



2021 Financial Results & 2022 Business Strategy

February 21, 2022

Disclaimer

This material was prepared for the convenience of investors and based on the figures herein have not yet completed full review by external auditors. Therefore, please note that some of the information herein may vary depending on the audit results.

The business outlook of 2022 and some information are written depending on projections analyzed from external and our own materials. This forward-looking information may vary due to various risks, uncertainties, and external forces surrounding the company. Therefore, some figures in this presentation used explicitly are subjected to change.

Certain of the statements contained herein are statements of future expectations and projections. These expectations and projections involve risks and uncertainties that are known or unknown based on current time and assumptions. Actual results, performance or events may differ materially from those in such statements due to various risks and future uncertainties. The reasons for the difference include overall economic conditions, financial market performance, frequency, depth of insurance incidents, mortality, trends, contract retention rates, interest rates, market competition, changes in laws and regulations, changes in government, regulatory policy and so on.

We have no obligation to update any forward-looking statements or forecasts contained in this document. No obligation or liability is assumed for investment results based on this document.

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I . 2021 Key Performance

1. 2021 Key Financials

2. 2021 Key Results

- Auto
- Long-term
- Investment & ALM
- Capital

I. 2021 Key Financials

[unit: KRW bn, %, %p]

구분	2020	2021	YoY
Direct Premium Written ¹⁾	14,070	15,075	7.1% ↑
Loss Ratio	83.9	82.1	1.8%p ↓
Expense Ratio	20.8	19.6	1.2%p ↓
Combined Ratio	104.7	101.7	3.0%p ↓
Investment Yield	3.41	3.29	0.12%p ↓
Net Profit before Tax	678.6	1,064.5	56.9% ↑
Net Profit	502.2	776.4	54.6% ↑
Total Asset	47,124	51,188	8.6% ↑
Shareholder's Equity	6,064	6,248	3.0% ↑
RBC(separate) ^{⌘2)}	232.9	232.9	0.0%p
RBC(consolidated) ^{⌘2)}	207.5	202.8	4.7%p ↓

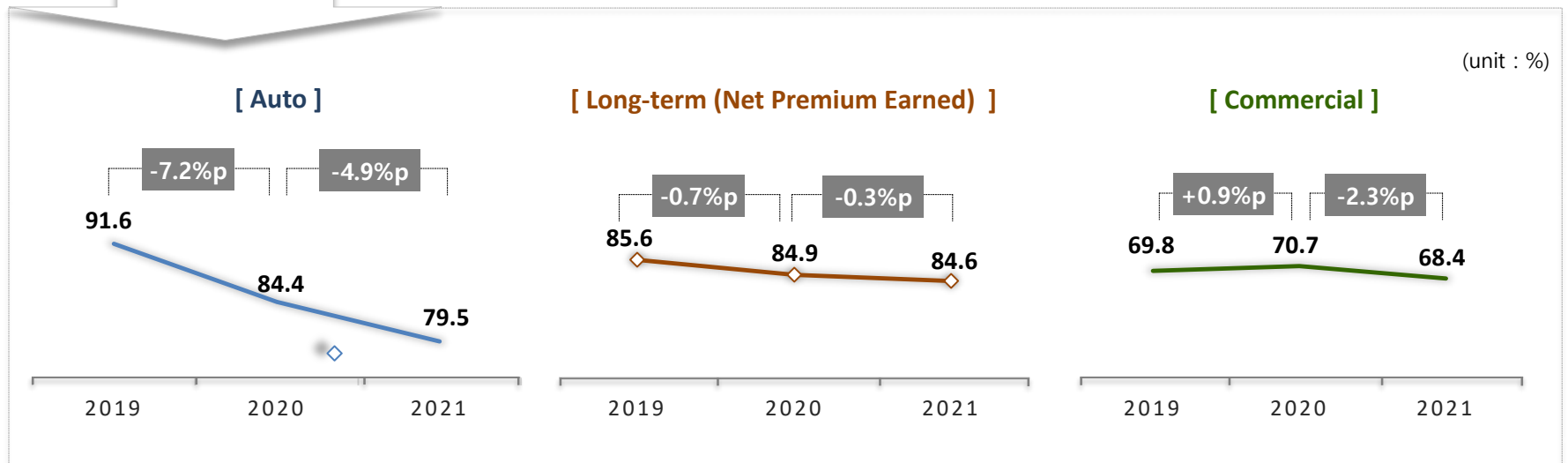
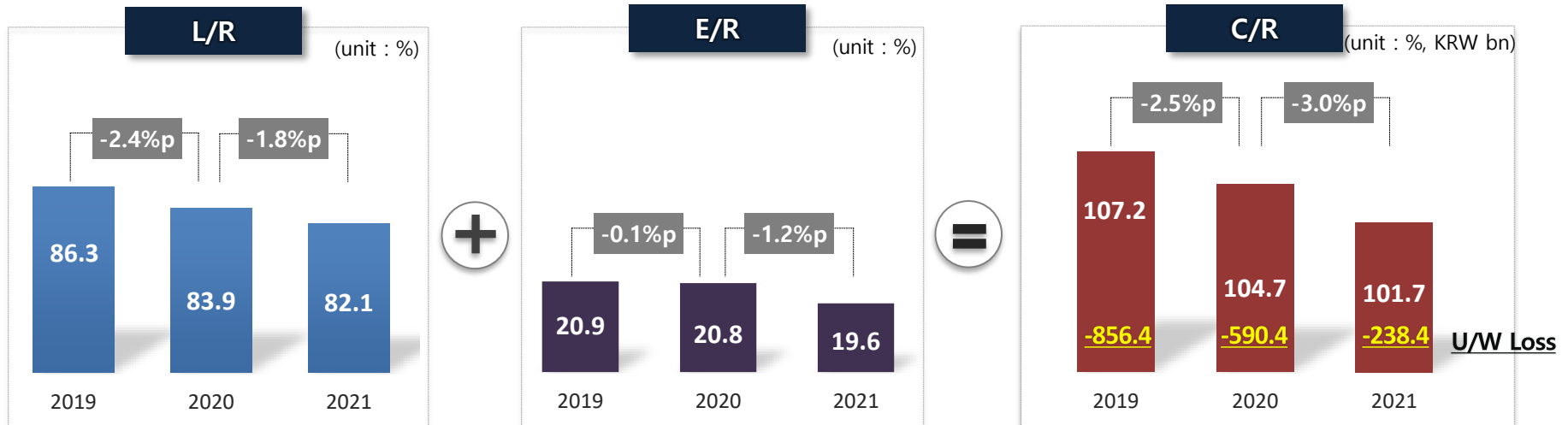
1) Including lump-sum premium

2) RBC ratios(stand alone/consolidated) as of Dec. 2020 are the figures after dividend payment and subject to change after an audit

II. 2021 Key Results

Net profit

Improved underwriting profit due to continued decline in Auto loss ratio and lower expenses ratio (-59.6% YoY)



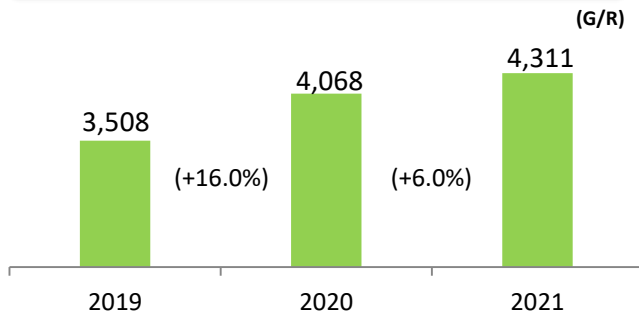
II. 2021 Key Results

Auto

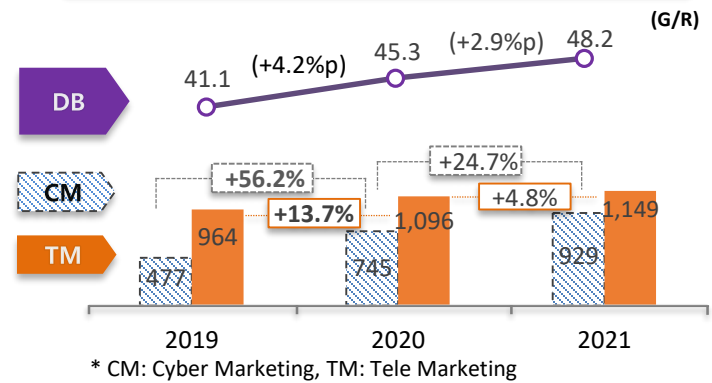
Top Line

The increase of direct premium written slowed due to the decline of rate hike effect, but higher premium growth focused on online channels(TM/CM)*

● Direct Premium Written(DB) (unit : KRW bn)



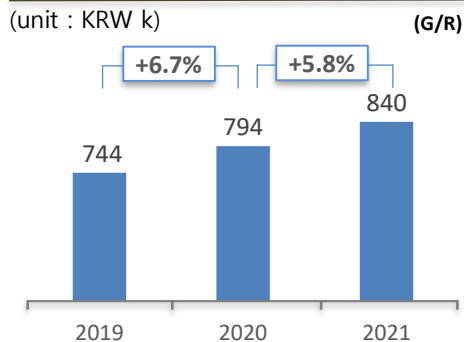
● (Online) Percentage & Direct Premium Written (unit : KRW bn)



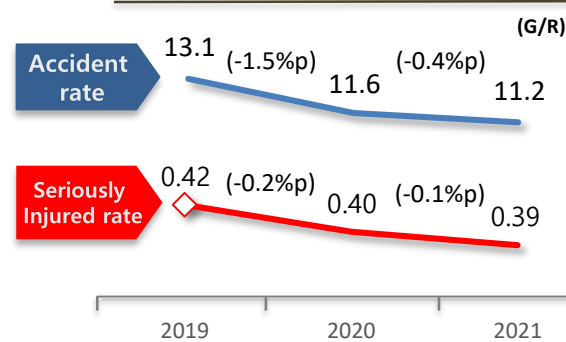
L/R

Improved by continued increase of net premium earned per vehicle and decrease of accident & seriously injured rate due to reduced traffic volume

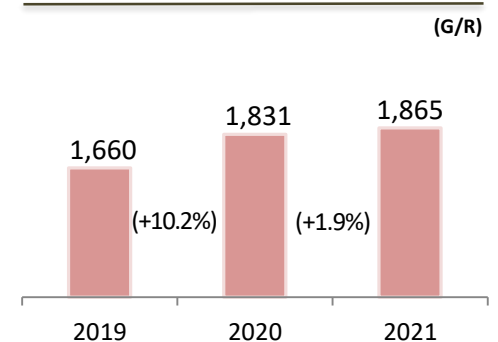
● Net Premium Earned per vehicle



● Accident & seriously injured rate (unit : %)



● Loss Amount per accident (unit : KRW k)



* Seriously injured rate is based on injured level(death-level 3)

II. 2021 Key Results

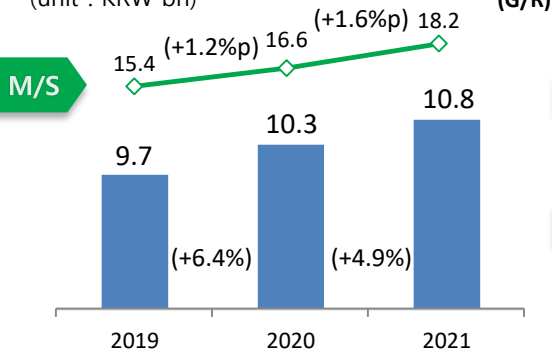
Long-Term

Top Line

Risk premium growth widened through product competency and improved persistency ratio

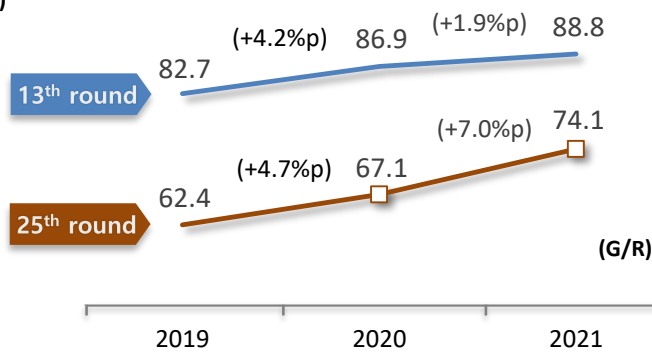
● New monthly premium of Protection

(unit : KRW bn)



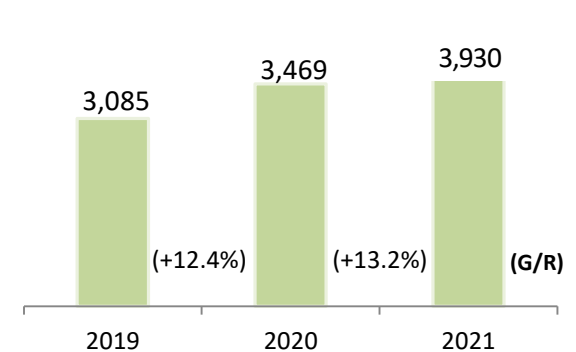
● Persistency Rate

(unit : %)



● Risk Premium

(unit : KRW bn)



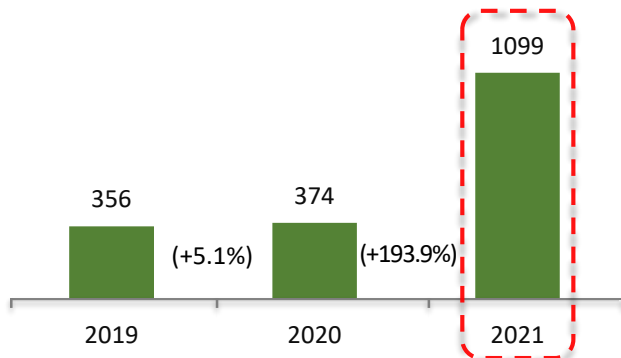
L/R

increase of medical indemnity L/R slowed due to the increase of risk premium, but risk loss ratio slightly increased due to health coverage

● Increase of MI risk premium

(unit: mill, %)

(G/R)

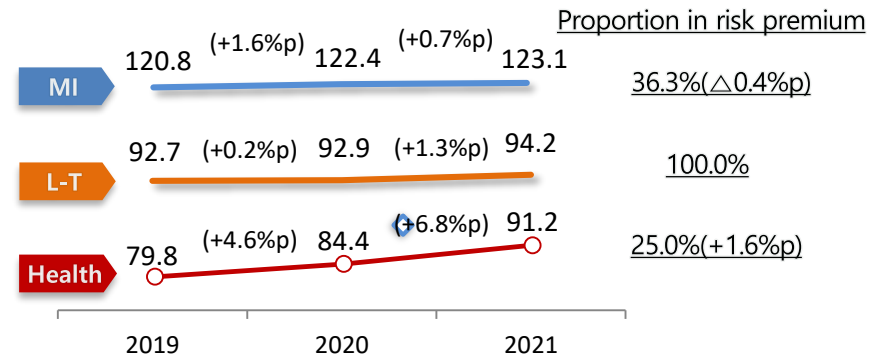


● L-T Risk / MI Loss Ratio

(unit : %)

* IBNR included

(G/R)



* () is YoY

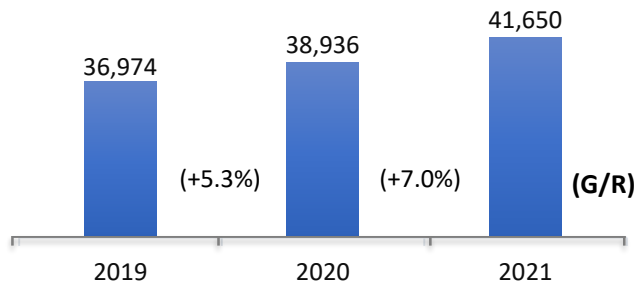
II. 2021 Key Results

Investment & ALM

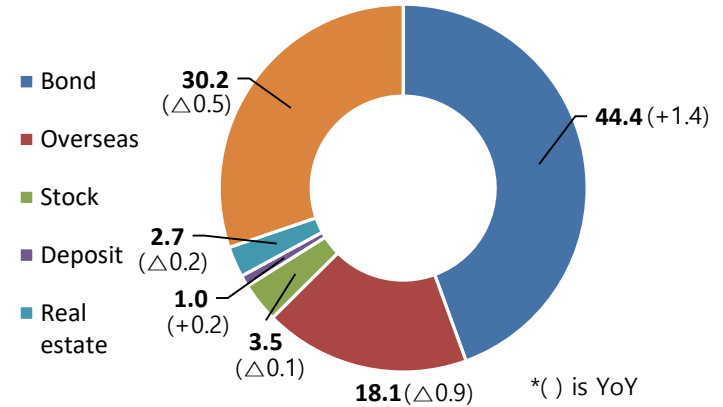
Investment

Efficient asset management through proper asset allocation

● Invested asset G/R (unit : KRW bn)



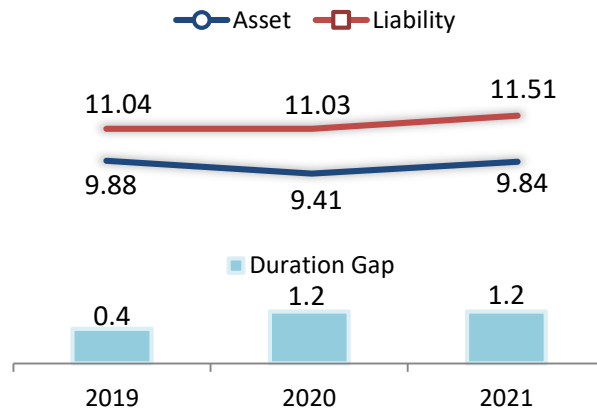
● Invested asset portfolio (unit : %, %p)



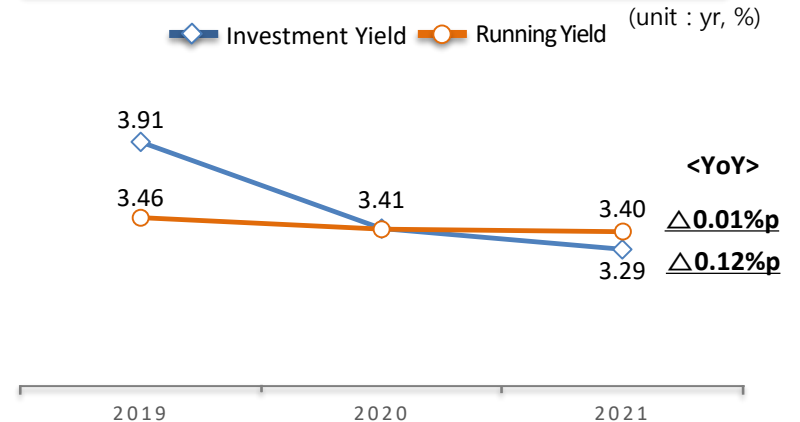
ALM

Limited decrease of running yield under strengthened ALM strategy

● Duration (unit : yr)



● Duration & Running Yield on Interest-bearing assets (unit : yr, %)



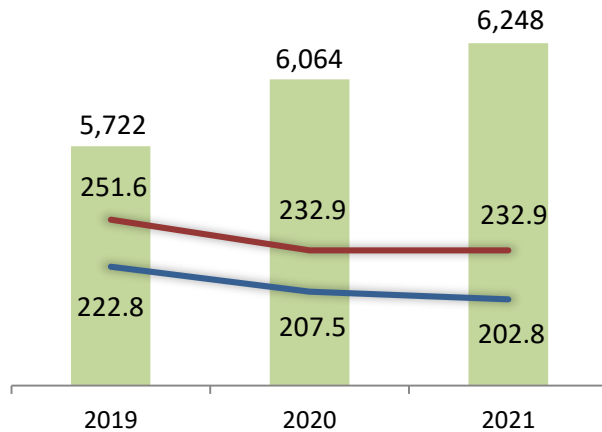
Capital

Increased shareholder's return under strong capital adequacy (gradual increase of payout ratio)

● RBC Ratio

(unit : KRW bn, %)

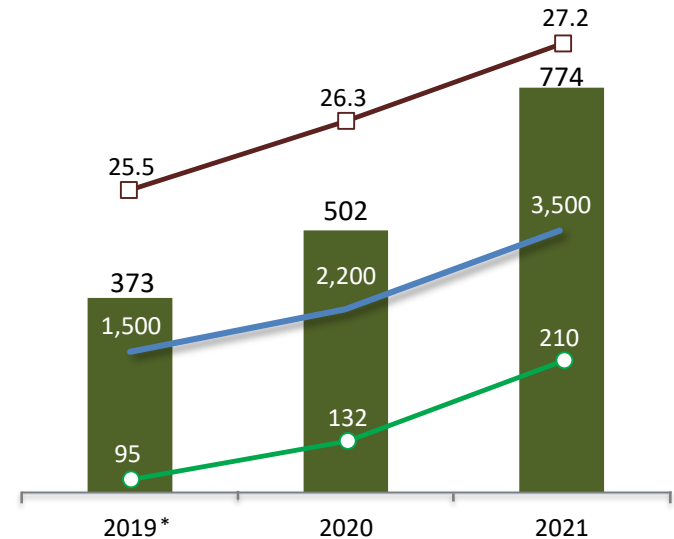
Shareholder's Equity RBC(separate) RBC(consolidated)



● Payout Ratio

(unit : KRW bn, %)

Net Profit DPR DPS Total dividend



* Buyback of KRW 123 bil(4.6% of total number of share issued) as shareholder-friendly policy and support for reduced DPS in '19

II . 2022 Business Outlook

1. Business Environment and Strategic Direction
2. 2022 Business Strategy

1. Business Environment and Strategic Direction



Business Environment

“Increased business uncertainty amid expanding macro-economy volatility”

Economic Environment

- Visualization of phased daily life recovery with COVID-19 impact easing
- Increasing global economic uncertainty

Regulatory Environment

- Continuing strengthened consumer-oriented regulations
- Implementation of parallel financial statements Regarding IFRS17 introduction

Insurance Industry Environment

- Rising burden to U/W income due to increased activity
- Investment environment deterioration, such as increased interest rate volatility and conversion to IFRS17



Strategic Direction

Strengthening competitiveness based on growth based on management efficiency

- 1 Strategic response to market change to increase CSM
- 2 Remodeling of retained contracts to enhance customer value
- 3 Preemptive response to future environmental changes
- 4 Preemptive management in preparation for loss ratio increase
- 5 Reinforcing Cost-Leadership based on cost efficiency
- 6 Continue to secure stable investment profits in response to environmental changes

■ Establishment of New Management System & speeding up Digital Transformation

Business Plan

IFRS17

■ Establishment of a new management system from the perspective of IFRS17

- Implementation of strategies for maximizing new & retained contracts CSM
- Promotion of change management according to changes in profit and loss recognition method
 - * Data verification, hypothesis refinement, closing process implementation, etc.
- Thorough preparation to strengthen competitiveness under the new capital system(K-ICS)

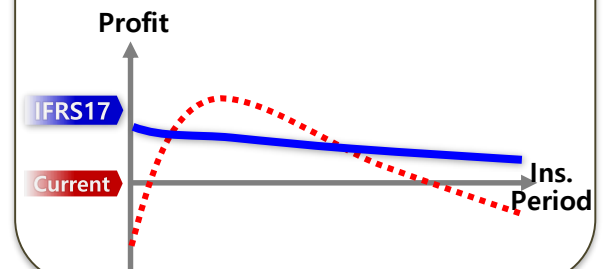
Digital

■ Strengthening competitiveness through digital-based business structure innovation

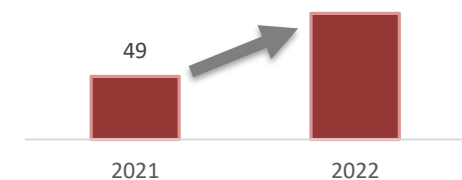
- Expansion of application areas for digital automation & intelligence (AI, RPA, etc)
- Reinforcement of digital competitiveness of customer contact point channels and platforms
- Collaboration with external fintech companies

Major Indicator

● New Contracts Profit Lifecycle



● AI100 Task Progress Rate (unit : %)



*AI100 : Indicators for promoting business and data analysis tasks using new digital technologies

■ Securing sustainable profitability by preemptively operating products mix in response to market changes

Business Plan

Product

■ Strengthening product operation for a stable profit structure

- Securing appropriate insurance premiums through risk segmentation
- Reorganization of high-limit coverages reflecting market trends
- Preemption in new markets through product development in new areas

U/W

■ Strengthening competitive advantage in loss ratio through preemptive U/W

- Reinforcing responsiveness for each scenario through management of various indicators
- U/W operation refinement considering market changes per channel

Loss Management

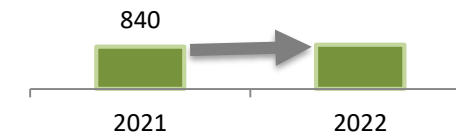
■ Reduction of damages through preemptive responses to changes in claim environment

- Advancement of preemptive moral hazard response system
- Acceleration of digitalization to strengthen claim competitiveness

Major indicator

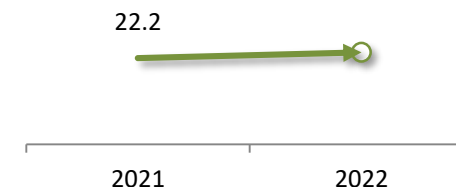
● Earned Premium per Vehicle

(unit: KRW thous.)



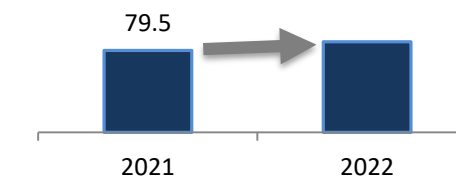
● Online Channel M/S

(unit: %)



● Loss Ratio

(unit: %)



Strategic operation of new & retained contracts to increase CSM

Business Plan

Profit-oriented product P/F operation

- Strengthening the product & rate operation to increase CSM
- Expand the function of discovering new markets through the establishment of an organization dedicated to product R&D
- Advancement of customer base analysis and digital marketing system

Product

Efficiency-based channel competitiveness enhancement

- (Tied) Expansion of strategic sales based on profitability
 - * Sales expansion of high-value products and improvement of retained contract structure
- (GA) Establishing a differentiated GA management system and accelerating profit improvement
 - * Reinforcement of relationship management with excellent GA and persistency/loss ratio entrance management

Channel

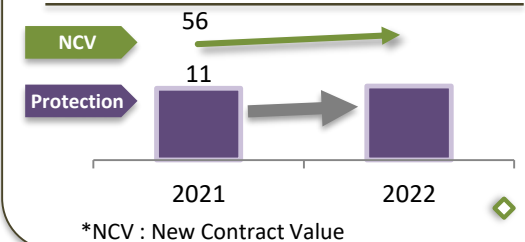
Reinforcement of preemptive U/W & on-site profit management

- Promotion of high-value-oriented U/W differentiation strategy to increase CSM
- Reinforcement of on-site management system based on new contract value, loss ratio, and persistency rate
- Establishment of an omnidirectional & preventive response system on moral hazard accidents

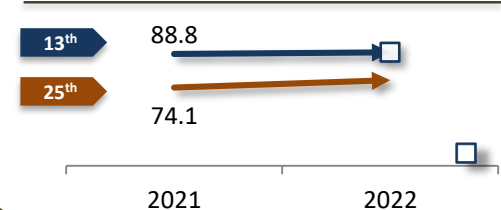
U/W
Loss
Management

Major indicator

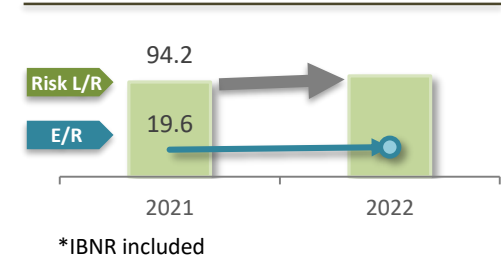
Protection(new) & NCV (unit: KRW bn)



13 & 25th Persistency Rate (unit: %)



Risk L/R* & E/R (unit: %)



Maintain qualitative growth focused on profit-driven strategies

Business Plan

Domestic

Profitability-oriented growth engine and stable profit expansion

- Expanding market dominance through elaboration of market analysis and differentiated strategies by market segments
- Continued expansion of net profits through optimization of inward business & reinsurance

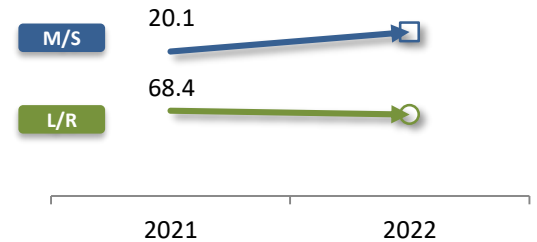
Overseas

Reinforcement of profitability base through continued stable growth

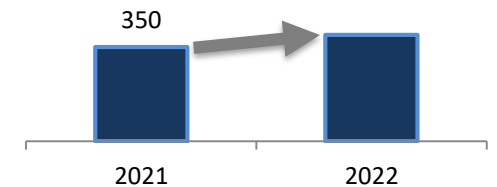
- (US) Advancement of core competencies by strengthening the systems for business in the US
- (ASEAN) Enhancing local business competitiveness & promoting new business models

Major indicator

M/S & L/R (unit: %)



Written Premium (unit: KRW bn)



■ Establishment of a stable and high-profit basis under IFRS17

Business Plan

■ Structural profit expansion by strengthening the management of running yield

- Strategic investment in domestic and foreign bonds with rising interest rates
- Strengthening profitability competitive advantage centered on high-quality alternative investment

Investment

■ Expansion of additional income to expand the basis for future potential profits

- Increase additional profits by taking advantage of market opportunities
- Securing potential profits through strategic investment from a mid- to long-term perspective

ALM

■ Strengthening the asset management system in response to the transition to the new system & regulation

- Establishment of stable and efficient P/F corresponding to capital regulation changes such as K-ICS introduction
- * Increasing the proportion of domestic bonds for duration matching
- * High-efficiency-focused asset rebalancing considering K-ICS

Major indicator

● Investment Yields (unit: %)

3.29

2021

2022

● Running Yield on Interest-bearing assets (unit: %)

3.40

2021

2022

● Asset Duration (unit: yr)

9.84

2021

2022

Dream Big DB

신뢰



Diversity

다양성

Respect

존중

상대방에 대한
차이를 인정해주고 배려와
존중을 바탕으로 상하간
소통하고, 부서간 협업하는
믿음과 신뢰의 문화

실천



Engagement

몰입

Action

실천

Motivation

동기부여

자기주도적으로
업무에 몰입하고
성과를 창출하는
실천의 문화

도전



Background

팀워크

Innovation

새로움 추구

Growth

함께 성장

새로움을 추구하는 창의적
사고를 바탕으로
동료들과 함께
개인과 조직의 성장을
추구하는 도전의 문화

Dream Big DB

신뢰



Diversity

다양성

Respect

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차이를 인정해주고 배려와
존중을 바탕으로 상하간
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추구하는 도전의 문화