This audit report is effective as of March 20, 2025, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.

Corporate Information



Inside Korean Re

Korean Re New Year's Concert in 2024

Korean Re hosted a new year's event on January 4, 2024. Employees and their families got together to celebrate the 10th anniversary of the New Year's Concert, which featured a program in two parts. For the first part of the event, the audience watched a video montage of Korean Re's achievements and successes and listened to a welcoming address from CEO Jong-Gyu Won. New joiners were also introduced and welcomed to the company with a warm applause. The audience had an opportunity to watch a video recap highlighting 10 years of the New Year's concerts.

In his welcoming address, CEO Jong-Gyu Won expressed his heartfelt appreciation to employees, saying that thanks to their hard work and dedication, Korean Re was able to achieve great results over the past year. He also expressed his best wishes to all the new employees, saying that he hoped they would grow into reinsurance experts in the future.

After dinner was served, the second part of the event began, with guests being guided to a concert hall. Conductor Si-Yeon Sung and the Seoul Philharmonic Orchestra performed Tchaikovsky's Italian Capriccio and Dvorak's Symphony No. 8. Violinist In-Mo Yang, who is hailed as "Korea's Paganini of the 21st century," played Sarasate's Zigeunerweisen and Ravel's Tzigane. The melodic richness and rhythmic vitality of the classical pieces filled the concert hall, captivating the audience.

Over the last 10 years, it has been Korean Re's tradition to hold a classical music concert at the beginning of a new year, inviting its clients, partners, employees, and their family members to the event in celebration of the new year. Korean Re will continue this tradition, demonstrating its commitment to engaging with its members in meaningful ways.

The 40th Korean Re Seminar Brings Together Global Reinsurance Experts

Korean Re successfully hosted the 40th Korean Reinsurance Seminar from May 20 to 24, 2024. The opening ceremony and a diverse range of seminar activities were held at the Korean Re head office in Seoul, as well as various industrial sites around the country over five days. This year, Korean Re welcomed 21 delegates from 17 insurers across 12 jurisdictions, including China, the UK, France, Switzerland, and Vietnam.

The comprehensive program featured insightful presentations by Korean Re on underwriting techniques and major developments and issues within the Korean and global insurance markets. In addition, Korean Re arranged field trips to various industrial sites across Korea, allowing participants to observe industrial operations firsthand. A curated cultural program also provided delegates with an immersive experience of Korean culture.

Initiated in 1979, the Korean Re Seminar has evolved into a vital platform for information exchange and discussion on important topics affecting the global insurance industry. Since then, this annual event has been attended by a number of professionals from 60 jurisdictions across the world. It is now widely recognized among insurance market participants as one of the most prestigious reinsurance seminars in Asia.

In his opening address, CEO Jong-Gyu Won highlighted the significance of this gathering, saying, "The Korean Re Seminar has the longest history and tradition among our events. It is a source of great pride for us." He also expressed his hope that the event would serve as an opportunity for participants to gain valuable experience and obtain the latest information on the global reinsurance market.

Korean Re Wins iF Design Award 2024 for its Renewed CI

Korean Re won a world-renowned iF Design Award in the Communication category for its corporate identity (CI) renewal. The iF International Forum Design GmbH, based in Hannover, Germany, is one of the oldest independent design organizations and annually recognizes outstanding design achievements. The iF Design Award, along with Germany's Red Dot and America's International Design Excellence Award (IDEA), ranks among the top three design awards worldwide.

Marking its 60th anniversary, Korean Re commissioned the new CI development to Interbrand in 2023 and was awarded for the renewed CI. The CI embodies the themes of "Boldness & Lightness" in its font and has been lauded for reflecting the company's aspirations for professionalism and adaptability in risk management. The new CI represents qualities that every reinsurance company aspires to achieve: professionalism and flexibility. On accepting the award, Korean Re expressed its commitment to remaining a trustworthy partner for its clients through continued efforts to meet their expectations.

Korean Re Participates in Home Rebuilding Project by Habitat for Humanity Korea

A delegation of 22 volunteers, including 19 new employees from Korean Re, visited Tangerang, Indonesia from April 18 to 23, 2024 to participate in a home rebuilding project in partnership with Habitat for Humanity Korea. The initiative targeted the reconstruction of homes for low-income families in Tangerang, a city on the island of Java, Indonesia.

Tangerang is known for its rural communities and vulnerability to natural disasters such as frequent river flooding. Many residents in this region are living in makeshift homes they constructed themselves, with their safety being on the line due to dire living conditions.

During the project, volunteers from Korean Re engaged in various activities, including moving bricks and construction materials, mixing mortar, and applying cement plaster to the homes being rebuilt for families living in at-risk conditions. Additionally, the team conducted a house dedication ceremony, fostering engagement and interaction with the local community and homeowners.

Korean Re has consistently supported this non-profit organization, deploying volunteers to disaster-affected sites for the past 11 years. Excluding the interruption caused by the COVID-19 pandemic, the company's employees have actively participated in annual volunteer activities since 2014, beginning from Cebu, the Philippines. Over the years, these activities have included efforts in regions severely impacted by natural disasters, such as Bantayan Island in the Philippines, which was struck by Typhoon Haiyan, and Ayutthaya, Thailand, a community devastated by flooding.

CEO Jong-Gyu Won underscored the importance of housing stability, stating, "A home is the base upon which everything is built to protect those within. Supporting those in need to ensure a basic level of safety resonates deeply with the principles of reinsurance." He went on to add, "Korean Re will continue to lead social contribution activities and strive to enhance the living conditions of at-risk communities, thereby strengthening the resilience of society."

Korean Re Takes Action in River and Beach Cleanups for a Healthier Environment

In October 2024, Korean Re employees engaged in environmental volunteer activities focused on river and beach cleanups. From October 23 to 25, a group of Korean Re volunteers visited Saetgang Ecological Park in Yeouido, Seoul, supporting various environmental protection efforts, including water purification with Effective Microorganism (EM) mud balls, tree planting to reduce fine dust, and the removal of invasive plant species to promote biodiversity in the riverside park.

The EM mud balls are designed to improve water quality and reduce unpleasant odors in rivers. They are created by mixing an EM solution of beneficial microorganisms with clay and then fermenting the mixture to produce these environmentally friendly purifiers.

Earlier, on October 18 and 25, Korean Re teams conducted marine cleanup activities at Yongmuchi Beach in Dangjin, South Chungcheong Province, collecting plastic bottles and other marine debris from the beach. Since adopting Yongmuchi Beach as a "companion beach" in 2022, Korean Re has been dedicated to regular cleanup efforts at the site. Last year, employees collected a total of 1,452 kilograms of waste, underscoring the company's commitment to environmental stewardship. The companion beach initiative involves adopting a beach to foster regular cleanup and environmental protection efforts.

As Korean Re continues to expand its social responsibility initiatives with a steadfast commitment to giving back to the community, it encourages every employee to participate in at least one volunteer activity each year. The river and beach cleanup programs involve 12 rounds of activities annually, engaging approximately 240 employees in meaningful environmental conservation efforts.

History

1963 - 2025

Mar. 19, 1963	Established as a state-owned company, the Korean Non-Life Reinsurance Corporation
Mar. 02, 1978	Reorganized as a publicly owned company, Korean Reinsurance Company
Nov. 24, 1978	Opened the Singapore Branch
June 26, 1984	Built a new head office in Susong-dong, Jongno-gu, Seoul
Dec. 31, 1996	Total assets surpassed KRW 1 trillion
May 27, 1999	Announced a mid- to long-term growth plan called "Vision 2020"
May 28, 2002	Received an A- rating from AM Best
June 27, 2002	Rebranded as Korean Re through the launch of a new corporate identity
Dec. 06, 2006	Received an A- rating from S&P Global Ratings
Dec. 31, 2006	Total assets surpassed KRW 3 trillion
Apr. 08, 2008	Opened the Dubai Liaison Office
Apr. 28, 2008	Total assets surpassed KRW 4 trillion
Feb. 2011	Received an A rating from AM Best
Mar. 19, 2013	Celebrated the company's 50th anniversary
June 17, 2013	Inauguration of CEO Jong-Gyu Won
Oct. 24, 2014	S&P rating upgraded from A- to A
Feb. 09, 2015	Established Korean Re Underwriting Ltd. at Lloyd's of London
July 01, 2017	Opened the Labuan Branch in Malaysia
Dec. 29, 2017	Opened the DIFC Branch in Dubai, UAE
Dec. 31, 2017	Total assets surpassed KRW 10 trillion
June 01, 2019	Established Korean Reinsurance Switzerland AG in Zurich, Switzerland
June 28, 2019	Korean Reinsurance Switzerland AG received an A rating from S&P Global Ratings
Jan. 13, 2020	Established the Shanghai Branch in the People's Republic of China
Feb. 27, 2020	Established the Bogotá Liaison Office in Colombia
Sep. 24, 2021	Established KoreanRe Insurance Services in New Jersey, USA
Mar. 19, 2023	Renewal of the corporate identity in celebration of the company's 60th anniversary
Feb. 28, 2024	S&P ratings outlook upgraded to A Positive
Apr. 11, 2025	Relocation of headquarters to Signature Tower in Jung-gu, Seoul

Disclaimer

This annual report is intended solely to provide information to shareholders, investors, and other stakeholders of Korean Re. The information contained herein has been prepared based on the company's current knowledge and understanding as of the date of publication. While every effort has been made to ensure the accuracy and completeness of the information, Korean Re makes no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability, or suitability of the content for any particular purpose.

Unless otherwise specified, all financial data included in this annual report are presented on a consolidated basis. Any discrepancies between totals and the sum of listed items in tables may be due to rounding.

This report may contain forward-looking statements regarding Korean Re's future business plans, performance, and financial projections. These statements are based on current assumptions and expectations and are subject to risks, uncertainties, and other factors beyond the company's control. Actual results may differ materially from those expressed or implied in such statements.

Korean Re undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Readers are advised not to place undue reliance on these statements when making investment or other decisions.

This report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in any jurisdiction.

Organization

Chairman

President & CEO

Executive Managing Director

Managing Directors

Chief Audit Officer

Strategic Planning Office	Legal Team	HR & General Affairs Team	New Office Construction Team
Accounting Team	Actuarial Team	Pricing & Analysis Team	Investment Strategy & Operations Team
Asset Management Team	International Business Management	Property Team	Engineering & Marine Team
Casualty Team	Motor & Agriculture Team	International Treaty Team I	International Treaty Team II
International Casualty & Motor Team	International FAC Team I	International FAC Team II	Long-Term Team
Domestic Life & Health Team	Overseas Life & Health Team	Financial Solutions Team	IT Team
Risk Management Team	Risk & Capital Solutions Team	Claims & Survey Team	Accounts & Settlement Team
Product Development Team	Compliance Team	Auditing Team	Research Institute of Insurance & Finance

Contact Information

Head Office

4-5F Signature Tower, 100 Cheonggyecheon-ro,
Jung-gu, Seoul, 04542, Korea
Tel (82-2) 3702-6000
Fax (82-2) 739-3754
http://www.koreanre.co.kr

Overseas Branches and Liaison Offices

Singapore Branch

8 Cross Street, #09-02/03,
Manulife Tower, Singapore 048424
Tel (65) 6227-6411
Fax (65) 6227-2778
Email singapore@koreanre.co.kr

Labuan Branch

Brighton Place, Lot U0213-U0215,
Jalan Bahasa 87000 Labuan F.T. Malaysia
Tel (65) 6227-6411
Fax (65) 6227-2778
Email singapore@koreanre.co.kr

DIFC Branch

Office 304 & 305, Level 3, Gate District Precinct 4,
DIFC, PO Box 506869, Dubai, UAE
Tel (971-4) 355-5028
Fax (971-4) 355-0788
Email dubai@koreanre.co.kr

Shanghai Branch

4702 Jinmao Tower, 88 Century Avenue,
Pudong New Area, Shanghai, China P.C. 200121
Tel (86-21) 5888-7879
Email shanghai@koreanre.co.kr

London Liaison Office

Room No.703, Gallery 7 of Lloyd's 1986 B/D,
One Lime Street, London EC3M 7HA, UK
Tel (44-20) 7265-0031
Fax (44-20) 7481-8412
Email london@koreanre.co.kr

Tokyo Liaison Office

Marunouchi Mitsui Building 5th Fl. No 508, 2-2-2 Marunouchi,
Chiyoda-ku, Tokyo, Japan
Tel (81-3) 3201-1673
Fax (81-3) 3201-5585
Email tokyo@koreanre.co.kr

Bogotá Liaison Office

Carrera 9 No. 77 - 67 Oficina 406 - Edificio Torre Unika,
Bogotá D.C. - Colombia
Tel (57-601) 712-7824
Email bogota@koreanre.co.kr

Subsidiaries

Korean Re Underwriting Ltd.

Room No.703, Gallery 7 of Lloyd's 1986 B/D,
One Lime Street, London EC3M 7HA, UK
Tel (44-20) 7265-0031
Fax (44-20) 7481-8412
Email london@koreanre.co.kr

Worldwide Insurance Services, Ltd.

Suite 3606, 36/F, Central Plaza 18 Harbour Road, Wanchai,
Hong Kong
Tel (852) 2877-3117/3127
Fax (852) 2877-2019
Email mailbox@wis.com.hk

Korean Reinsurance Switzerland AG

Brandschenkestrasse 47, 8002 Zürich, Switzerland
Tel (41-43) 336-2060
Fax (41-43) 336-2061
Email info@koreanre.ch
https://www.koreanre.ch

KoreanRe Insurance Services, Inc.

65 Challenger Road, Suite 400, Ridgefield Park,
NJ 07660, USA
Tel (1-201) 988-4071
Email company@kris.koreanre.com

Glossary

Claim Budget
The annually established acceptable level of losses to achieve profit targets

Combined Ratio
The percentage ratio of insurance service expenses and insurance revenue under IFRS 17 or the sum of the expense ratio and the loss ratio

Contractual Service Margin (CSM)
A component of the carrying amount of the asset or liability for a group of insurance contracts under the general measurement model representing the unearned profit the entity will recognize as it provides services under the insurance contracts in the group

Facultative Reinsurance
A form of reinsurance whereby each exposure the ceding company wishes to reinsure is offered to the reinsurer and is contained in a single transaction. The submission, acceptance, and resulting agreement is required on each individual risk that the ceding company seeks to reinsure. That is, the ceding company negotiates an individual reinsurance agreement for every policy it will reinsure. However, the reinsurer is not obliged to accept all or any of the submissions.

Gross Written Premium
The gross premium income (i.e. written, instead of earned) of an insurance company, adjusted for additional or return premiums but before deducting any premiums for reinsurance ceded

Hard Market
One side of the market cycle that is characterized by high rates, strict underwriting standards, a high demand for insurance coverage, and a reduced supply of capacity

Incurred But Not Reported (IBNR)
Liability for future payments on losses that have already occurred but have not yet been reported in the reinsurer's records

Incurred Losses
The grand total of loss reserves and paid claims over a given year, representing the value of losses that an insurer incurs from its underwriting activities during the period

Insurance Finance Result
The portion of the overall profit or loss or other comprehensive income reported in the statement of financial performance that arises from the insurance finance income or expenses (i.e. investment income or financing costs reflecting the time value of money or the effects of financial risk)

Insurance Revenue
The amount of revenue depicted in profit or loss to reflect the provision of coverage and other services arising from a group of insurance contracts that reflects the consideration to which the entity expects to be entitled in exchange for those services.

Insurance Service Result
The portion of the overall profit or loss or other comprehensive income reported in the statement of financial performance that arises from the insurance revenue reduced by insurance expenses

Investment Income
Money earned from invested assets. This may also include realized capital gains or be reduced by capital losses over the same period

Loss Ratio
Losses incurred, expressed as a percentage of earned premiums

K-ICS (Korean Insurance Capital Standard)
A risk-based capital adequacy framework used to assess the financial soundness of insurance companies in Korea

Non-Proportional Reinsurance
Reinsurance in which the reinsurer's response to a loss depends on its size, and so named because the premium in non-proportional reinsurance is not proportional to the coverage limits

Original/Direct/Primary Insurer
The insurer that writes a policy for a policyholder (which in turn may or may not create the need for reinsurance)

Payout Ratio
The ratio of the total amount of dividends paid out to shareholders relative to the net income of the company. It is the percentage of earnings paid to shareholders via dividends

Proportional Reinsurance
A term describing quota share and surplus share reinsurance in which the reinsurer shares a proportional part of the ceded insurance liability, premiums, and losses of the ceding company

Retention
In reinsurance, the net amount of risk the ceding company keeps for its own account

Risk
Defined variously as uncertainty of loss, chance of loss, or the difference of the actual results from the expected ones. The term is also used to identify the object of insurance protection (e.g., a building, an automobile, a human life, or exposure to liability). In reinsurance, each reinsured company customarily makes its own rules for defining a risk.

Shareholders' Equity
The value of a company which is the property of its ordinary shareholders (i.e. the company's assets less its liabilities)

Soft Market
One side of the market cycle that is characterized by low rates, high limits, flexible contracts, and high availability of coverage

Technical Combined Ratio
A key metric used to assess the profitability and underwriting performance of a reinsurer. It is a measure of the relationship between premiums earned and claims incurred, as well as the expenses associated with underwriting operations excluding general management expenses.

Technical Profitability
Technical profitability is measured in terms of the combined ratio, which is one of the key performance indicators used in insurance. This is a relative figure that denotes the ratio between an insurer's costs and its premium income.

Technical Result
Difference between income and expenses (claims compensation, management expenses, etc.) linked to an insurance business scope. In this report, it specifically refers to the sum of Insurance Service Result (net) and Insurance Finance Result (net) under IFRS 17

Treaty Reinsurance
A form of reinsurance in which the ceding company makes an agreement to cede certain classes of business to a reinsurer. The reinsurer, in turn, agrees to accept all business qualifying under the agreement, known as the "treaty." Under a reinsurance treaty, the ceding company is assured that all of its risks falling within the terms of the treaty will be reinsured in accordance with treaty terms.

Underwriting Income
The excess of premiums earned by a reinsurer during any reporting period over the combined total of expenses and losses incurred during the same period

KOREAN Re

Korean Reinsurance Company
4-5F Signature Tower, 100 Cheonggyecheon-ro, Jung-gu, Seoul, 04542, Korea
Tel: (82-2) 3702-6000   Fax: (82-2) 739-3754   www.koreanre.co.kr

FOREST STEWARDSHIP COUNCIL

FSC

This annual report was produced in an environmentally friendly way using environmentally friendly paper.
Korean Re continues to be environmentally conscious to reduce its impacts on the environment.

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