

INTEGRATED REPORT 2021



ABOUT THIS REPORT

Reporting Period

This report is DB Insurance's 6th Integrated Report and 11th Sustainability Report. Through the publication of an annual sustainability report, DB Insurance transparently discloses its financial and non-financial performance to external stakeholders, collecting opinions from them and reflecting these opinions in our future sustainability management. The reporting period is from January 1 to December 31, 2020. However, activities and performance for selected key items cover the period up to the first half of 2021.

Reporting Principles

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and the Financial Service Sector Supplement, and satisfies the 'Core' requirements. As a member of the UN Global Compact, we have also included in this report our activities and performance that fulfills the 10 principles of the Communication on Progress Standards. Financial performance is presented in accordance with the Korea International Financial Reporting Standards (K-IFRS), and any changes made to the previous report have been specified separately herein.

Reporting Scope

The scope of reporting covers all of the domestic business sites of DB Insurance, including the head office, all domestic business headquarters and compensation departments, excluding consolidated entities, and partially including the performance of overseas branches and offices. Non-financial data is based on 100% of sales, and environmental performance indicators are based on a total of 9 office buildings and leased offices owned by DB Insurance.

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CEO Message

Dear respected stakeholders,
We would like to express our
deepest gratitude for your
continued support and interest
in DB Insurance.



We have faced challenging and difficult times over the past year. Nevertheless, we have managed to overcome adversity through trust and cooperation with one another.

Thanks to an innate ability to overcome crisis, DB Insurance executives and employees worked together, harnessing their strengths to turn the crisis of the global pandemic into a new opportunity.

Encouraged by these efforts as well as the constant support of our stakeholders, we successfully retained 10 million customers as well as recording steep growth in sales revenue and net income.

However, the economic and social difficulties posed by COVID-19 still persist. Technological advances and the global climate crisis are creating new competition and changes to society, and demanding that we engage in the new trend of innovation and evolution.

To this end, DB Insurance is pushing for gradual market expansion and efficiency-based profit growth to “secure the highest level of business competitiveness based on management efficiency” with a mindset of encouragement. At the same time, we intend to grow together with our stakeholders by establishing an “ESG management system for a sustainable society” that pursues social value and coheres with our core business.

Furthermore, DB insurance will support and faithfully comply with the UN Sustainable Development Goals (SDGs), the UNEP FI Principles for Sustainable Insurance (PSI), and the TCFD (Task Force on Climate-related Financial Disclosures). With our stakeholder-oriented ESG management system, we will foster the shared growth of our company and society.

Dear DB Insurance Stakeholders,

Crises born from uncertainty and volatility have always presented us with new challenges and opportunities to grow.

Therefore, I firmly believe that if we hold fast to our unwavering hopes and visions to lay today as the foundation of tomorrow and continue to face our challenges without faltering, we will fear nothing that lies ahead of us.

We would like to thank you once again for your deep understanding and warm interest in DB Insurance. We promise to do our best to become a trusted company that meets the expectations of our stakeholders.

Thank you.

July 2021

DB Insurance Co., Ltd.

Vice Chairman & CEO Jeongnam Kim

김정남

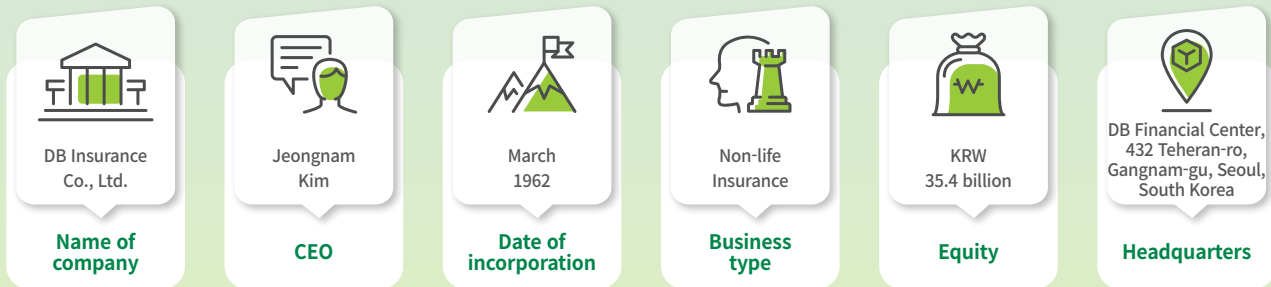


Company Introduction

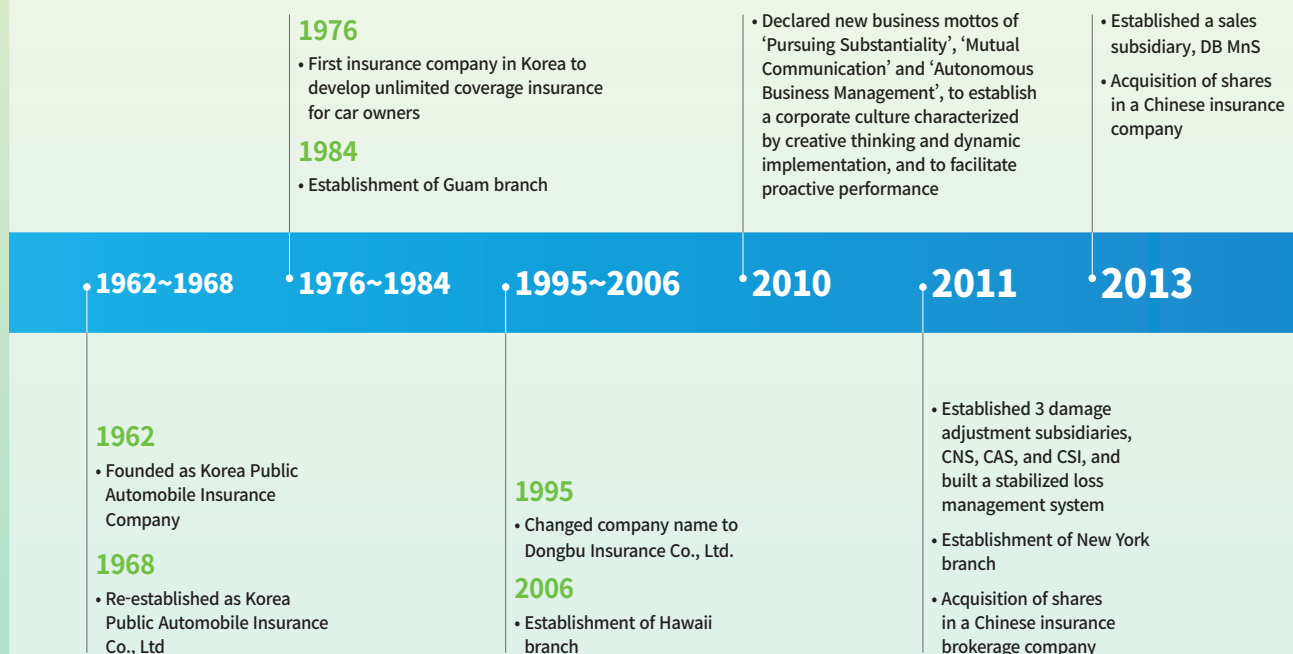
In pursuit of a happy community together with customers

DB Insurance has grown into Korea's leading general insurance company, capitalizing on our 'customer satisfaction first' management philosophy and financial soundness. Under the 3 initiatives of globalization, specialization, and high added value creation, we implement strategies and policies that meet the expectations of various stakeholders, thereby fundamentally contributing to enhancing our corporate value and promoting mutual growth with our stakeholders.

About DB Insurance



Corporate History





2015

- Won the Presidential Award in the National Quality Grand Awards for the first time in the Korean financial industry
- Acquisition of PTI, a Vietnamese non-life insurance company, for the first time in the Korean insurance industry

2017

- Changed company name to DB Insurance - a modern name inheriting tradition and spirit
- Acquisition of ISO 19600 for the first time in the Korean financial industry

2018

- First non-life insurance company to be listed in the Dow Jones Sustainability Index (DJSI) World category for 6 consecutive years
- Selected as the Best Company in the Financial Consumer Protection Assessment
- Rated A by S&P credit ratings

2019

- Announced coal-free finance for the first time in the non-life insurance industry
- Launched the 'DB Direct Talk' service, the first KakaoTalk service in the non-life insurance industry
- Launched the '1st Traffic and Environment Challenge', a social venture project for creating social value
- Acquired CCM (Consumer-Centered Management) certification 7 consecutive times in a first for the non-life insurance industry

2020

- Achieved 10 million retained customers
- Won the "Hall of Fame Award" for Consumer Centered Management (CCM) certification
- Launched the DB V-System, the first video consulting service in the non-life insurance industry

ESG Management System

ESG Management Strategy

By establishing an ESG (environmental, social, governance) management system designed to build a sustainable society, DB Insurance intends to become a “global insurance financial group which pursues a happy society with customers.” To this end, our ESG management aims to grow in the directions of establishing a company-wide environmental management system, creating social values for stakeholders, and building a global-standard governance system. Accordingly, we plan to carry out detailed, stage-by-stage implementation strategies that align with this roadmap.



Mid-to long-term roadmap of ESG management



Business Model

6 Major Capitals



Financial Capital

DB Insurance appropriates financial resources for insurance payments, business expenses, and operating funds from insurance premium revenue generated through sales of insurance products. We make strategic investments to ensure the safe management of customers' assets and the achievement of high profits, and strive to identify opportunities for socially responsible investment.



Manufacturing Capital

In terms of manufacturing capital, DB Insurance conducts business operations based on IT systems, data centers, etc. We have established a disaster and emergency response system to ensure the stable delivery of services.



Intellectual Capital

Accelerated by external changes such as the low birth rate, an aging population, and prolonged low economic growth, insurance products and services are diversifying. DB Insurance categorizes customer groups based on customer research and the results of Big Data analysis, developing customer-oriented products reflecting consumer need and thus providing value through differentiation.



Human Capital

In line with the nature of the insurance industry, human talents are the core assets and sources of an insurance company's competitiveness throughout the value chain, from product development to sales. Aiming to maximize our management performance, DB Insurance strives to foster industry-leading job experts by utilizing a new education system that focuses on enhancing the competencies of each employee.



Social and Relationship Capital

DB Insurance pursues a happy society together with our customers, striving to realize customer satisfaction by providing products and services that customers truly need. Also, considering that the non-life insurance industry is strictly regulated by the government, we actively comply with government policies in this regard.



Environmental Capital

Greenhouse gases are emitted as a result of using electricity, heating and cooling boilers, and data centers across a total of 9 buildings and 556 leased offices within Korea. We systematically manage these environmental capitals in accordance with our environmental guidelines and ISO 14001 certification.



Development of Products and Services

Creating differentiated values through the development of essential products and services that customers truly need

Products



Long-term insurance



Car insurance



General insurance

Services

- Emergency dispatch service
- On-site dispatch service



- Auto-care service
- Promy Car service
- Car care service



- Promy Health Guardian Service
- Affiliated funeral service
- Will management link service



- Risk management service
- Legal assistance service
- Retirement planning consulting



Delivering Products and Services

Offering the best customer experience through a customer-oriented sales channel

Exclusive Sales Channels

PA (Prime agent)

Exclusive insurance planner that only sells DB Insurance products



Insurance agency

Agency that only sells DB Insurance products under an exclusive contract



Non-exclusive channel

Insurance planners

Life insurance planners that also sell non-life insurance products



GA (General Agency)

Non-exclusive insurance agency that can sell insurance products from all insurance companies



Sharing Products and Services

Sharing customer values through a specialized support system and nationwide compensation network to grow customers' assets

Asset Management

Domestic and overseas investment and loan business

Establishing an organization dedicated to asset management under a mid- to long-term plan



Compensation



Damage investigation



Damage assessment



Damage compensation
(long-term, car, general)

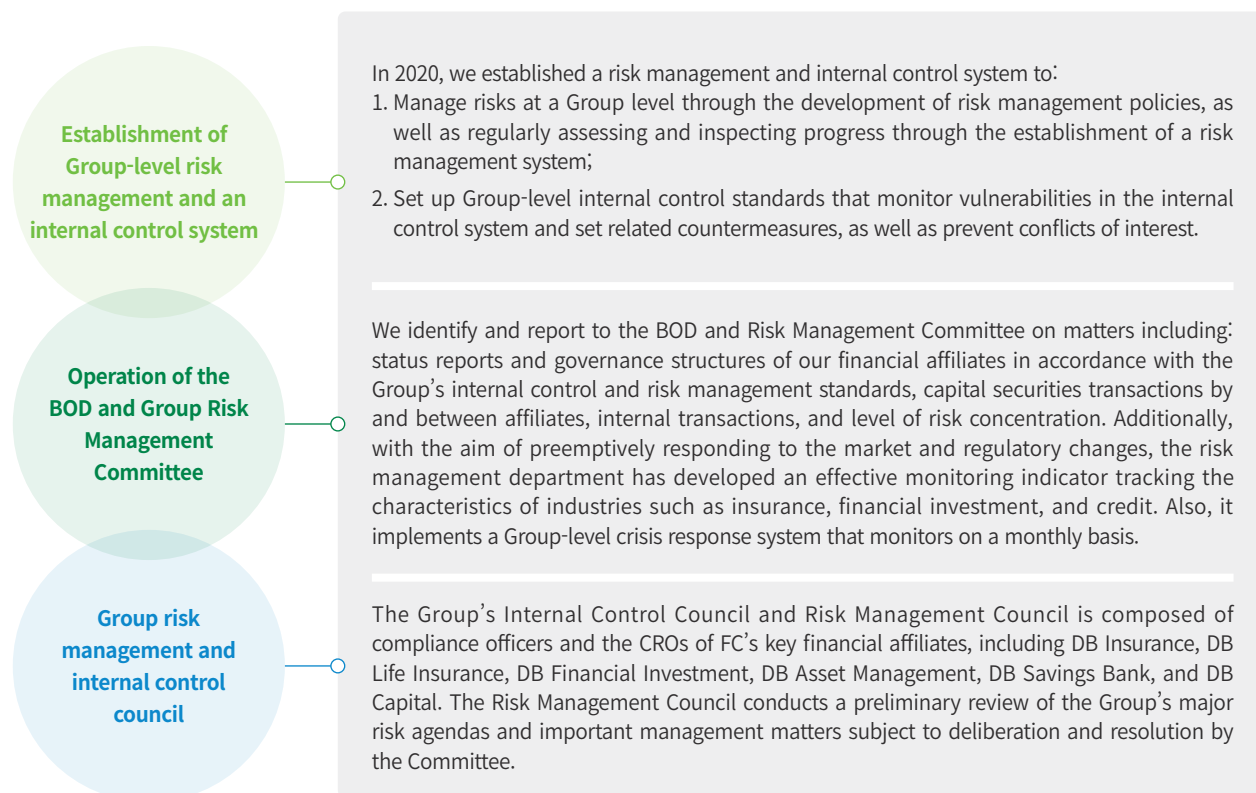
DB Financial Conglomerate

Introduction

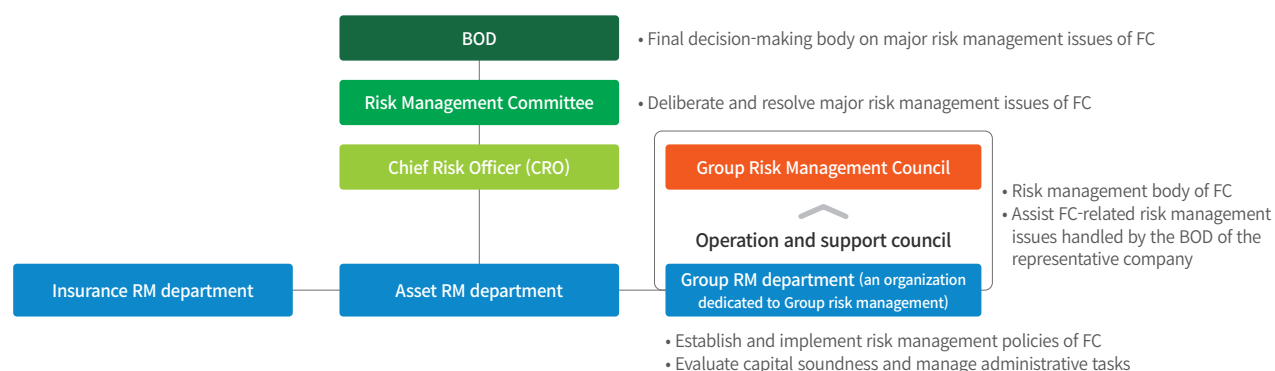
The DB Financial Conglomerate ("FC") seeks to increase corporate value based on the responsible management of its affiliated companies to promote the continuous growth and development of the FC. In addition, with the establishment of a transparent and sound corporate governance system, we are sparing no efforts in protecting the interests and earning the trust of our various stakeholders, including customers, shareholders, employees, and partners. At the same time, we actively respond to changes in the business environment and market. The affiliates of the DB FC are divided into financial and non-financial affiliates for governance purposes. The financial affiliates are formed in a vertical governance structure centered on DB Insurance, having no shareholding relationships to one another such as mutual or circular investment structures.

DB Insurance, as a company representing the DB FC ("representative company"), has not only established a department dedicated to risk management/internal control under Chief Risk Officer ("CRO") and compliance officer but is also working to preemptively build an FC management system by enacting the "Standards for Risk Management and Internal Control of Financial Conglomerates" to efficiently manage risks at the FC level and through the operation of a Risk Management and Internal Control Council for the FC.

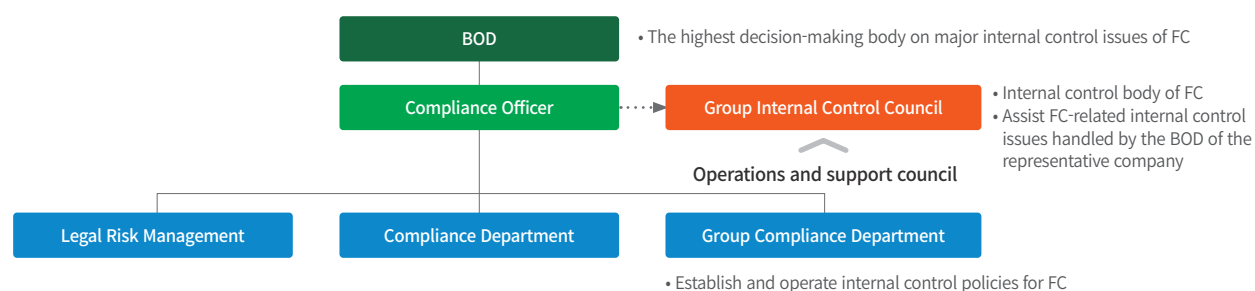




Risk management system of FC



Internal control system of FC



Key information of FC

DB Financial Investment

In order to respond to the changing times of the accelerating digital technologies and social consensus on the importance of the environment in a timely manner, DB Financial Investment plans to proactively increase its investments in building tangible and intangible infrastructures. Moreover, it intends to put more effort into social contribution activities and improve its governance structure to grow into a sustainable company.

2020 business performance

Despite the deteriorated profitability in asset management caused by severe market volatility amid the COVID-19 pandemic, profitability in all other divisions improved thanks to a rich market liquidity level and the trend of low-interest rates driven by substantial economic stimulus measures taken around the world. Also, in line with the increasing stock trading value followed by liquidity expansion, the stock brokerage division saw a steep growth in profit. Moreover, the IB and PF structure division generated stable profits following last year, thereby achieving record-high profits. Thanks to these achievements, in 2020, DB Financial Investment's operating profit based on non-consolidated financials increased by KRW 6.8 billion to KRW 87 billion, and net income by KRW 11 billion to KRW 64 billion compared to the previous year. Furthermore, as a result of its concentration on investments in the digital infrastructure, DB Financial Investment successfully enhanced its customer service capabilities to a higher level, another meaningful achievement for the year.

2020 Sustainability Management Strategies

Goal	Tasks
Securing a new growth foundation through venture capital investment	- Expanded the scope of unlisted stock business to create a virtuous start-up ecosystem - Increased publication of analysis reports on unlisted stocks - Supported college students' investment studiesh with the DB GAPS investment contest
Establishment of management infrastructure in response to COVID-19	- Decentralized key departments and established a shift work system for employees - Expanded IT infrastructure investments to vitalize non-face-to-face sales activities
Replacement of outdated IT infrastructure and investment in new business	- Improved outdated DBN ledger storage and processing performance of service queue - Expanded the system backup facility, introduced the RPA system, and established an overseas stock trading system

Status of Employees

As of end of 2020, unit: person

Category		2018	2019	2020
Total number of executives and employees		816	804	814
	Male	564	554	555
	Female	252	250	259
New hires/ resignations	New hires (Male/Female)	72(40/32)	60(39/21)	69(38/31)
	Resignations (Male/Female)	89(50/39)	74(51/23)	60(38/22)
Executives/ Employees	Executives	16	15	15
	Employees	800	789	799
Employment type	Permanent	720	717	727
	Non-permanent	96	87	87
	Under 20 y/o (Male/Female)	2(1/1)	6(1/5)	11(0/11)
	20 to 30 y/o (Male/Female)	86(27/59)	87(30/57)	96(35/61)
Age	30 to 40 y/o (Male/Female)	327(190/137)	292(171/121)	269(153/116)
	40 to 50 y/o (Male/Female)	301(248/53)	305(241/64)	301(240/61)
	Over 50 y/o	100(98/2)	114(111/3)	137(127/10)

Customer investments in new technologies and ventures

As of 2020, unit: no. of accounts, KRW million

Category	Fund	No. of accounts	Value
KOSDAQ Venture	KTb KOSDAQ Venture Securities Investment Trust and 5 other types	166	4,008
Conex	Asset One Public Offering Stock KOSDAQ Venture No. 3	8	341
ESG	Midas Responsible Investment & Securities Investment Trust and 11 other types	317	12,526
Quaternary industry	DB Global Robotics Index Securities and 6 other types	267	2,051
Total		758	18,927

IR performance for 2020 new technology and venture companies

Item	Companies
Publication of analysis data on unlisted companies (37 companies in total, 11 companies in previous year)	Studio Mir, Fast Five, Nadia Pacific, Kencoa Aerospace, PH Pharma, QuoPin, Parking Cloud, Food Tech, Deepnoid, R Square, Hyundai Global Service, GSEPS, System R&D, Coreline Soft, KST Mobility, Hotel Lotte, Noul, Nepes Ark, Voice Caddie, Mula, Kakao Bank, MAXST, Nextin, Clunin, Stradvision, GS Power, Agile Soda, Nextchip, CU Box, Jeisys Medical, Incar Finance, Jaedam Media, Synus Tech, Nu Eyne, Nature & Nature, Naver Webtoon, IMFORM

DB Life

Based on a high growth potential and stable profitability, DB Life continues to grow as a sound company capitalizing on balanced sales in a variety of business areas including FP (Financial Planner), sales and marketing channels, GA (insurance agency), new channels, bancassurance as well as a coverage insurance-centered sales strategy and highly stabilized asset management.

2020 business performance

2020 was a year in which COVID-19 greatly dampened sales and worsened investment conditions under low interest rates. Despite such volatility in the market, taking advantage of its balanced product portfolio and diversified sales channel, DB Life successfully managed to increase total assets by KRW 550.8 billion, coverage insurance premium income by KRW 92.9 billion, and premium income (exclusive of retirement pension insurance) by KRW 22.5 billion. In aggregate, these performances led to an annual net income of KRW 35.1 billion, continuing the surplus records over the 22 consecutive years since 1999. Going forward, DB Life will continue to be a life insurance company loved by its customers thanks to its highly enhanced management efficiency, an improved product portfolio, and diversified products and sales channels.

2020 Sustainability Management Strategies

Goal	Achievements
Sustainable growth through diversification of products and sales channels	- Given an excellent grade 9 times, the most in the industry, in the Insurance Policy Understanding Evaluation hosted by the Financial Services Commission and conducted by the Insurance Development Institute - Launched “(Non-dividend type) 1Q Super Easy Cancer Insurance” with enrollment through a simple notice by the elderly or those with a medical history, relieving their difficulties in contract review and health check-ups - Launched a mobile subscription system allowing subscriptions through smartphones in line with the non-face-to-face era
A life insurance company that is more loved by the customers	- Acquired Consumer Centered Management (CCM) certification 3 times in a row from the Fair Trade Commission operated by the Korea Consumer Agency and won the grand award (Prime Minister's Citation) - Won the grand award for 4 consecutive years in the Customer Satisfaction Management category at the “2020 Korea Management Grand Prize” hosted by the Korea Management Association Consulting (KMAC) - Selected as an excellent call center in the Korean Service Quality Index (KSQI) for 5 consecutive years
DB Life, a partner that supports a “Happy End” becoming “Happy And”	Promoted various projects in nature of supporting the local community for coexistence with the spirits of smile, gratitude, and love through DB Life's With Angel Volunteers

DB Savings Bank

DB Savings Bank is leading the industry with sustainable growth based on robust financial stability and asset soundness. By minimizing risk factors and discovering new growth engines, it is sparing no effort in organizing a sustainable business environment in the face of growing economic uncertainty.

2020 business performance

In 2020, DB Savings Bank was rated as “A- (stable)” by NICE Credit Ratings based on its stable asset portfolio management centered on collateralized and guaranteed loans, good maintenance of profitability, and capital adequacy. Going forward, it will maintain its strong performance not only to solidify customer trust but also expand the development of reliable products and services that customers can choose with confidence.

DB Asset Management

Aiming to become the best long-term investment company in Korea, DB Asset Management is well known for faithfully implementing fundamental-based asset management strategies as well as efficient teamwork-oriented management skills. As part of these efforts, it sets a scrutinized risk control scheme that places high emphasis on compliance with internal control standards and pursues a stable increase in customer asset value under sustainable and transparent ESG-led asset management.

DB Capital

DB Capital's key management policies are to secure a growth base centered on corporate finance, stabilize the financing structure, and manage risks in a systematic manner. Under this management philosophy, it identifies stable assets and promotes their continuous profit growth. DB Capital strives to develop into a company that contributes to the country while protecting the interests of customers and shareholders.

Unit: KRW million

Category	DB Financial Investment		DB Life Insurance		DB Capital		DB Savings Bank		DB Asset Management	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Total assets	8,422,447	9,959,594	11,742,344	12,293,170	275,313	357,453	1,260,526	1,446,025	59,543	63,883
Liability	7,610,867	9,037,534	11,119,488	11,539,161	184,267	260,143	1,080,046	1,257,097	5,300	5,723
Equity	811,580	922,060	622,856	754,010	91,046	97,310	180,480	188,928	54,242	58,160
Operating profit	991,958	1,590,289	2,278,405	2,397,041	17,327	20,722	71,506	67,901	24,058	24,920
Net income	58,392	106,894	14,931	35,086	4,953	6,242	11,892	7,609	5,143	5,118

Material Topic

16 **TOPIC 1**
DIGITAL TRANSFORMATION

23 **TOPIC 2**
SUSTAINABLE FINANCE

31 **TOPIC 3**
SOCIAL CONTRIBUTION





01

MATERIAL TOPIC

DIGITAL TRANSFORMATION



2020 KEY PERFORMANCE

Number of AI robot teller
consultation cases

Daily average
5,000 cases

Reduced costs through voice quality
monitoring automation

KRW **1.73** billion
per year

Hours of repetitive work reduced via
Robotic Process Automation (RPA)

46,000
hours per year

Significance of the issue

The recent digital transformation based on AI, Big Data, cloud computing, blockchain technology and IoT is bringing vast changes in the insurance industry. These changes are expected to trigger consumer-oriented innovations across the insurance value chain. Therefore, it is deemed necessary to take preemptive responses to vitalize InsureTech technologies in a variety of areas, including insurance product and service development, sales, and insurance payment.

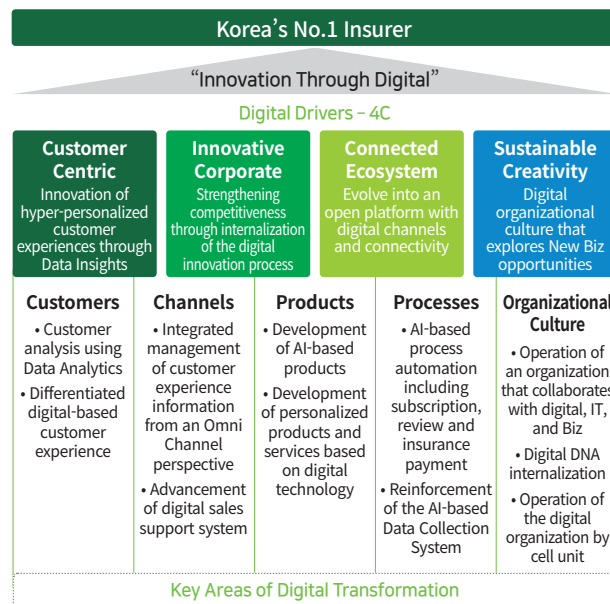
DB Insurance's Approach Strategy

DB Insurance envisions a digital transformation, and based on its mid- to long-term roadmap, it aims to take the lead in the data-based financial innovation of the domestic insurance industry. To achieve our goals, we continue to strengthen our competitiveness in the digital-based value chain and discover new business opportunities, focusing on key areas, including customers, channels, products, processes, and organizational culture.

InsureTech Innovation Strategy

Digital Transformation Vision

To make the transition to “Digital Insurance” with the combination of InsureTech technology and our business activities, we envision becoming “Korea’s No.1 Digital Insurer.” As part of our effort under this new vision, we have selected the 4Cs (Customer-Centric, Innovate Corporate, Connected Ecosystem, Sustainable Creativity) relating to Digital Drivers and we will focus on their implementation. DB Insurance will promote digital transformation in the key areas of customers, channels, products, processes, and organizational culture, thereby discovering new products and services using InsureTech’s new technology. Furthermore, we will strive to grow into a leading digital insurer by bringing digital efficiency to all of our business areas.

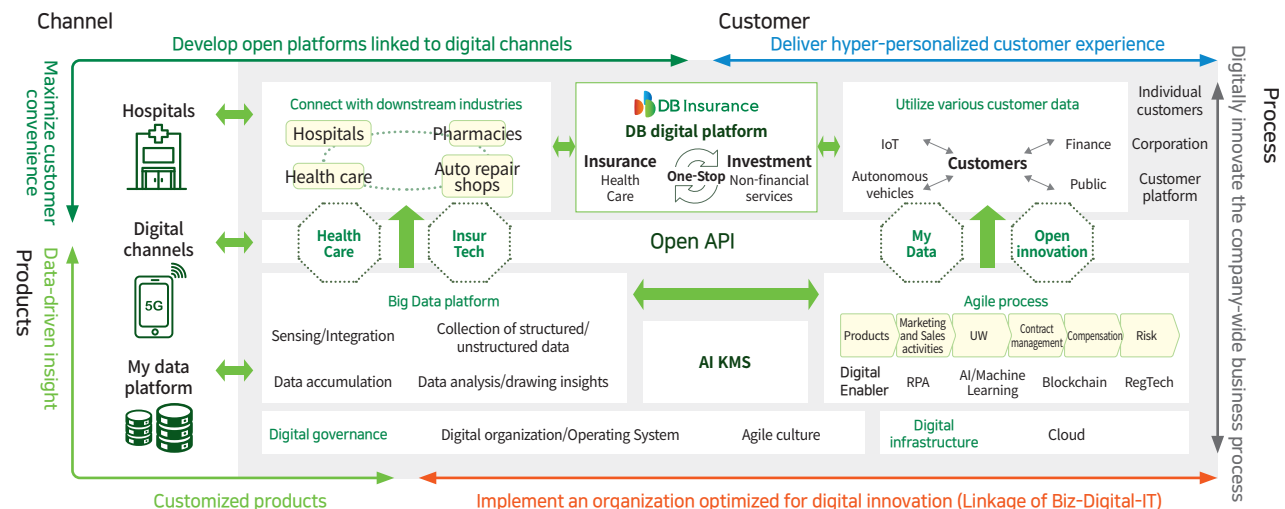
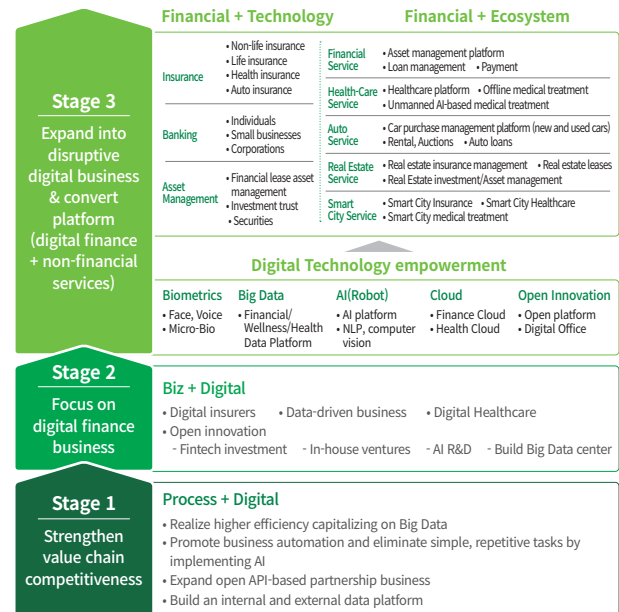


2025 plan

After the digital transformation project is complete, we will apply the digital technologies to our business activities to add more competitiveness to the value chain and further expand the scope of business in connection with the downstream industry.

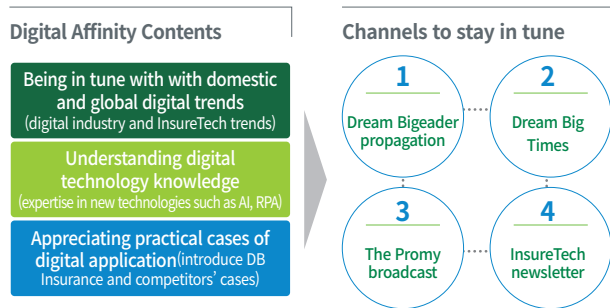
Mid-to long-term Roadmap of Digital Transformation

In order to implement a well-designed InsureTech innovation strategy, we have prepared a mid- to long-term roadmap for 2025 and beyond. Currently in the first stage, we are placing great emphasis on strengthening our competitiveness in the digital-based value chain by 2022 to carry out tasks related to AI, Big Data, and open innovation. Then, in the second stage ending in 2024, we will focus on developing and expanding new digital finance business items that can digitalize the existing insurance business, particularly in the fields of data and healthcare. From 2025 onward in the third stage, we plan to build a “DB Digital Comprehensive Platform” under which customers can experience enhanced convenience with one-stop services in such business areas as insurance, investment, healthcare, and non-financial business.



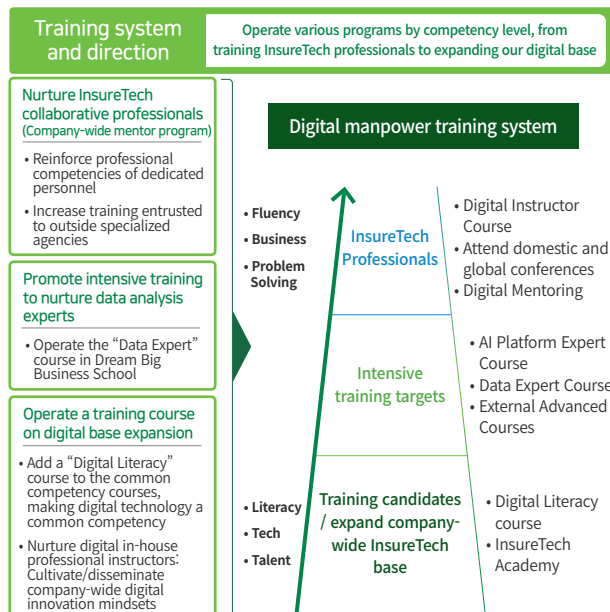
Operating digital consensus program

DB Insurance has established a new consensus-building program that consists of digital contents on digital trends involving technological changes, with corresponding examples. Through Dream Big Leader, we are spreading that digital content to each work site, plus a wide variety of digital-related news via weekly and monthly InsureTech newsletters and the Dream Big Times. Leveraging our in-house broadcasting system, we have also been raising the digital awareness of our employees and their digital competencies. All in all, employing these various attempts to build a digital consensus across the company, we are anticipating gradual digital transformation in our workplaces.



Creating a company-wide digital culture and nurturing InsureTech experts

To make timely responses to the changes in the insurance market driven by information and communication technology (ICT) developments, we are spreading digital culture as well as investing in nurturing InsureTech professionals capable of managing the digital transformation project. In our digital manpower training system optimized for each level, investments to strengthen employees' digital innovation capabilities and creative, logical problem-solving skills are in progress.



Business automation through RPA adoption

To comply with the 52-hour per week system, DB Insurance has adopted RPA to reduce working hours. As a result, 48 simple and repetitive tasks have been automated, including collecting external information from government authorities, generating reports, checking for the omission of mandatory documents, and monitoring activities. An estimated total of 46,000 hours per year has thus been saved through automation. We plan to increase the scope of automation and maximize operational efficiency to solidify our position as a digitally advanced insurance company.

Expected Impact of RPA

Reduced costs	• Reduced business costs by more than 46,000 hours per year through automation
Shortening of lead times	• Fast processing speed and increase in processing volume (e.g., preparation of a report can be reduced from 1 hour or more to 3 minutes or less)
Improvement in work accuracy	• Accurate work results by elimination of human errors such as calculation mistakes
24 X 365	• Non-immediate tasks can be handled by bots after working hours
Improvement in customer satisfaction	• Shortened customer waiting times through prompt service delivery
Increased employee productivity satisfaction	• More time for employees to focus on important tasks rather than simple and repetitive tasks
Enhancement of regulatory responses	• Strengthened security and personal information protection as automated tasks will be performed in accordance with the rules • Monitoring possible as all implementation details are stored in the form of Process Digital

Diagnosing company-wide digital level and task creation

DB Insurance carried out a company-wide digital level diagnosis for each value chain with the purpose of proactively responding to the rapidly changing digital environment and to come up with innovative improvement plans leveraging new digital technologies. An analysis of more than 70 domestic and overseas advanced cases was carried out to make a comparison on technology applicability for each process unit. Based on these results, a list of key tasks that need to be executed for the respective value chain was identified, covering everything from marketing activities to product, underwriting, compensation, customer service, and assistance operation. First of all, it is expected that the automation of business processes driven by "Roboteller" will raise the monitoring automation rate of complete sales to a level of 57% and 73% in 2021 and 2022 respectively, thereby reducing annual business costs by around KRW 1.45 billion. Moreover, once the AI-based examination system is established, we plan to automate a monthly average of 36,000 cases of voice quality monitoring by 2021, saving approximately KRW 1.73 billion in annual business costs.

Business cost savings by more than 40,000 hours per year through RPA-driven business automation

Driven by the RPA, we have automated many parts of our business operations. Specifically, RPA has automated 48 business operations including report preparation, contract management, data collection, and monitoring. By doing so, employees were able to perform more creative tasks, not just regular and repetitive tasks. With the adoption of RPA, DB Insurance not only saved more than 40,000 hours per year of business costs but also saw improvements in accuracy and quality in the processes and operations. Thus going forward, we plan to increase RPA-driven automation in many other business areas, thereby enhancing productivity and investing our competencies in more value-added tasks.

Enhancing efficiency of AI-based operations

DB Insurance has adopted AI-based data analysis and estimation modeling across our business operations to enhance efficiency throughout the value chain. Our underwriting system, equipped with AI machine learning, is being used for underwriting car insurance and general insurance contracts. Also, to manage the risks arising from various factors that affect the loss ratio, we have established a loss ratio estimation model and standard projection system that utilizes AI. We have also built a machine learning-based standard calculation system for personal compensation based on analyses on types and patterns of compensation data over the past 5 years. Through this system, it has become possible to derive reasonable compensation settlement amounts, as these were previously determined based on the subjective judgment of each employee. The additional revenue we expect as a result of this AI-based system is approximately KRW 20.6 billion per year. In addition to this, AI is being widely used across our business to select customers in need of loan agreements or credit loans, and to display relevant advertisements.

Launch of AI-led smart contact center

A system in which AI-based Robotellers handle complete sales monitoring, confirming whether customers were given full explanations about products and received key documents when signing an insurance contract, was established in 2021. Currently, about 5,000 cases are being digested by the Robotellers. In addition, inspecting whether incomplete sales were made by listening to each voice contract signed by telemarketers, AI reduced the review time, which previously took an average of 40 minutes per voice recording, to about 2–3 minutes, leading to a great improvement in customer satisfaction. In the future, DB Insurance will continue to automate various business tasks, including call centers, by utilizing AI technology and solutions.

AI ChatBot service

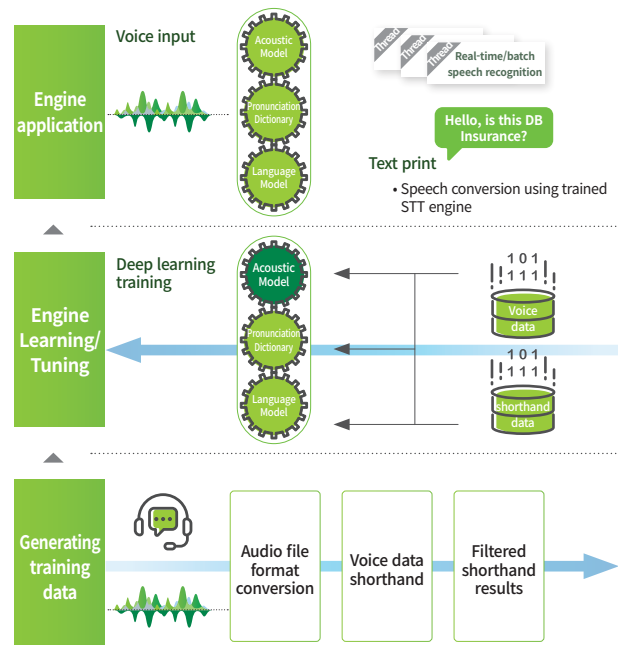
Starting with the industry's first rule-based ChatBot in 2016, in

January 2021, we upgraded the service to an AI-based ChatBot service capable of processing natural language (NLP). AI-based ChatBots exist in two service types: "Promy ChatBot," the previous consultation service, and "Direct ChatBot," which has been added for direct marketing activities. Through natural language recognition, the "Promy ChatBot" identifies and answers the intent of the customer's inquiry and relays the questions outside its scope to the human chat counselor. On the other hand, the "Direct ChatBot" helps customers 24/7/365, visiting the direct website to calculate their auto insurance premiums. It actively secures the customer DB to facilitate TM sales activities.



Establishment of a STT (Speech-To-Text) System

STT is a technology that converts human speech into text, and it requires both fast processing speed and accuracy. If either of the criteria are not met, the service is not possible because both natural language processing and text analysis use the same output derived from STT. Our STT system consists of an artificial intelligence-based conversion system capable of high processing speeds (converting 1,000 letters per minute) with an accuracy of more than 80%.



Systematized decision-making process based on Big Data

DB Insurance is currently in the process of implementing a mid- to long-term Big Data roadmap established based on new analysis technologies such as machine learning. Following the accumulation of practical experience in Big Data analysis through pilot tasks in 2017, a variety of tasks aiming for business improvement were carried out in 2018. In 2019, we reinforced the company-wide processes for big data project selection, promotion, and management to build a Big Data platform in 2020. Since then, we have been taking on the Big Data project as a company-level innovation task. As part of the effort, we have been nurturing analytical specialists to facilitate a prompt and accurate decision-making process throughout the company.

Upgraded coverage analysis by customer type with personalized analysis

In insurance, coverage analysis is a system that analyzes whether insurance premium rates are appropriate and whether the scope of coverage is sufficient for the customer in cases where the customer already holds an insurance product. The system will recommend customers sign up for additional coverage if not fully covered by the existing insurance. For general insurers, they do not identify individual tendencies and attributes when performing their insurance analysis; they tend to only consult on the shortcomings at a flat or average amount. In contrast, our upgraded coverage analysis system offers differentiated coverage scope for each customer based on the customer's gender, age, visa status, marital status, job code, injury rate, and estimated income. Since upgrading, the number of coverage analyses has increased by more than 25% per month.

Development of credit loan recommendation model targeting potential customers

We have developed a model that captures potential customers likely to need credit loans by analyzing relevant attributes, including the customer's estimated income, renewed insurance premiums, basic insurance premiums, and credit loans usage records based on a recommendation algorithm of machine learning techniques. Capitalizing on this credit loan recommendation model, in 2021, the average response rate increased by 1.6–1.8 times compared to general customers not included in the analysis, leading to enhanced productivity in our sales activities.

Maximizing customer value through digital products and services

Expansion of digital-based products

DB Insurance continues its efforts to strengthen competitiveness by actively utilizing InsureTech to identify customers' needs and develop various products meeting those needs.

Expanding online-only products

To strengthen the competitiveness of our non-face-to-face channels, we are developing online-only insurance products that reflect social changes and customer characteristics.

Direct Goodbye Fine Dust Health Insurance

- The industry's first insurance related to fine dust, available for subscription through a direct channel
- Guarantees surgery and diagnosis for 6 major diseases that can be caused by fine dust

Promy Life Direct Very Good Cancer Insurance

- Available for subscription through a non-face-to-face channel
- Allows customers to opt for cancer coverage by body part

Development of priority product recommendation model targeting prospective customers

Using a machine learning-based algorithm, we developed a model that recommends priority products, including long-term driver insurance and disease/accident insurance, to customers subscribed to our auto insurance. When the model was applied to those long-term driver insurance customers included in the top 30% of the priority list, the contract conclusion rate was increased by 1.9 times compared to marketing activities for non-priority products.

Development of electrical fire prediction model

Selected as the first in the industry to operate "Big Data Flagship Leading Business," a government-led project, in 2018 DB Insurance developed fire insurance based on a fire prediction algorithm. With a high accuracy of 83.3%, the electrical fire prediction model utilizes the Big Data of numerous outside information sources including the national building register (6 million buildings) issued by the Ministry of Interior and Safety, the Fire Department's past fire occurrence data, and Korea Electrical Safety Corporation's meter reading data.

Recently, DB Insurance has also been working on developing individual contract discount and surcharge systems on the basis of the general/long-term insurance contracts and compensation data accumulated over the last five years.

In the process of developing this system, the aforementioned electric fire prediction model is also being used to provide geographic and spatial information analysis, five-step fire hazard classification for each building, etc.

Expansion of data-centric customized products

In 2020, DB Insurance became the first in this industry to introduce an automated disease screening system. Through this system, it became possible to offer customers, on a real-time basis, coverage available for them to subscribe to considering their reported medical treatment histories, and also provide disease prediction services.

I'm OK cancer insurance	- Provides an AI-based disease prediction service - Expanded coverage for cancer prevention, cancer treatment, and cancer symptoms
Very good to be healthy insurance	- Provides an AI-based disease prediction service using health checkup results - Offers different discounts on premiums depending on customers' health conditions

An industry first development of an automated disease screening system (2020)

Open API¹⁾ Platform

We have established an open API platform and an integrated open API monitoring system in early 2020 as part of our effort to strengthen cooperation with the InsureTech business. This platform will enable the supply of products and services to new partners as well as electronically link with the IT systems of existing and new partners. Accordingly, we anticipate diversification of our sales channels. Also, by activating the convergence of open API platforms and partner applications (e.g., external fintech companies, online portals, car performance checkers, etc.) we expect to more promptly supply our insurance products and services not only to our partners but also to general customers. Capitalizing on the API platform, our developments in providing a wider variety of InsureTech products and services will continue onward.

Product development using open API technology

DB Insurance utilizes open API technology to simplify the design of elevator liability insurance. As such, it has become possible to design products based on elevator information sourced from the National Elevator Information Center, enabling customers to benefit from satisfactory services in a more efficient manner.

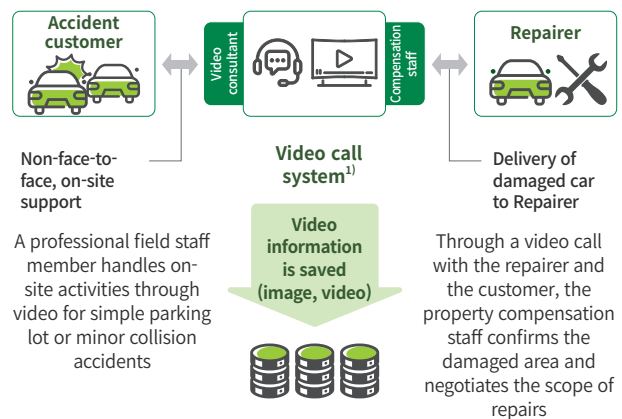
Elevator Liability Insurance	- An insurance that indemnifies the damages of an elevator managing entity in the event of personal or property damage caused by an elevator accident - Achieved 38,000 contracts and 36,000 contracts in 2019 and 2020, respectively.
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1) Open API (Open Application Programming Interface): Allows a company's services to be provided to outside partners for their use, and establishes a base environment that assists in the swift and easy creation of new services.

Car accident video call system (DB V-System)

In 2020, we developed the industry's first video call system (DB V-System) that handles, through video, simple accidents or requests from customers who seek on-site field staff support at the scene of a car accident. There are many advantages of this system since it not only provides faster customer service but also significantly improves the work efficiency of the field staff.

DB-V System Flow

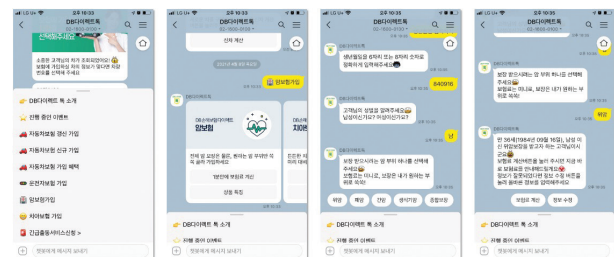


1) Video call system: Also called "soft phone," it uses the same video call method as a mobile phone connected to the VoLTE high-definition video call network. The user may take the video call without going through a separate procedure.

KakaoTalk's insurance premium calculation service

Since 2019, DB Insurance has been providing a user-friendly service that allows customers to easily calculate insurance premiums for car insurance, driver insurance, cancer insurance, and dental insurance in less than a minute through Kakao Talk's interactive chat method service. This system offset the difficulties of COVID-19, making it possible to provide customized non-face-to-face insurance consultations, further improving customer access to our service.

How to use the KakaoTalk insurance premium calculation service



- 1 Choose a product
- 2 Select "Calculate insurance premiums"
- 3 Enter customer information interactively
- 4 Calculation complete

Launch of advanced safety device-related products in line with autonomous driving technology

With the spread of autonomous driving technology, DB Insurance has launched an insurance product that offers discounts on premiums when vehicles are equipped with advanced safety devices. Typically, if a vehicle is equipped with a Lane Departure Warning System (LDWS), Lane Keeping Assistance System (LKAS), Forward Collision Warning (FCW), or Autonomous Emergency Braking (AEB), an insurance premium discount of about 2-4% is provided. As a result, people are encouraged to drive safer, traffic accidents can be prevented, and drivers can also benefit from cost savings.

Applicable Devices

 Lane Departure Warning System (LDWS) Warns when a vehicle leaves the driving lane, regardless of the driver's intention	 Lane Keeping Assistance System (LKAS) Automatically controls the vehicle to stay in lane
 Forward Collision Warning (FCW) Notifies the driver of danger by detecting the distance between the vehicle and the vehicle in front	 Autonomous Emergency Braking (AEB) Detects pedestrians or objects in front of the vehicle, and slows down or stops the vehicle in response

Introduction of mobile notification service

DB Insurance has developed a “mobile notification service” that allows customers to check their insurance coverage information anytime, anywhere without limitations. The service protects the personal information of customers and ensures that there is no risk of wrong delivery or loss. This service sends mobile text invitations by matching a customer's identification with the latest information provided by the customer to a telecommunication company when signing up for a mobile phone. The mobile text is then stored in the blockchain verification system owned by the Korea Internet & Security Agency (KISA), to ensure the legal validity of such distribution. Also, this service helps to prevent missed notices to the customer since the insurance company is informed immediately of whether the customer has acknowledged the notice.

After finalizing the system development necessary for implementing the services, mobile notifications were sent to around 200,000 long-term insurance customers. In addition to the existing Kakao Pay-certified mobile registered mail service, we plan to expand this service to customers with auto insurance, thereby creating a completely “paperless” work environment. The digital transformation of our customer service will help us reduce relevant costs for mailing, paper issuance, and disposal of documents and enhance customers' convenience by accelerating the business processing speed. Moreover, we will be able to reduce carbon emissions from large amounts of mail and achieve advances in practicing ESG management.

02

MATERIAL TOPIC

2020
KEY PERFORMANCE

Socially Responsible Investment

KRW **2.3903**
trillion

Environmental Liability Insurance

14,313 cases**Commitment to
coal-free finance in
response to climate
change**(The first private financial company
in Korea to do so)SUSTAINABLE
FINANCE**Significance of the issue**

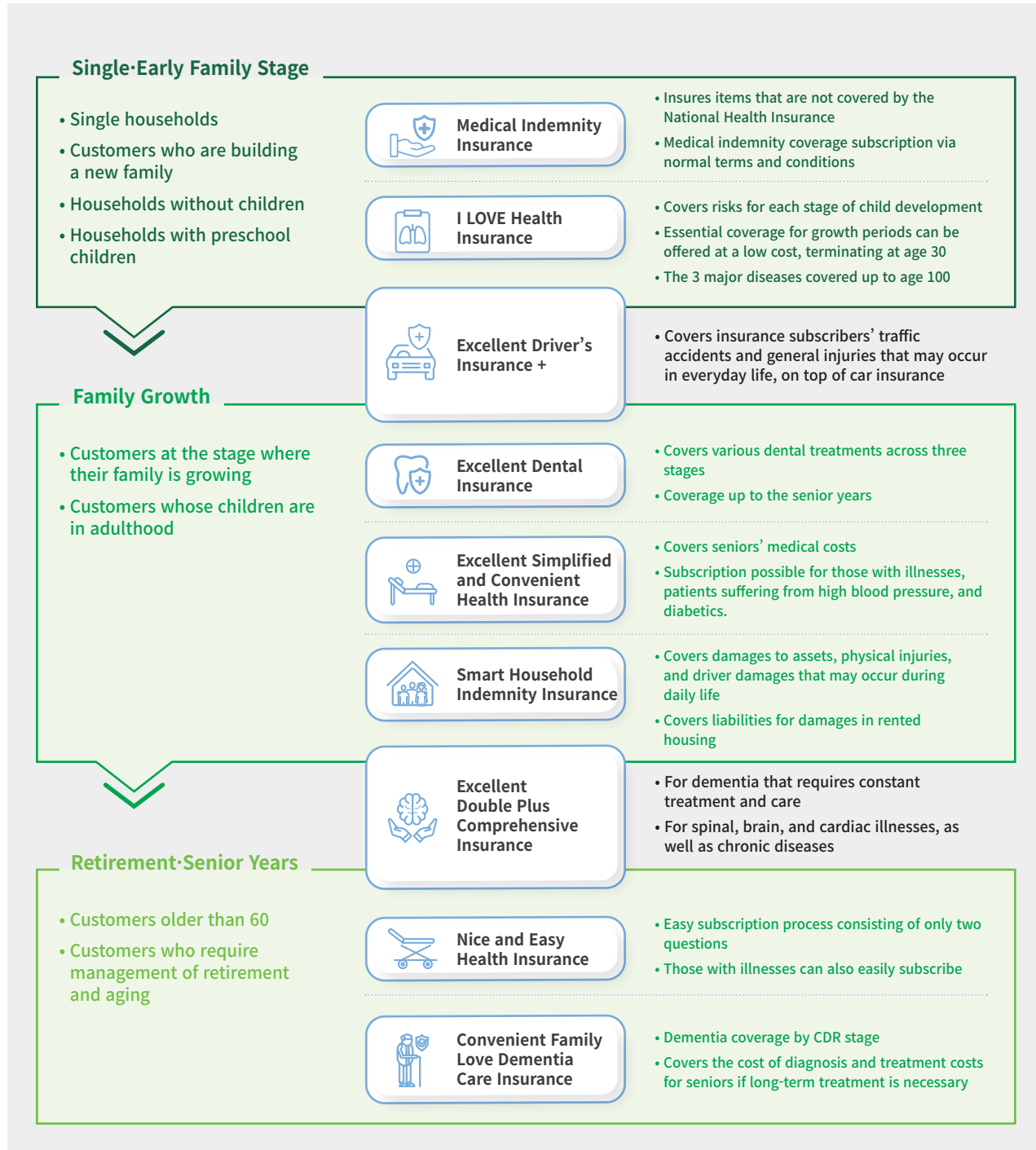
Due to the growing interest in the company's social and environmental responsibility, the insurance industry is also rushing to adopt ESG management into their business areas. Likewise, several insurance companies are shifting their business management to center on the interests of stakeholders, also focusing on fulfilling social responsibilities and developing new products to protect the environment. All in all, with the aim of earning trust and accomplishing sustainable growth, we are witnessing a paradigm shift in the financial activities of the insurance industry.

Our Approach Strategy

The crucial values of our business conduct are not only financial profits but also non-financial values. Starting with the signing of a business agreement with the United Nations Environment Program (UNEP), we focus on making socially responsible investments and sales of pro-social and eco-friendly insurance products as indemnity insurance and environmental liability insurance that can be accessed by the underprivileged. We are striving to practice socially sustainable financial services.

Product Development by Life Cycle

DB Insurance develops and provides diverse products to ensure our customers enjoy richer and more comfortable lives by enabling them to preemptively respond to potential risks in each stage of life.



Expansion of Social and Eco-Friendly Products

Expanding Insurance Products for the Disadvantaged

DB Insurance develops diverse insurance products for underinsured groups and has introduced an underwriting process that considers social and environmental issues. By doing so, we are striving to open the door for easy subscription to insurance. In particular, we have released the “Excellent Simplified and Convenient Health Insurance” with minimized notice items for insurance contracts, so that disadvantaged groups in terms of insurance, such as those with illnesses and the elderly, can easily benefit from medical services.

Category	Description	Target	Product name
Simplified Notification	Health insurance that can be purchased by the elderly and those with illnesses through simplification of questionnaires	Elderly, those with illnesses	Excellent Simplified and Convenient Health Insurance
Accidents	Injury insurance that covers risks in daily life, such as injury/monetary damage/liability	Elderly	Excellent Accident Insurance
Nursing Care	Insurance that covers nursing care costs in the event that nursing is necessary	Elderly, those with illnesses	Convenient Family Love Care Insurance
Medical Indemnity	• Medical indemnity insurance for the elderly • Medical indemnity insurance with simplified questionnaires	Elderly, those with illnesses	• Out-of-pocket Medical Insurance for Seniors • Convenient Out-of-pocket Medical Insurance

Free support for safety insurance for abandoned dogs

Together with the Seoul Metropolitan Government, we have been providing pet insurance called “Promy Companion Animal Insurance” which pays treatment costs for sick and injured abandoned dogs and indemnifies liabilities for humans and companion animals. For all of the insurance subscribers, we offer a digital pet health care solution (health checkup kit). For those who have adopted abandoned dogs through the Seoul Animal Care Center, one year of free insurance premiums are provided to the insured. Going forward, we plan to expand and provide various support to build a new companion animal care culture.

Development of Goodbye fine dust health insurance

In 2019, we have developed “Goodbye Fine Dust Health Insurance,” a mini insurance that is the first in the industry to specialize in diseases related to fine dust, which is classified as a Class 1 carcinogen. This insurance covers illnesses caused by fine and ultra-fine dust that directly threatens the subscriber’s health. Designed with a cheap insurance premium (KRW 10,000 per month), this insurance is tailored to the customer groups who need to spend considerable time working outside, low-income/underprivileged people, and the elderly.

SmarT-UBI car insurance sales

In 2016, DB Insurance launched “SmarT-UBI (Usage-Based Insurance).” This product encourages safe driving practices and was the first insurance product in Korea linked to driving habits. It is a differentiated InsureTech product that blends auto insurance with ICT (Information and Communications Technology) and collects driving information, such as speed, quick starts, and sudden brakes, through the driver’s smartphone GPS. If the data collected is indicative of safe driving habits, subscribers can receive 5 - 11% discounts on their insurance premiums. The incentive from the reduced insurance premium is expected to promote safe driving habits and hence reduce traffic accidents. In 2020, 522,000 smarT-UBI Insurance contracts were sold.

Provision of Electric Vehicle Exclusive Auto Insurance

In step with the government’s policy to increase the supply of eco-friendly automobiles, DB Insurance provides “Electric Vehicle Exclusive Auto Insurance.” This insurance product offers tailored coverage for electric vehicles. It covers the risk of electrocution that may occur during the charging process and reduces the financial burden of battery replacements. Further, it also provides emergency towing services up to 60km, in consideration of the current nationwide lack of electric vehicle charging stations. Moving forward, DB Insurance will promote the eco-friendly electric vehicle market by developing diverse insurance products that meet the needs of electric vehicle drivers.



Bicycle Insurance

..... This bicycle insurance was developed to protect riders from unexpected accidents and to ensure the safety of citizens. By doing so, it aims to increase the number of bicycles on the roads and promote environmental protection.



Auto Insurance

..... An insurance product aimed at reducing greenhouse gas emissions through partially returning repair costs, or providing premium discounts for participating in special offers, such as the use of recycled parts for vehicle repair, the Carless Day campaign, agreed mileage limits, and receiving auto insurance documentation by e-mail.

Business Case

Launched “Prevention to Rehabilitation health insurance,” which provides comprehensive coverage from early screening for prevention to treatment and rehabilitation

The three major diseases of cancer, heart, and cerebrovascular diseases are serious illnesses that account for the 1, 2, and 4th major causes of death in Korea. To fully satisfy the various needs arising from these three major diseases, DB Insurance launched a “Prevention to Rehabilitation Health Insurance.” This insurance was structured to support the insured to detect diseases early, prevent their conditions from worsening, and lighten their burden on treatment costs. Accordingly, it provides full coverage for examination costs (e.g., CT, MRI, ultrasound, PET, brainwave, cerebrospinal fluid, angiography) for the three major diseases and high-blood pressure diagnostic test costs for the treatment of hypertension, a prognostic symptom for heart and cerebrovascular disease.

In addition, the scope of insurance even covers those diagnostic test costs that were not previously covered, such as major cardiac inflammatory diseases known as the typical precursor to heart disease as well as brain damage caused by external shocks. The advantage of this insurance is that it also covers the diagnostic test costs for brain and heart disabilities and the rehabilitation costs for robot-based rehabilitation treatment. DB Insurance has been continuously developing products to protect the underprivileged, including the elderly, the sick, and motorcycle drivers who typically fall in blind spots in insurance coverage. As an insurance company, we will make continuous efforts to launch products that align with our social responsibilities.

Environmental Liability Insurance

Under the “Act on Liability for Environmental Damage and Relief Thereof”, DB Insurance developed “Environmental Liability Insurance”¹⁾ together with the Ministry of Environment to create the world’s first compulsory insurance compensating environmental pollution liability. To control environmental risks, we developed voluntary insurance with additional coverage for damage over the coverage limit of the compulsory insurance. Furthermore, we have been regularly rendering consulting services and training to companies subject to environmental liability insurance. By operating a dedicated web-based one-stop service, we have been carrying out activities to reduce and prevent risks arising from environmental pollution due to harmful substances. The “United Nations Environment Program (UNEP): Asia Pacific Annual Meeting”, held in 2017 and 2021, introduced the environmental liability insurance as an exemplary case of a successful implementation. In 2019, it was also selected as an excellent practice at the “China (Guangxi) Environmental Protection Innovation Forum and Environmental Liability Insurance Exchange Conference” held in Nanning, China. To ensure environmental liability insurance is distributed smoothly in the insurance industries of developing countries, as per the 2019 UNEP MOU, we plan to share global environmental policy trends and environmental management methods of advanced companies and introduce exemplary domestic policies.

1) Environmental Impairment Liability (EIL) Insurance: Environmental Impairment Liability (EIL) Insurance is liability insurance that covers physical disabilities, property damage, pollution removal costs, and other legal costs incurred by a third party due to environmental pollution. It was developed to prevent corporate bankruptcy as a result of compensation for damages, and to provide speedy compensation and relief to victims where proving damages is difficult and litigation is exorbitantly expensive. In July 2016, this insurance became mandatory.

Facilities that must be insured

Air quality	• Class 1 & specific air pollutant emission facilities
Water quality	• Class 1 & specific water pollutant discharge facilities
Waste	• Designated waste disposal facilities
Soil	• Facilities designated by Presidential Decree: oil pipelines, petroleum manufacturing & storage facilities with 1,000kℓ or more storage capacity, and facilities required to file risk management plans
Hazardous Chemicals	• Facilities designated by Presidential Decree: facilities required to file risk management plans
Marine	• Same as facilities specified in legislation

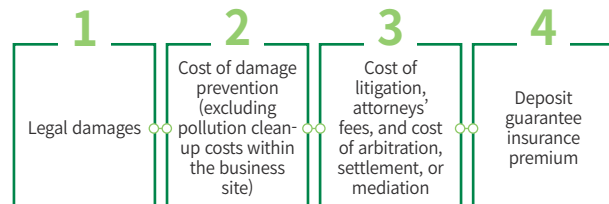
※ Relevant laws: Act on Liability for Environmental Damage and Relief Thereof

EIL Insurance Coverage

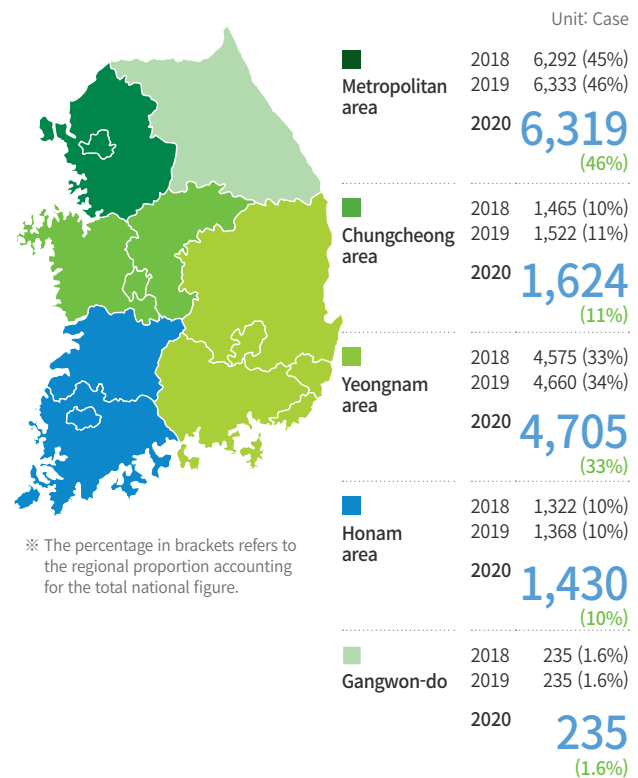


Damages Covered

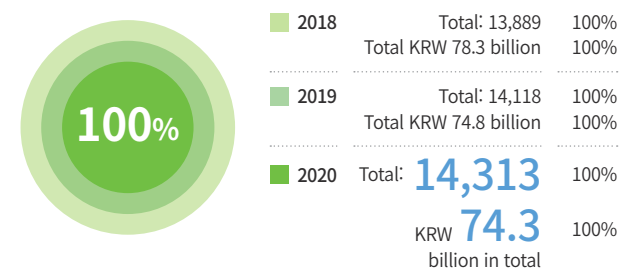
Environmental pollution arising from the installment/operation of the facility stated in the insurance policy, for which the insurance purchaser has to compensate the victim, in accordance with the law, during the period of insurance



Status of Environmental Liability Insurance accounts by Region



Contract Premiums of Environmental Liability Insurance



ESG Products Sales Performance

ESG Products		As of 2020, unit: cases, KRW million		
Indicators		Type	Number of Contracts	Revenue (DPW)
Long-term insurance	1Q Super Simplified Health Insurance	For vulnerable groups in insurance “blind spots” (the elderly and infirm)	29,863	11,484
	2Q Super Simplified Health Insurance	For vulnerable groups in insurance “blind spots” (the elderly and infirm)	14,727	6,459
	Simple Medical Indemnity Insurance	For vulnerable groups in insurance “blind spots” (the elderly and infirm)	28,234	8,292
	Easy Family Love Nursing Insurance	For vulnerable groups in insurance “blind spots” (the elderly and infirm)	5,520	6,754
	Easy Family Love Alzheimer-Nursing Insurance	For vulnerable groups in insurance “blind spots” (the elderly and infirm)	9,033	4,633
	Easy Alzheimer Insurance	For vulnerable groups in insurance “blind spots” (the elderly and infirm)	6,980	8,893
	Old age Medical Indemnity insurance	For vulnerable groups in insurance “blind spots” (the elderly)	951	130
	Motorcycle Driver Insurance	Motorcycle drivers	12,816	2,445
	Good and Easy health insurance	For vulnerable groups in insurance “blind spots” (the elderly and infirm)	14,260	1,981
	Excellent and Easy health insurance	For vulnerable groups in insurance “blind spots” (the elderly and infirm)	168,692	90,870
Car insurance	Evergreen Special Coverage	Reducing carbon emissions	3,080,684	2,126,051
	Special contract for Mileage	Reducing carbon emissions	2,637,220	2,102,556
	Special contract for Safe Driving UBI	Reducing carbon emissions	521,775	340,617
	Special contract for Electric Vehicle	Reducing carbon emissions	30,249	25,303
	Special contract for Car Weekday	Reducing carbon emissions	14	9
	Special contract for Promy Heart (preferential benefits for low income people)	For low-income families/children	2,511	1,772
	Special contract for Traffic safety education (preferential benefits for the aged)	For vulnerable groups in insurance “blind spots” (the elderly)	1,608	1,426
	Gomduri Car Insurance	For vulnerable groups in insurance “blind spot” (the disabled)	191	172
General insurance	Environmental Liability Insurance	Eco-friendly	14,398	33,705
	Environmental Pollution Liability Insurance	Eco-friendly	5	286
	LNG power plants dedicated Insurance	Eco-friendly(low-carbon power)	1	2,798
	Promy Public Bicycle Total Insurance	Eco-friendly	35	509
	Offshore Wind Power Plants and Machinery Total Insurance	Eco-friendly	-	-
	Solar rental business liability insurance	Eco-friendly	-	181
	Solar Total Insurance	Eco-friendly	-	539
Total insurance sales			6,579,767	4,777,865

Expansion of Socially Responsible Investment

Socially Responsible Investment Principles

When making investment decisions, we adhere to principles of responsible investment centering on both financial and ESG (environmental, social, and governance) factors. By conducting a negative screening on potential investees in accordance with our self-developed internal screening standards, non-ethical companies and companies that do business in gambling, tobacco, or alcohol are excluded from our investment targets. On the other hand, investments in ethically transparent and environmentally friendly companies are expanded. After declaring “coal-free finance” in 2019, a first for private financial companies in Korea, we have been concentrating our investments in renewable energy projects such as SOC projects and ESG bonds. In 2020, seeking new investment opportunities to create social value, we participated as a major investor in a small- and medium-sized solar power fund. As a result of our efforts, the profitability of socially responsible investment accomplished a high rate of 4.3%, exceeding the company's asset yields.

ESG Investment Process



Socially responsible Investments

Unit: KRW 100 million, %

Category		2018	2019	2020
Renewable Energy	Scale of Operation	2,257	3,522	6,976
	Revenue	120	168	289
	Rate of Return	5.3	4.8	4.2
Green(eco-friendly) power generation	Scale of Operation	5,240	6,350	6,947
	Revenue	235	278	308
	Rate of Return	4.5	4.4	4.4
SOC	Scale of Operation	10,218	10,071	9,980
	Revenue	464	428	426
	Rate of Return	4.5	4.3	4.3
Total	Scale of Operation	19,996	19,943	23,903
	Revenue	899	874	1,023
	Rate of Return	4.5	4.4	4.3

Business Case

Declaration of Phasing Out Financial Investments in Coal in Response to Fine Dust and Climate Change

In 2019, DB Insurance became the only private financial company (operating assets: KRW 37 trillion) to participate in a declaration ceremony hosted by the Korea Sustainability Investing Forum (KOSIF), and sponsored by the United Nations Global Compact (UNGC) and United Nations Environment Programme Finance Initiative (UNEP FI). At the ceremony, we officially announced that we will be the first Korean private financial company that does not finance or issue bonds for coal plant construction projects in Korea and overseas. Going forward, DB Insurance will increase new investments in renewable energy, green power generation, SOC, etc., to actively promote the transition to a low-carbon economy.

Investment in roof-type solar power fund seeking win-win growth of SMEs

In line with the government's Green New Deal policy, we participated as a major investor in Korea's first win-win growth solar power blind fund (up to 42MW, worth approximately KRW 60 billion) in 2020 to boost SMEs' eco-friendly energy usage, a known blind spot in ESG management. The main characteristic of this blind fund is that financial conditions are significantly relaxed, thereby allowing SME factory owners and contractors, who have difficulties in participating in the solar power business due to financing problems (e.g., low credit ratings), to participate in the project through this fund. Consequently, it will implement an eco-friendly symbiotic business model that allows both factory owners and constructors to profit.

Fund Participants

Key investor	DB Insurance
Co-investor	Korea Social Value and Solidarity Foundation, Solar Equity, etc.
Integrated management of investment targets	Solar Connect (Korea's No. 1 Energy IT Platform Company)
Fund manager	Kiwoom Investment Asset Management
Financial advisor	IBK Investment & Securities



Solar Power Blind Fund MOU Ceremony

MOU with UNEP for Sustainable and Green Growth

DB Insurance has signed a sustainability and green growth MOU with the United Nations Environment Programme (UNEP). Through this agreement, we will identify and promote global environmental policy trends, the best environmental practices of leading companies, and outstanding environmental policies – such as the Environmental Impairment Liability (EIL) Insurance that was implemented in Korea. In addition, we will establish a social basis to utilize these policies. Going forward, we will conduct diverse collaborative activities with UNEP to fight global climate change and find ways to realize social change.

Enhancing Internal/External Activities for Disaster Response

Development of disaster response product

Launch of special contract for earthquake damage compensation that guarantees insurance blind spots

To widen the coverage for insurance blind spots, in 2017 we released a special contract to compensate for earthquake damage. Although damage caused by earthquakes are generally classified under uncontrollable risks that cannot be covered by insurance, a new special contract was developed to meet customers' growing needs due to the losses from earthquakes in Gyeongju and Pohang. This product is said to have improved the social function of insurance. Besides covering damage caused by earthquakes to vehicles, it also covers rental expenses incurred during vehicle repair, vehicle scrapping expenses, and even acquisition taxes for a new vehicle purchase in case a vehicle is totaled.

Development of disaster liability insurance product (compulsory insurance for disaster-vulnerable facilities)

As the "Framework Act on the Management of Disasters and Safety" became effective, 19 types of facilities classified as exposed to a high risk of disasters required mandatory insurance coverage. Given this background, DB Insurance developed and launched a new type of disaster liability insurance. Under the principle of absolute liability, even if the insured is not at fault, they became liable to compensate for victims' losses, thereby providing prompt and practical relief.

Key Product Features

Goal	Items	Number
Reference rate	Museums, galleries, science museums, libraries, funeral halls, restaurants, apartment housing under 15 stories (including rental apartments, terraced houses, multi-unit housing), accommodation	8
Reinsurer-negotiated rate	Racetracks, off-track betting sites, passenger vehicle terminals, gas stations, warehouses, bicycle race tracks, regattas, display facilities, underground shopping centers, international conference facilities	11

- Applicability: 19 types of facilities with a high risk of disasters
- Risks: to a third party's life, body, and property due to fire, explosion, or collapse occurring in disaster-prone facilities (Article 76 of the Framework Act on the Management of Disasters and Safety)

Other Disaster-related Insurance Products

 Fire insurance	 The special contract for earthquake risks provides indemnity for fires or losses incurred by burn damage, collapse, destruction, being buried, loss prevention, and emergency evacuation as a result of earthquakes or eruptions. The special contract for storm and flood damage provides compensation in case of typhoons, tornadoes, storms, tempests, floods, tsunamis, inundation, and similar damage.
 Storm and flood damage insurance	 This insurance product has been developed to enable quick and substantial recovery from property losses incurred as a result of storm and flood damage, such as from typhoons, floods, torrential rain, tsunamis, strong winds, storms, and heavy snowfall.
 Crop insurance	 This insurance product has been developed to address the management uncertainties experienced by farmers, and to help stabilize their income. The contract mainly covers hurricanes, hail, and localized torrential rain, and special contracts, which can be selected by farmers, cover damage from various other causes, such as frost in spring and autumn and unusually cold temperatures.

Establishment of a company-wide disaster response system

In order to perform disaster recovery actions and promptly respond to IT failures, we carry out regular simulation training. Our next-generation disaster recovery system ensures business continuity in our customer services, even in emergencies. Furthermore, we have been investing in efforts to enhance our internal response capabilities by expanding the tasks subject to disaster response and increasing branches. We also conduct ongoing maintenance checks on our IT system.

Disaster response training

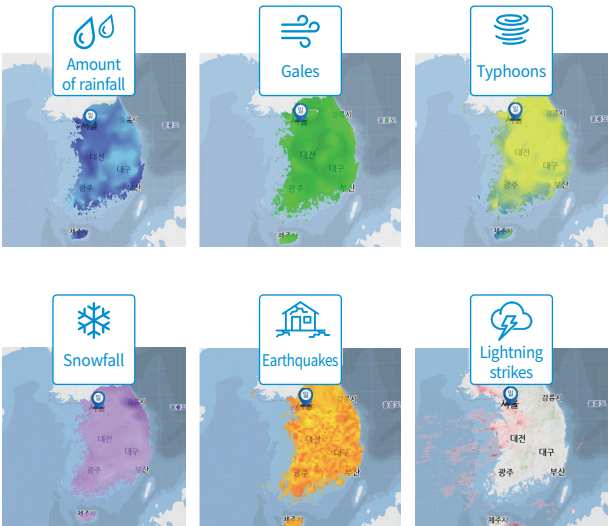
Programs	Details	Cycle
BCP drill	• Review the feasibility of initial and emergency responses, work resumption, and disaster recovery plans, and identify areas for improvement (IT sector, 2016)	Annual
Drill to handle open webserver hacking	• Detect and block attacks on open servers, such as web and e-mail servers, after scanning the servers to identify weaknesses	
Drill to handle malicious code e-mail hacking	• Detect, block, and remove malicious code after distributing e-mails with simulated malicious code to employee e-mail accounts	
Anti-DDoS drill	• Emergency responses to electronic infiltration such as hacking and DoS (Denial of Service) attacks	
Disaster/accident restoration drill	• Establish a business continuity plan for emergency events such as disasters, in order to prevent interruption of operations • Verify the suitability of recovery system operation/ recovery processes, as well as system transition, in case of emergency • Check the maintenance of emergency contact systems via surprise drills • Check the adequacy of the disaster recovery procedure and organization, ensure full awareness of team/ individual duties through mock drills, and improve system recovery technology • Check whether affected workers can resume activities and define additional resources necessary for recovery • Comply with Article 23 (Establishment and Operation of emergency measures) of the Electronic Financial Supervision Regulation • Conduct drills at least once a year	Semiannual
Backup outcome simulation	• Verify the adequacy of backup system operations and backup recovery plans • Verify the recovery time and integrity of backup data • Check the adequacy of backup recovery procedures and organization • Ensure full awareness of team and individual duties through mock drills, and improve system recovery technology	
IT failure-handling drill	• Verify adequacy of failure response for key systems through periodic failure drills • Check the adequacy of failure drill scenarios, detailed recovery procedures, and response organizations • Ensure full awareness of duties through failure drills, and improve system recovery technology for the same or similar failures • Reduce the recovery time for anticipated failures through failure response drills for critical tasks	

Establishment of Big Data-based climate change risk analysis system

In 2020, we developed a general insurance natural disaster risk (6 types) analysis system that extracts Big Data from the Korea Meteorological Administration and combines it with GIS mapping technology. We utilize the system for our insurance contracts and customer consulting purposes. In the summer season (from July to August) when damage from heavy rain or typhoons is concentrated, intensive guidance on preventive measures against natural disasters are given to business sites and customers at high physical risk in order to reduce the losses of the local community and protect public safety. Going forward, by improving the data connection between our insurance accident records and the climate change information, we plan to build a more preemptive and proactive risk management system.

Seasonal Natural Disaster Prevention Guidance Activities

Category	Disaster safety guide (Distributed to employees/on site)	Disaster Prevention Consulting service and customer guide
Before summer	2021 summer weather forecast and risk management research data	Select high-risk groups of climate change (through Big Data analysis and collaboration with U/W, etc.)
During Summer	Guidance on typhoon routes and preparation measures, information on regions where heavy rain is expected and how to prevent damage	Expand disaster prevention consulting service (add new/renewed business sites)
After summer	Sharing best response practices	Recurrence Prevention Consulting service (for business sites where disasters occurred)

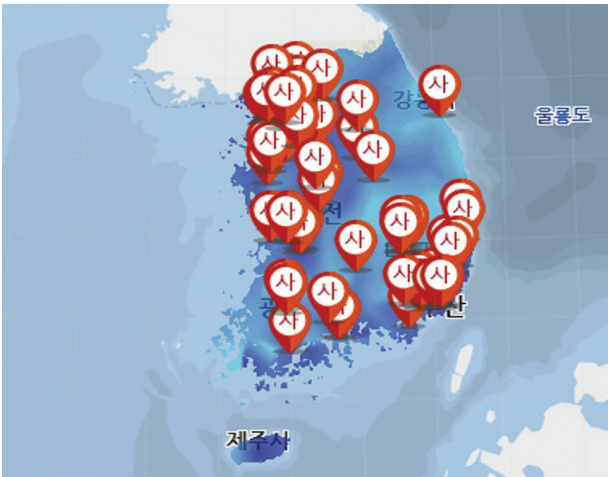


Six major climate change risks

Example of applying natural disaster risk rating guideline

※Flood damage risk level —
S: Very low, A: Low, B: Moderate, C: Dangerous, D: Very dangerous

Category	Maximum observation	Description	Grade
Amount of rainfall	86	Maximum rainfall per 1 hour for the area (mm/hr)	B
Gales	29	Maximum instantaneous wind speed during non-typhoon season in the region (m/s)	S
Typhoons	27	Maximum instantaneous wind speed during typhoon season in the area (m/s)	S
Snowfall	24	Maximum snowfall in the region (cm)	S
Earthquakes	2.8	Largest earthquake near the region (Magnitude)	A
Lightning strikes	116	Number of lightning strikes observed within a radius of 3 km	A



Risk Relationship between Insurance Accidents and Summer Rainfall

03

MATERIAL TOPIC

**2020
KEY PERFORMANCE**Amount of social contribution
supportKRW **6.274** billionVolunteer hours of employees and
insurance planners**55,505** hoursNumber of yellow carpet installations
nationwide (cumulative)**643** pieces

SOCIAL CONTRIBUTION

**Significance of issue**

Social contribution activities that aim to return profits and promote the public interest have been developed systematically since the mid-1990s, gradually expanding into the early 2000s. Recently, as corporate ESG innovation has emerged as an important issue, we are yet again seeing growing interest in social contribution activities as part of ESG management.

Our Approach Strategy

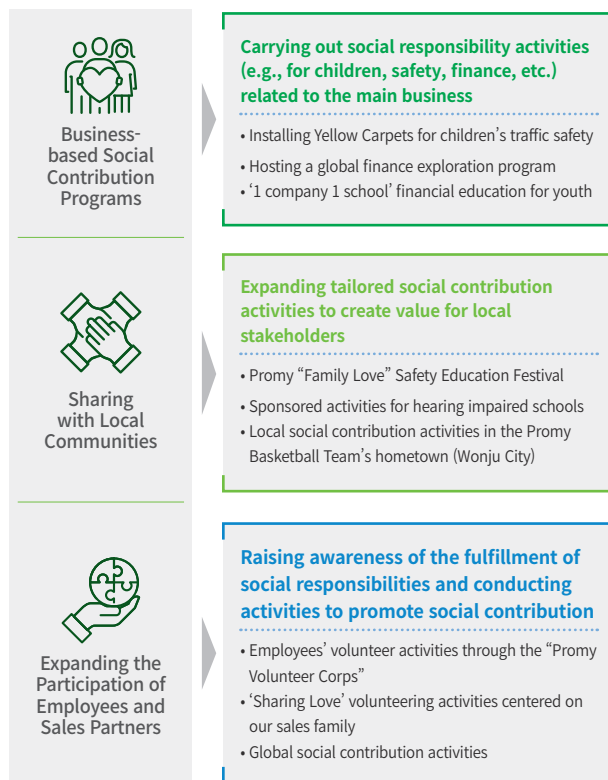
The goal of creating social value from stakeholders' perspectives is driving DB Insurance to carry out various social contribution activities. Starting with installing yellow carpets for children's traffic safety, we have been making continuous efforts to support education and sponsorships under the theme of seeking win-win development with local communities. We are also carrying out various activities to assist social companies doing business in the transportation and environment sectors. Going forward, we plan to focus our efforts on social contribution activities that develop the welfare of local communities and to invest in various efforts to fulfill our social responsibilities.

Management of Sharing

Social Contribution System

To become a global insurance finance group that realizes mutual growth with diverse stakeholders by fulfilling our social responsibilities and creating social values, DB Insurance runs social contribution programs based on our business and shares value with local communities. In particular, to expand the social contribution activities participated in by our employees and sales family, we launched the Promy Volunteer Group in 2006. Headed by the CEO, volunteer groups have been established in 29 locations across the nation. Since 2015, we have been implementing systematic social contribution activities by carrying out diverse volunteer programs at a sales department level through the Promy PA Volunteer Corps.

VISION	A Global Insurance Financial Group which Pursues a Happy Society with Customers
SLOGAN	A Promise to Protect Family Love



Sharing with the Community

Sponsoring schools for the hearing impaired

Since the 2013 establishment of our sisterhood between DB Insurance and Chungju Sungsim School, a school for the hearing impaired, we have been continuously carrying out sponsor activities for the school to raise social interest and improve treatment of the disabled. In 2020, we sponsored scholarships and the school baseball team. We will continue our support to help students with disabilities overcome COVID-19.

Promy Family Love Safety Experience Festival

Since 2017 we have been hosting the "Promy Family Love Safety-Experience Festival" under the theme of educating children on daily life accidents and disasters, including fires, water accidents, elevator accidents, and kidnappings. In 2019, experiential safety education was held during the summer vacation period. We invited 2,500 children, but were forced to postpone the 2020 festival due to COVID-19. Considering the ongoing pandemic situation, we are planning to host an online festival this year.

Global Startup Contest

Over the past 11 years, we have been hosting the "DB Finance Idea Contest" along with our affiliated non-public foundation under the theme of fostering global talent. University students in related studies are eligible to apply for this contest. For winners who have presented creative and practical ideas, we offer numerous benefits, including scholarships, global finance tours, and document screening exemption when applying for DB group jobs. Although the contest was not held in 2020 due to the COVID-19 pandemic, we are planning to reorganize the contest this year in the form of an online global start-up contest, targeting participants from Seoul National University and major Asian universities.



Global Start-up Contest Poster

"Company-to-School" youth financial education

DB Insurance has been providing financial education to students in elementary, middle, and high schools across the country. This education comprises programs such as on-site education by outside experts and musicals on finance. In 2020, we carried out 99 programs for 2,778 students in 63 schools out of a total of 64 affiliated schools. In 2021, the number of affiliated schools increased to 70.

Yellow Carpet for Children's Traffic Safety

Yellow light of hope lights the road to protect children's traffic safety

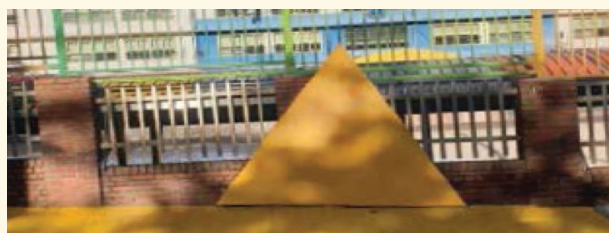
Ongoing yellow carpet campaigns in connection with our main business

It is known that 44%, nearly half, of all childhood deaths in Korea are caused by traffic accidents. Among these, 84% are accidents involving crosswalks.¹⁾ To help resolve this, the "Yellow Carpet" campaign was launched to prevent accidents caused by drivers failing to see children suddenly entering crosswalks. As the name suggests, Yellow Carpet means a waiting area before the crosswalk, and the yellow-marked safety signs on the ground or walls guide children to wait in a safety zone before crossing so that drivers can easily notice them. This type of social contribution activity is aligned with our area of business, so we have been fully sponsoring the campaign from 2016 with the purpose of preventing accidents involving children who are vulnerable to traffic. First initiated by the International Child Rights Center, the Yellow Carpet campaign is being implemented across the country under the leadership of Green Umbrella ChildFund Korea with the cooperation of numerous sponsors, including DB Insurance, local government authorities, and schools. The yellow carpet installation was found to have a practical effect in preventing traffic accidents where 70%²⁾ of drivers visibly recognized those areas, resulting in reduced vehicle speeds.

Yellow Carpet Installations by Year

Unit: Locations

Year	2016	2017	2018	2019	2020	Tota
Amount	35	168	134	126	180	643



New installations (Goeun Elementary School, Seodaemun-gu, Seoul)

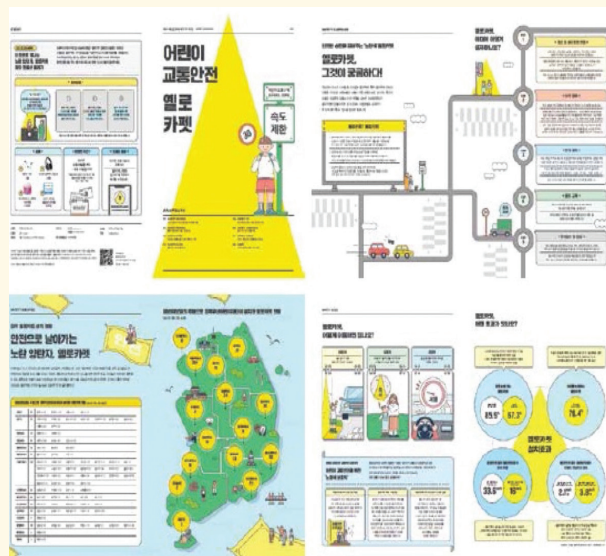


Repair and installations (Gyeonam Elementary School, Yangcheon-gu, Seoul)

Installation and repair of 643 yellow carpets in elementary schools across the country

In return for our efforts invested in the campaign, 528 places near elementary schools have installed the yellow carpets and 115 places have been repaired successfully. In 2020, we signed an MOU on Social Contribution Activities to carry out joint promotion of traffic safety projects in cooperation with various organizations, including the Ministry of Education, the Ministry of the Interior and Safety, traffic safety-related organizations, private companies, and civil groups. Accordingly, a total of 180 locations installed new yellow carpets or repaired them. In addition, to help the campaign accomplish practical and substantial effect, we distributed online traffic safety educational materials (e.g., educational videos, magazines, and activity reports) to elementary schools that installed yellow carpets and encouraged participation by holding photo events on social media. Going forward, together with TS Korea Transportation Safety Authority and Green Umbrella ChildFund Korea, we will build diverse communication channels utilizing research, seminars, and discussion forums to verify and further improve the effectiveness of the yellow carpet campaign. New installations and maintenance projects will continue onward this year as we constantly expand installation of safety facilities that ensure the traffic safety of children as well as strive to improve drivers' awareness of children on the road.

Yellow Carpet Educational Materials



1), 2): Source: Traffic Accident Analysis System of Road Traffic Authority, <http://taas.koroad.or.kr/>, Road Traffic Authority (2019), "2019 Edition (2018 Statistics) Traffic Accident Statistical Analysis," Road Traffic Authority (2016), "A Study on Effect of Yellow Carpet Installations"

Transportation and Environment Challenge

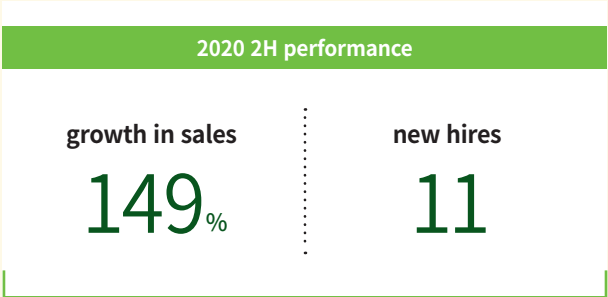
Promoting new changes together with social ventures operating in transportation and environment sectors

Creating social values by supporting social venture companies

The Transportation and Environment Challenge, the first project of its kind to be attempted in the non-life insurance industry, is a social contribution program that cultivates social ventures that contribute to solving social problems in the business sectors of transportation and the environment. The social ventures chosen for this program are provided with several solutions that directly help their growth, including monetary support for project costs, business acceleration, and mentoring services.

Started in 2019, the program successfully identified a total of 10 social ventures over the first and second projects that have achieved progress so far. These social ventures generated about 30 new hires, achieved a total of KRW 4 billion in sales revenue, and solved various issues in the transportation and environment sector, creating more social value than expected.

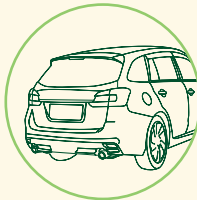
DB Insurance plans to promote the third project in 2021, and we will ramp up our efforts to support many more social ventures and help them succeed. Moreover, additional training will be rendered to existing social ventures in the context of follow-up support.



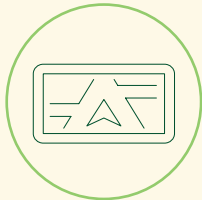
Transportation and Environment Challenge: Social ventures of the 2nd project



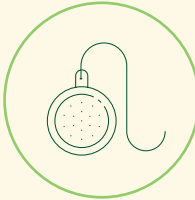
Softgear



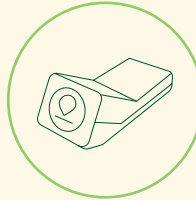
Bluewing Motors



LBS Tech



LK Green



GED



DB Insurance Transportation and Environment Challenge: Demo Day of the 2nd project

Expansion of social contribution activities by executives, employees, and sales workforce

Promy Volunteer Corps

Composed of the executives and employees of DB Insurance, the Promy Volunteer Corps conducts a variety of volunteer activities to deliver warmth and hope to the local community. Their activities include improving the living environments of low-income families, sharing briquettes of love, making promise boxes, and being involved in the Get-together camp and Love House Habitat. Going forward, we plan to engage in many more volunteer activities that focus on solving community problems and promoting the public interest.



Promy Volunteer Group Sharing Love Briquettes

Global social contribution activities

As part of our global social contribution activities that started in 2017, we have been making various efforts to help the local communities of the countries where we operate overseas business. Many social contribution activities were led by Korean scholarship student volunteers together with local university students from Vietnam and Laos. These activities included building new classrooms for elementary schools, painting murals, making teaching aids, decorating transparent umbrellas, and hosting a Sports Day event. Although these activities have been suspended due to COVID-19 in 2020, we will consider resuming these activities in 2021 after closely monitoring the global pandemic trend.

Love Sharing Volunteer Activities

Our nationwide Promy PA (insurance planners) Volunteer Corps has been volunteering with underprivileged children and older people living alone through ties with 48 welfare organizations across the country. They visit each regional welfare organization and volunteer for facility renovation, improving the living environment, and sharing cultural experiences. In 2019, 1,031 PAs volunteered for a total of 4,096 hours, and in 2020, emergency operation funds were sponsored to 48 welfare institutions in regions that have been socially isolated due to the pandemic. A total of 1,419 PAs performed 4,477 hours of non-face-to-face volunteer activities.

Business Case

Non-face-to-face volunteer activities through collaboration with social ventures

The COVID-19 outbreak was a major obstacle in performing social contribution activities in person. For this reason, employees and insurance planners participated in activities together with the selected social ventures of the "Traffic/Environmental Challenge" in a non-face-to-face manner. For example, if "Vonuinco," a social venture selected by the 1st project of Traffic Environment Challenge, makes a customized school bag rain cover for children, it is put in a gift box made by the employees and insurance planner volunteers for children's traffic safety supplies with a letter. These gift boxes are then sent to local elementary schools. We expect that this customized support and these deliveries will be effective in preventing child traffic accidents on rainy days.



Non-face-to-face volunteer activities in collaboration with social ventures

ESG Report

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GOVERNANCE REPORT





01

ENVIRONMENT
REPORT

Direction	Establishment of a company-wide environmental management system
Promotion Strategies	Expanding asset management in green finance and environmental industry • Expand investment in environmental asset management • Establish environment-related investment evaluation system
	Improving products and services considering the environment • Develop products and services reflecting environmental issues • Enhance the capability to respond to environmental issues in the workplace

Environment

Environmental Management System

Mid to Long-term Strategies for Environmental Management

DB Insurance has established a mid- to long-term environmental management strategy based on three environmental management principles (specialization of environmental risk management, minimization of environmental footprint, and expansion of green finance and environmental projects) to minimize the environmental impact of our activities. In addition, we promote the sustainable use of resources with environmental management guidelines.

Establishment of 2030 environmental management plan to achieve carbon neutrality in 2050

Goal	Reduce CO ₂ emissions by 25% compared to 2020
Mitigation of Environmental risk	• Implement greenhouse gas-reducing activities • Expand eco-friendly investment (asset management) • Distribute low-carbon models across the FC • Establish a cooperative system with global organizations
Adaptation to climate change	• Develop eco-friendly products and services • Respond to environment-related legal/regulatory risks • Expand support for social classes vulnerable to climate change • Implement climate change adaptation activities with stakeholders

※ Implementation goal is set based on the 2030 national carbon emissions reduction target (24.4%)

Environmental Management Certifications

DB Insurance has preemptively established an environmental management system to identify trends in environmental regulations and major environmental issues, as well as to minimize the environmental impact caused by our corporate activities. As part of this effort, in 2008, we acquired ISO 14001, an environmental certification issued by the International Organization for Standardization (ISO).

Environmental Management Certifications

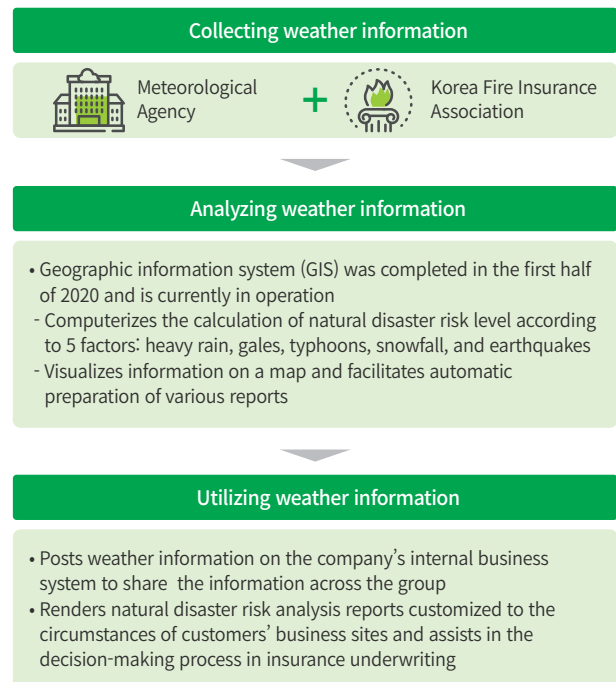
Environmental Management System (ISO 14001)	ISO 14001 Environmental Management To realize environmentally friendly management within society, we have implemented innovation projects to tackle risks relating to climate change, such as managing the risk of heavy rains and training ISO 14001 Environmental Management System Auditors.
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Selected as a Leading Company for Weather Management¹⁾

DB Insurance has established a Geographic Information System (GIS) based on weather data, including heavy rain, strong winds, typhoons, snow, and earthquakes, provided by the Korea Meteorological Administration and the Korea Fire Protection Association (KFPA). Through this system, we feed information concerning the risk of heavy rain, typhoons, and regional climate extremes to our internal work systems. As a result, we are able to support decision-making on insurance contract U/W reviews by assessing the risk of natural disasters. Furthermore, we offer consulting services and reports for business sites that are vulnerable to natural disasters, thus helping to prevent damage to the life and property of our customers.

1) Excellent weather management company: A company selected by the head of the Korea Meteorological Administration for its excellent weather management. This creates added value that ensures safety from meteorological disasters using weather information throughout the company's entire business management process, creating positive effects such as sales increases, reduced costs, and prevention of damage to people and properties.

Weather Management System of DB Insurance



Climate change adaptation

Climate change risk management

DB Insurance has developed a natural disaster risk analysis system that extracts Big Data from the Korea Meteorological Administration and combines it with GIS. The system evaluates the disaster risk exposure occurring from climate change by each region and utilizes those results for insurance contracts and customer consulting purposes. In the event of a natural disaster, a dedicated damage assessment team is promptly dispatched to the disaster area to prevent the spread of damage. The team then proceeds with a scrutinized damage assessment and makes prompt payment of insurance money to the customers. Moreover, in 2019, we announced coal phase-out investments for the first time in the private financial sector in Korea. Since then, we have not made any coal-related investments. In addition, based on the K-Taxonomy that is expected to be confirmed in the first half of 2021, we will verify and disclose the proportion of our investment assets exposed to GHG emissions, and establish response measures in this respect.

Reduction of GHG Emissions

Direct GHG Emissions (Scope 1) – Gas and Fuel

Major sources of direct GHG emissions are air-conditioners and heating boilers, absorption type water coolers and heaters, emergency generators, and corporate vehicles. We are striving to reduce GHG emissions through various activities, including air conditioning/heating temperature caps.

Direct GHG Emissions (Scope 2) – Electricity

We have replaced conventional lighting, the major source of electric power consumption, with LED lamps to reduce indirect GHG emissions. In addition, our employees also actively participate in power-saving campaigns such as air conditioning/heating temperature caps and light turn-offs during non-business hours.

Others Indirect GHG Emissions (Scope 3) - Business Trip Distance

At DB Insurance, based on our out-of-city business trip management system, we identify and manage business-related opportunities and risks that have an indirect impact on climate change.

Energy Use

DB Insurance is using more and more energy due to increasing office building areas and data center utilization from expanding IT-based businesses. To this end, we have set specific energy consumption targets, by category, and are measuring the performance of nine corporate buildings and leased offices across the country to minimize GHG emissions by area. For the calculation of emissions, we apply coefficients outlined in the IPCC GL 2006, which is published by the Intergovernmental Panel on Climate Change (IPCC). GHG emissions from sales branches and overseas offices are excluded.

DB Insurance relies on bulk electrical supply by the Korea Electric Power Corporation (KEPCO) as our main energy source. Other than this, we also consume NLG, diesel, and petroleum for heating and emergency power generators. Energy consumption was calculated in accordance with the energy calorie conversion standards that can be found in the table stipulated within the Domestic Energy Act, which was revised on December 30, 2011. Although DB Insurance acknowledges the need to switch to renewable energy, we have not yet implemented self-power generating practices through the installation of renewable energy generation facilities. We plan to introduce new and renewable power-generating facilities in our key buildings, with consideration for market growth and the declining price of power-generating facilities.

Waste Management

DB Insurance strictly differentiates and manages recyclable and landfill waste to minimize the environmental impact of waste discharge. As most waste from our office buildings are outdated and old office supplies, we focus on recycling these supplies to reduce waste, while establishing an eco-friendly work environment with the introduction of IT-based work systems that do not produce such waste.

	Index	Unit	2018	2019	2020
Energy consumption	City gas	Nm ³	1,349,169	1,233,299	1,078,255
	Diesel	L	94,988	69,850	70,689
	Gasoline	L	93,062	88,838	80,047
	Electricity	MWh	50,027	48,361	48,214
GHG emissions	Scope 1: city gas, diesel, gasoline	tonCO ₂ eq	3,444	3,112	2,751
	Scope 2: electricity	tonCO ₂ eq	23,322	22,546	22,477
	Scope 3: business trip distance	tonCO ₂ eq	697	458	241
Waste management	Landfill waste discharge	Ton	1,028	1,223	1,194
	Recyclable waste discharge	Ton	1,065	1,071	1,066
Water	Water usage	m ³	379,797	401,261	405,991
Domestic business trip distances		km	3,740,961	4,485,730	2,369,347

02

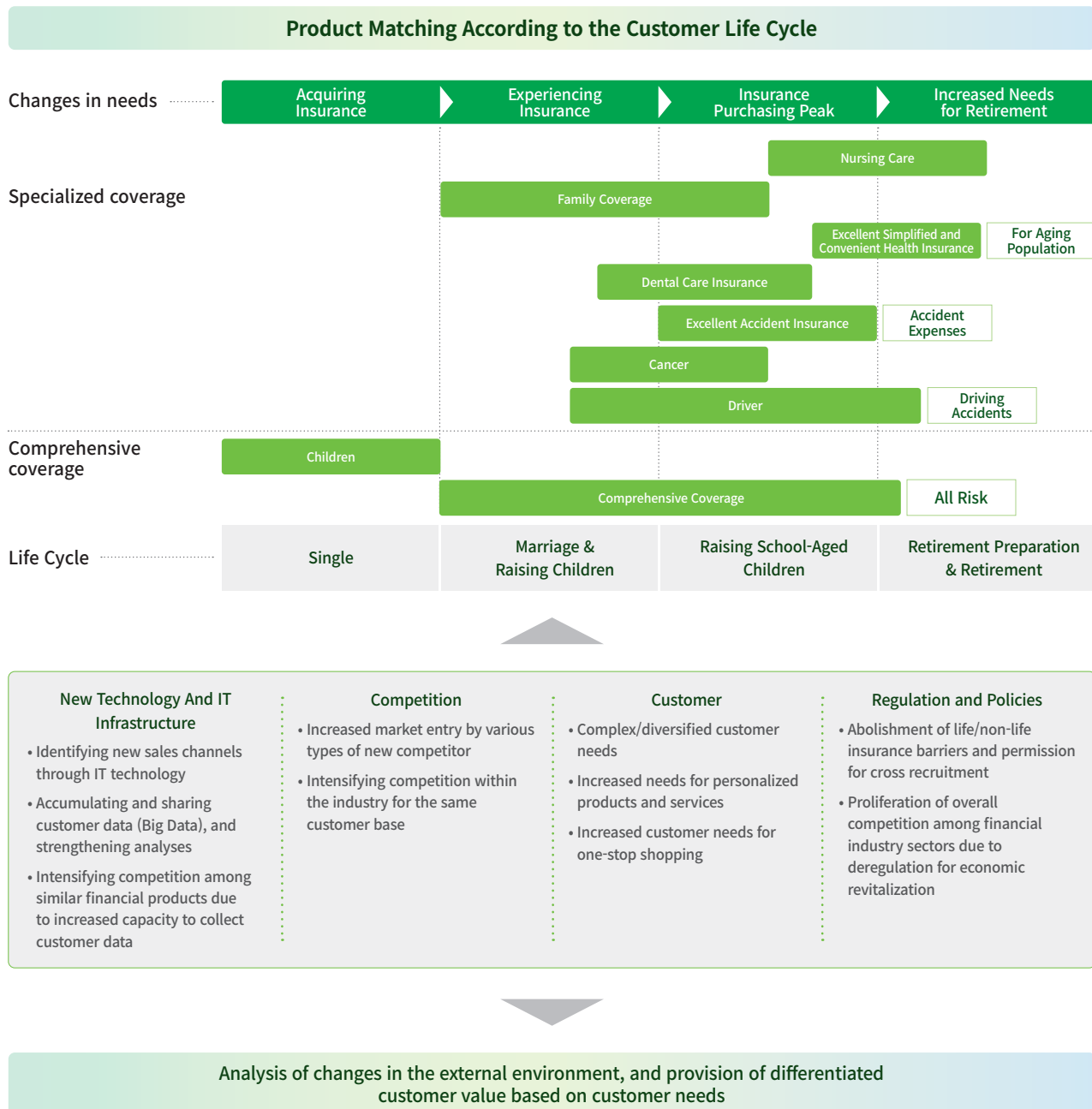
SOCIAL
REPORT

Direction	Creating social values for stakeholders
Promotion Strategies	Fulfilling social responsibilities in connection with the main business • Perform stakeholder-centered social contribution activities • Establish a response system for handling global human rights issues
	Promoting communication with stakeholders • Build an integrated communication system together with key stakeholders • Enhance the fidelity of ESG information disclosure

Customer

Development of customized products

DB insurance strives to provide products and services optimized to our customers by leveraging Big Data analysis and research. By setting an integrated customer experience monitoring system and customer value evaluation model, we promptly identify their diversifying needs while continuously monitoring changes in market economy trends and demographic changes. In addition, we are further strengthening our customer-centered product portfolio by offering tailored products considering their insurance subscription period and life cycle and launching specialized products for each coverage area.



Product and service development process

To flexibly respond to internal and external environmental changes that can cause significant impact on product composition, we have installed a systematic process for product and service development. In particular, the Product Development Deliberation Committee and Strategy Council analyze the social and environmental effects of new long-term insurance and car insurance products to create values that meet the interests of various stakeholders.

DEVELOPMENT PROCESS



Strengthening competitiveness through products granting the exclusive right of use¹⁾

Through diversifying our products considering social and environmental changes and customer needs, we aim to present special values to our customers and strive to strengthen our business competitiveness. Thanks to our efforts, we acquired exclusive rights to use the designations of “Step by Step Health Insurance” and “Very Good Family Health Insurance” in 2016, “Very Good Total Insurance” and “Very Good Motorcycle Driver Insurance” in 2017, “Very Good Driver Insurance” in 2018, “Risk Rate of Long-term Care Diagnostic Test Cost” and “3 types of Risk Rates other than Epilepsy Diagnostic test cost” in 2019, “Risk Rate of Traffic Accidents Aids in less than 6 weeks” and “2 types of Risk Rates other than Diagnostic test cost for Major Cardiac Inflammatory Diseases” in 2020, and “Risk rate other than Pressure Ulcer Diagnostic test cost” in 2021. We earned recognition for demonstrating excellence in product development, successfully acquiring a total of 19 exclusive right licenses and breaking the industry record for the largest number of acquisitions.

1) Exclusive right of use: A scheme under which the General Insurance Association of Korea, after going through a review process, grants exclusive rights to an insurance company to use a certain product for a period of up to one year if the company has developed a creative product.

Acquisition of exclusive rights for Decubitus Ulcer Diagnostic Test Cost and for moderate or higher symptoms

In 2021, we acquired a three-month exclusive right from the General Insurance Association of Korea for the special policy of Decubitus Ulcer Diagnostic Test Cost and the same for moderate or higher symptoms of Decubitus Ulcers, which are included as coverage items under the “More Necessary Income Guarantee Insurance.” A Decubitus Ulcer is a disease triggered by a continuous or repeated pressure or a combination of friction and stress to a body part reaching a state of damaged skin or tissues due to ischemic tissue necrosis that originates from a disorder in capillary circulation. Depending on the severity of symptoms, Decubitus Ulcer is divided into Stages 1 to 4. Symptoms of Stages 3, 4, or higher require several months of medical treatment and recovery. As the aging society accelerates, the number of related patients soared 28% over the last five years, not to mention that this number is increasing as the COVID-19 crisis has created medical blind spots due to the shortage of patient rooms and medical staff.

From the product planning stage at the outset, the priority was to develop a coverage that eases the financial burden of the underprivileged in medical blind spots. Under this scheme, we created a new coverage item for the treatment of Decubitus Ulcers in the post-COVID-19 era. As a result, in recognition of the differentiated coverage items, we were evaluated to have secured a social safety net function and successfully acquired the exclusive right to this product. Aiming to take the lead in the industry, we will continue to develop products that fit trends and reflect consumer needs in a timely manner.

Consumer-centered management

Strategic direction

DB Insurance has established and implemented a consumer-centered management strategy to provide products and services from the customer's perspective. We have implemented a channel to collect various opinions from consumers, and based on the consumer protection system, we protect the rights and interests of consumers at all stages, including sales and compensation.

Consumer Rights Protection Committee

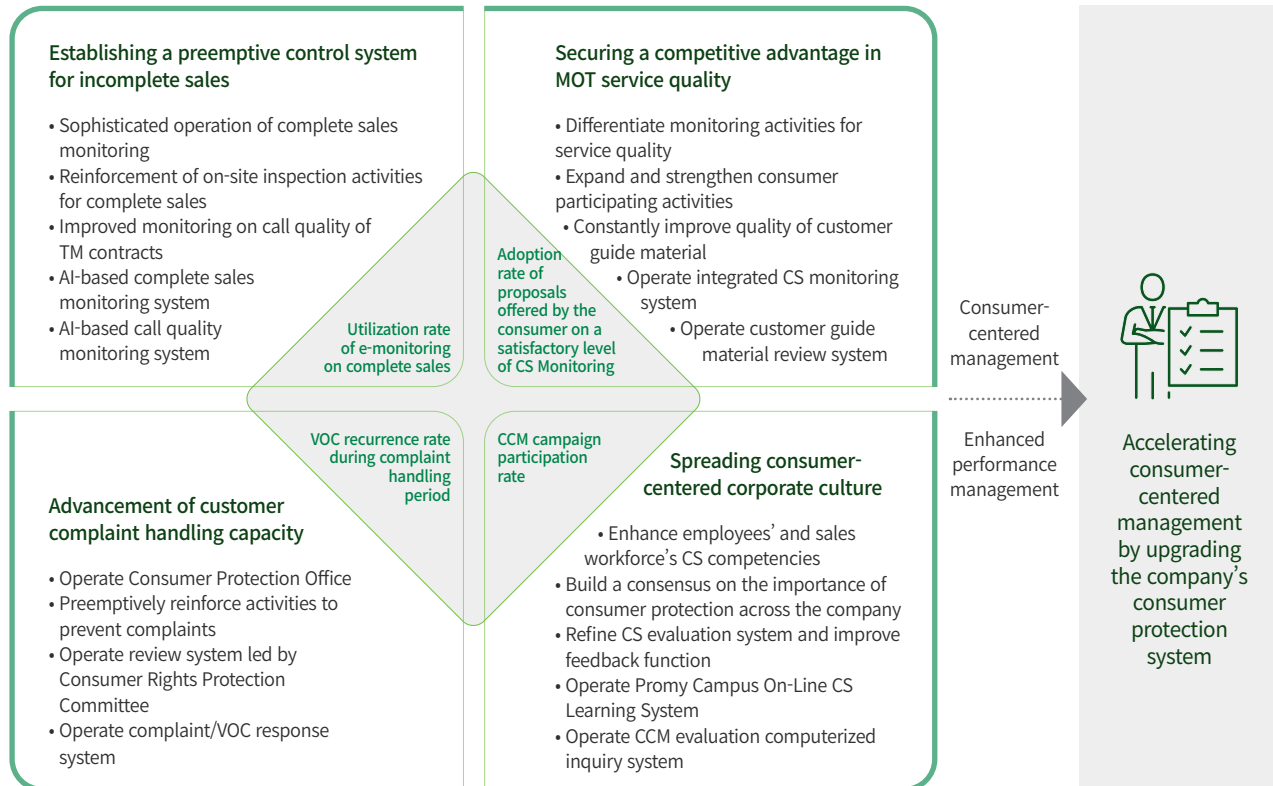
The Consumer Rights Protection Committee meets every week to assist the company in making objective and reasonable decisions in handling customer disputes and complaints. The extent to which these committees are utilized is increasing, as a total of 7,450 consumer disputes and complaints were reviewed by the Committee in 2020, achieving a customer acceptance rate of 6.19%. Additionally, disputes resulting from breach of duty of disclosure are reviewed at the Committee on a regular basis in the presence of medical professionals.

Consumer protection and service management system

DB Insurance aims to practice consumer-centered management by appointing a Chief Consumer Officer (CCO) directly under the CEO and placing an organization under the control of the CCO. The CCO and the organization are granted the authority to screen factors that may deteriorate customer satisfaction in the early planning stages of product, service, and marketing, to stop new product launches, or demand suspension of marketing activities or improvement in case abnormal signs are identified.

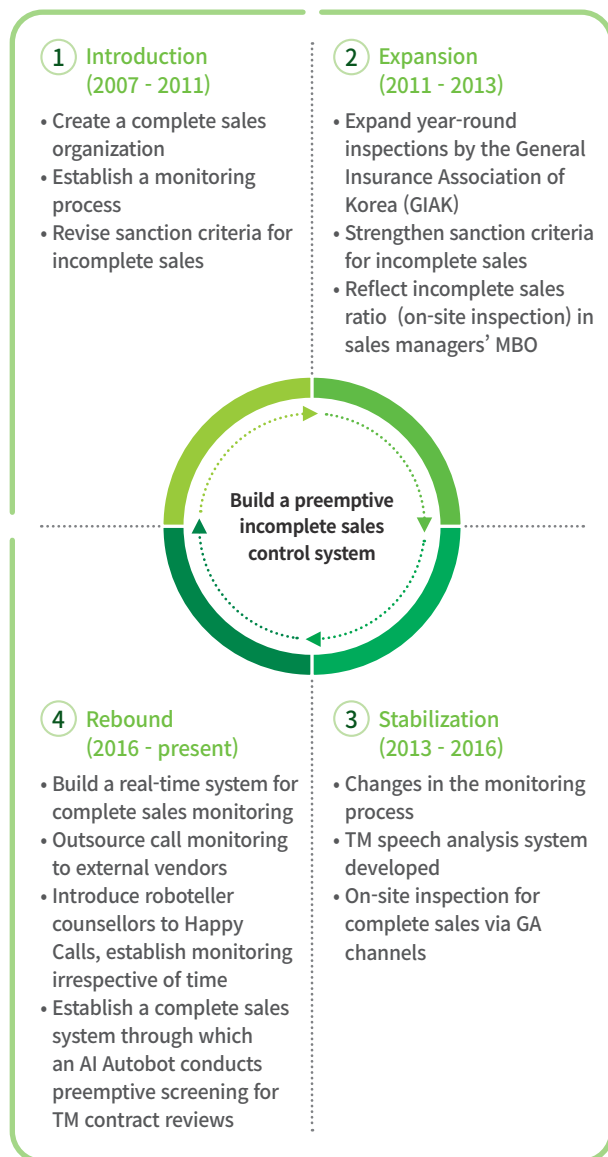
The Consumer Policy Committee, composed of the CCO and executives, reviews consumer-related indicators, including complaints, VOC (voice of the customer), and the sales completion rate every month. DB Non-Life Insurance deliberates on major consumer-related policies independently and promptly and seeks to upgrade relevant systems, to actively improve the consumer experience.

Consumer-centered management strategy



Build a preemptive incomplete sales control system

Roadmap for Complete Sales



Refined Operation of Complete Sales Monitoring

DB Insurance has strengthened the complete sales monitoring process by confirming that customers receive sufficient explanation from recruiters before signing contracts, thereby reducing the number of incomplete sales. In addition, we have established a customer-friendly monitoring system to allow customers to re-confirm, via smartphone, contract details prior to signing. We also outsource our call monitoring service to a specialized third-party agency to improve our customer service objectivity and quality.

Strengthened On-site Checks for Complete Sales

DB Insurance has developed leading indicators to manage incomplete sales factors on-site. We make periodic disclosures of these indicators and conduct on-site inspections of sales groups that demonstrate poor performance. In addition, we have simplified offline inspections by conducting them online to facilitate prompt responses to changes found on-site. Based on this, sales organizations are conducting voluntary quality improvements for complete sales and are minimizing incomplete sales at customer contact points.

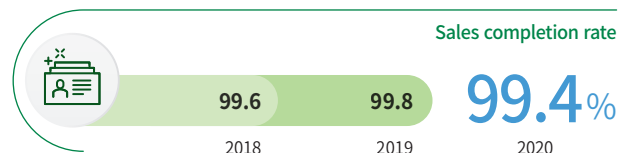
Improve monitoring of TM channel calls

To foster stable TM contracts through GA (corporate agencies) sales channels, we have established and are operating a call monitoring system. In addition, we have developed an electronic script that is aimed at raising customers' understanding of products and improving contract quality, thereby preventing inadequate product and service explanations or omissions. Through this, we are improving negative perceptions of TM-initiated contracts while preemptively eliminating elements that infringe on consumer rights.

Business Case

Winning "Hall of Fame" Award of Consumer-Centered Management (CCM)

As the first among our peers in the non-life insurance industry to acquire Consumer-centered Management (CCM) certification seven consecutive times from the Fair Trade Commission in December 2019, DB Insurance won the "Hall of Fame" award at the "25th Consumer Day Ceremony" in December 2020. CCM certification is a system under which the Korea Consumer Agency reviews and Fair Trade Commission certifies whether the business activities of a company are managed from a consumer-centered perspective, and whether related management activities are constantly being improved. In particular, the "Hall of Fame" award is given to companies that have obtained the most number of certificates consecutively over the years since the start of the CCM certification system in 2007 and is given the right to use the CCM Hall of Fame premium mark.



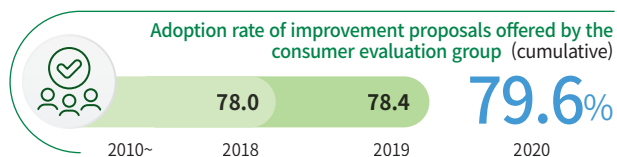
MOT (Moment of Truth) Securing A Competitive Edge for Service Quality

Enhancement of CS Monitoring

We have not only changed our call response monitoring to a “mystery” method, but have also linked customer complaints, at each contact point, to the VOC process. Through this continued management, we are striving to practice customer-centered management (CCM). In addition, we provide feedback for improvements to departments with poor monitoring scores through CS quality improvement meetings. We also cooperate with external survey agencies to conduct customer satisfaction surveys, and analyze the results to establish improvement plans for each contact point department.

Expand and strengthen consumer engagement activities

To strengthen communication with customers and improve service quality from the consumer's point of view, we have had a consumer evaluation group since 2010. By 2020, a total of 274 people served on consumer evaluation panels where 764 (79.6%) of 960 opinions were reflected in improving services, such as requesting objective assessments on service quality, identification of areas for improvement, and differentiation of products and services. Notably, the “Consumer Policy Advisory Committee,” for which outside experts are invited to participate in the consumer evaluation group and Consumer Policy Committee, is the first in the industry. Through this system, we were able to gain professionalism and objectivity in enhancing consumer policy and service quality.



Continuous quality improvement of customer guide material

Customer guide material, such as printed materials, text messages, and e-mails, are prepared in accordance with our guidelines, which are continuously improved through standardization processes in stages. Furthermore, the history of the guide materials is also managed by a review system. Due to the revision of Financial Consumer Protection Best Standards in 2020, the pre-deliberation process on advertisements has become stricter. In this respect, to raise the eligibility rate for pre-deliberation, we have been delivering monthly feedback to the department in charge of preparing/reviewing customer guide material to reflect the relevant improvements.

Enhancement of Customer Demand Handling Capability

Operation of a Consumer Protection Division

Through the introduction of the Consumer Protection Division, DB Insurance strives to address various VOC issues. The division promptly resolves customer complaints and VOCs in the sales field, providing quick support to resolve issues from the consumer's perspective. With the introduction of the Consumer Protection Division, we have been able to visibly reduce the number of recurring VOCs.

Improvement of the “problem consumer” response system

We have created the “problem consumer response manual” to implement consumer protection and shield our employees from problematic consumers. Based on real-life cases, we composed a manual that covers “preventing problem consumers,” “types of and responses to problem consumers,” “cases of responses to problem consumers,” “crimes by problem consumers and cases of punishment,” etc., and have enhanced the efficiency of customer responses.

Strengthening Preemptive Activities to Prevent Customer Complaints

We have also introduced the “customer complaint early warning system” and have established a preemptive complaint prevention system for types of customer complaints that frequently occur. The system determines complaint “caution” and “warning” steps based on the number of complaints raised and notifies the complaint-handling sites, allowing signs of repetitive complaints to be detected in advance. It not only collects and manages the number of complaints raised, but also the information contained within each case, enabling comprehensive customer complaint monitoring.



Consumer Evaluation Group

Establishment of a consumer-oriented corporate culture

Enhancing CS competencies of employees and sales workforce

DB Insurance designated the 3rd week of the month as “CCM Week.” This is intended to establish consumer-centered management (CCM) culture across the company by enhancing CS quality and promoting activities that help strengthen company-wide CS competencies. To raise employee and sales personnel’s awareness on financial consumer protection, we hold practices for each day of the week: “Monday, let’s compliment good service!,” “Tuesday, empathy with VOC!,” “Wednesday, remember CCM Quiz!,” “Thursday, promise CCM learning activity!,” and “Friday, practice complete sales!”

In addition, we operate various CS education programs including online CS learning at Promy campus for all employees, CCM conferences and CS level-up training for all CS coaches, and CS education for new hires and the sales workforce at branches. Moreover, with the purpose of realizing consumer protection by ensuring the rights and interests of financial consumers, we hosted a Consumer Protection Conference for executives and employees in charge of consumer protection and shared consumer protection policies guided by the financial authority and the company. Also, in an effort to internalize consumer-centered management, we shared the best and worst CS practices through in-house broadcasting, promoted CCM campaigns on the theme of communication and compliments between executives and employees.

Forming Company-wide Consensus for Consumer Protection

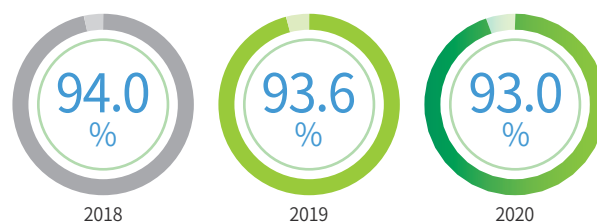
As a part of our efforts to prevent customer complaints, we share key complaints through our portal system to raise employees’ interest in VOC. Meanwhile, we also run the “Consensus! VOC” program, where we share issues, implications, and improvements that arise during the VOC handling process. In addition, we operate the “CCM Training Center” program for employees who receive frequent customer complaints and for sales partners with incomplete sales. In this program, complaint prevention competency enhancement courses, VOC consulting courses, complete sales courses, and consumer experience courses are offered to establish a foundation for consumer protection. As a result, we have become the first non-life insurer to acquire the Fair Trade Commission’s CCM certification 7 times in a row.

Refine the CS Evaluation System and Strengthen Feedback

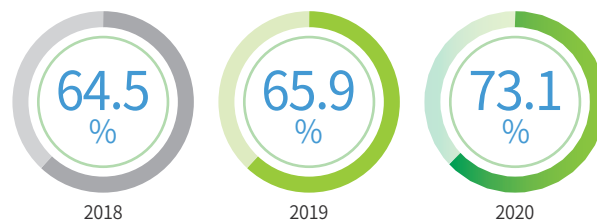
In order to establish a customer-centered corporate culture, we are actively motivating our employees to provide high-quality customer service. This is achieved by strengthening the CCM MBO and the monthly/quarterly CCM quality awards, and by awarding employee prizes at our semi-annual management strategy meetings. Meanwhile, we also share system-based CS evaluations to raise our employees’ awareness of CS improvements, and provide CS consulting to departments with poor CS evaluations to strengthen feedback.

VOC Management

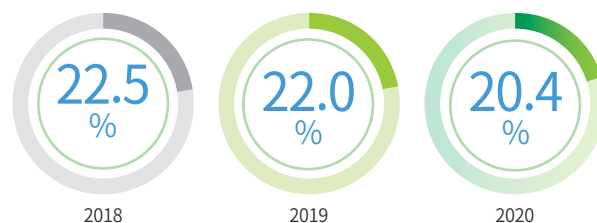
Response within 1 hour



Completion within 24 hours

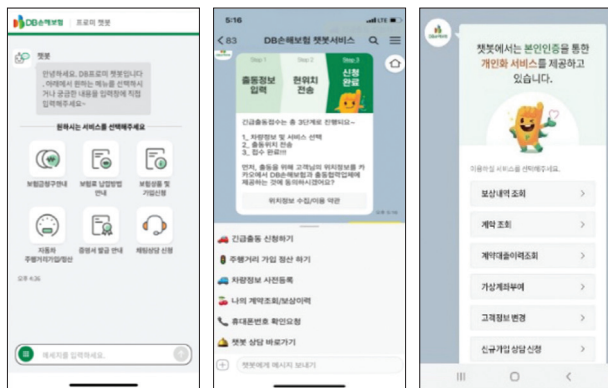


Recurring VOC



Promy chatbot service

DB Insurance is developing a wide range of services to proactively respond to the changing financial environment by accommodating non-face-to-face communication and activities. We introduced “Promy Chatbot Service,” an artificial intelligence (AI) chatting service to provide immediate answers to customers for any questions they have about insurance. Through the AI-powered Kakao Talk chatbot service, customers can also access automated services, including applications for emergency on-site dispatch, inquiries on contract information, insurance consultations, and registration and settlement of the special automobile mileage policy.



KakaoTalk chatbot service screen

Continuous improvement of the emergency on-site dispatch process

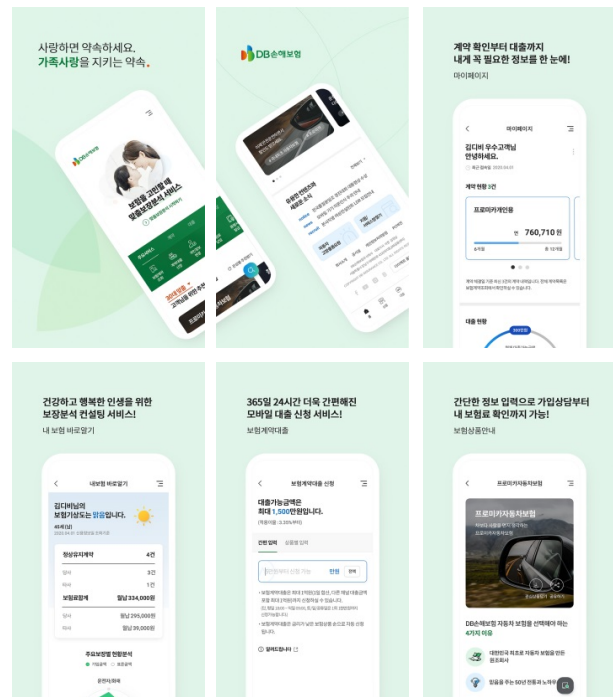
The “Database for Customer experience on Emergency On-site Dispatch” was introduced to provide faster emergency services to customers. Using this database, we have established a process that enables quick guidance on the vehicle number to an emergency call and immediately apply for the service that a customer needs. This has increased the speed of the emergency call process by two to three times.

Integrating main website and mobile app and relaunching

Reflecting the changing trends and user-oriented UI and UX, we updated our main website and mobile app in 2020. This renewal was designed to go beyond the functions of simply providing services but to deliver services to customers and at the right timing to meet their needs. Notably, it has implemented a “Big-Data based customized service” on its online channels, a method that the industry recently focused on.

The relaunched website and mobile app consist of customer-centered processes and relevant content and provide 144 new services alongside the existing services. Particularly, it renders a wide range of services tailored to customers, such as “Get to Know My Insurance,” a customized counseling service using the data of Korea Credit Information Services, and “Notice on on-site staff to be dispatched,” which provides the location of the staff to customers who applied for emergency dispatch.

In addition, we analyzed items which customers frequently ask through the DB Insurance Customer Service Center (1588-0100) and uploaded those items in the form of “recommended search terms” on the search databases for the website and mobile app. This enables customers to make use of the service more promptly and conveniently online.



DB Insurance Mobile App Screen

Visible-on-Screen ARS Service

The 'Visible-on-Screen ARS Service' additionally provides a voice ARS-synchronized web screen across all stages of ARS. This service eliminates the inconvenience of existing voice ARS, wherein users had to listen to multiple stages of voice messages when using the service. It also offers quicker and more convenient access to customers who find it difficult to handle the ARS process solely through voice or screen guidance. Furthermore, the Visible-on-Screen ARS service guides customers directly to mobile web screens during peak hours, public holidays, or after business hours, thus enhancing customer convenience.



Visible-on-Screen ARS – screen

Enhancement of Customer Satisfaction through the Strengthening of Healthcare Services

DB Insurance offers healthcare services, providing customized health consultations with medical professionals, as well as consultation booking through partnerships with specialized healthcare companies. To provide greater accessibility to more customers, we also offer our services through wearable devices, mobile apps, and online and offline platforms. Moving forwards, we will continue to improve our services to enhance customer satisfaction.



Online/offline information

Diversifying customer communication

Online communication channels

DB Insurance operates various social media channels to promptly identify customers' interest and respond to their needs, including online communication channels such as the official blog, My Car Love Blog, I-Sarang Blog, Kakao Story, and Facebook. Each channel posts on many subjects, considering the area in which each generation is the most interested, such as daily life, recent trends and travel as well as finance and insurance and also introduces insurance products that fit each generation to help their understanding of insurance.

“Get in Touch with Customers” Activities

DB Insurance hosts diverse events and activities in which our customers can participate, thus actively marketing our flagship products and promoting our brand. For those in their 20s and 30s, we provide consulting for children's insurance through participation in the Children's Expo, and have been providing medical information and holding “Pregnancy Classes” on how to stay healthy during early-stage pregnancy. Since 2017, we have also been offering “Women's Driving Classes” for new drivers and Children's Traffic Safety Classes, in which we educate children about the Traffic Safety Act. Through these efforts, we have enhanced public marketing activities for women and children. Going forward, we will run various offline events for diverse customers to expand the scope of our communication.

Family love campaign to empathize with customers

We have been operating “Family Love Photo Studio” every year since 2018, providing photo services to customers and their families during Family Month. It is a type of family love campaign that aims to empathize with customers.

Customers who participated in the offline event held in Yangyang, Gangwon-do in August 2020 had a great time decorating their masks with DIY stickers and taking family photos by professional photographers. Also, the online version of the campaign held many events including a family photo event, a #familystagram hashtag event, and a prize event in August attracted great interest from the customers. Customers can write a heartfelt letter for the online campaign Family Love mailbox. This letter is then delivered to their loved ones as a pretty card, and the entire service is free. We hope that our online and offline family love campaigns serve as precious opportunities to reawaken the love of family among customers who are exhausted from dealing with COVID-19.

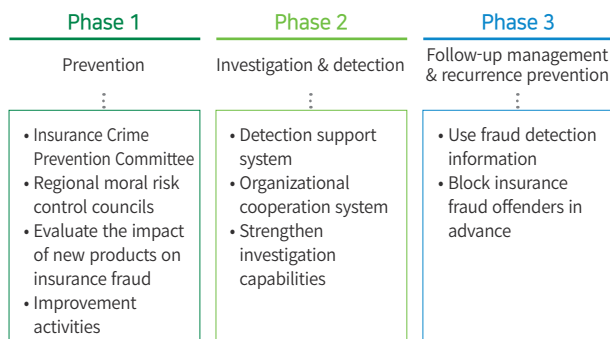
Public marketing activities creating social values

In 2019, “DB Insurance Transportation and Environment Challenge” was launched, a program that aims to discover and assist social venture companies possessing innovative technologies for solving social problems in the sectors of transportation and environment. It is the first mid- to long-term social contribution project in the insurance industry that supports solving social issues through innovative technologies. Following the 1st project held in 2019, we selected 5 promising social venture teams through screening processes for the 2nd project in 2020. For those selected social ventures, business subsidies and 1:1 accelerating assistance for training key entrepreneurial competencies in legal, tax, accounting, and marketing areas will be offered. We anticipate that the project will contribute not only to solving transportation and environmental problems but also creating new hires through the growth of social enterprises and start-ups.

Prevention of Insurance Fraud

Preventing Insurance Fraud

To prevent insurance fraud, we conduct activities to improve contract quality by capturing moral risk issues in 7 regions and reviewing their systems. In addition, a “Moral Risk Control Council” is held at the head office and regional branches every month, through which the regional sales and insurance compensation divisions build a cooperative system to share insurance fraud cases and coordinate a response against them. We also hold the “New Moral Risk Discovery Council” once a month to identify new types of moral risk through the collaboration of CAS/CSI. At the same time, we operate the Insurance Crime Prevention Committee according to the “Insurance Crime Prevention Regulations.” The committee sets basic policies for controlling insurance fraud and goes through an in-depth deliberation process on sanctions posed against those involved in insurance fraud. As part of our effort to raise company-wide awareness on insurance fraud alerts and promote internal reporting, we have been investing to improve relevant infrastructures, including operating ARS for internal reports, systemizing reward payment for internal informants, and systemizing the evaluation of internal reports made by sales organizations.



Business Case

Reinforcement of company-wide insurance fraud control

To strengthen our capabilities for detecting and preventing insurance fraud in line with growing risks, in 2019, the SIU¹⁾ department expanded its size, reorganizing into SIU operation and SIU support.

The SIU division carries out various activities to form a consensus on insurance crime control, including annual insurance crime analysis and detection BP contest for sharing exemplary cases and techniques, a monthly “Empathy! Loss Rate DAY” that is done through the in-house broadcasting system to prevent insurance fraud. In addition, we provide SIU investigators outside statistical analysis training courses as part of our effort to improve analysis competencies for insurance fraud.

Thanks to these efforts, we won the Grand Prize and Excellence Award at the “Excellent Insurance Fraud Prevention Contest” hosted by the Financial Supervisory Service, earning recognition for our No. 1 industry-leading competency. Also, our Big Data-based insurance fraud detection system was highly evaluated, winning the Financial Services Commission Chairman’s Award at the “Herald Insurance Grand Prize” hosted by Herald Corp.

1) SIU (Special Investigation Unit): Special team that investigates insurance fraud

Business Case

Research on “Changes in the trend of Insurance Fraud of Foreign Cars” selected as an exemplary case of preventing insurance fraud

The study on “Changes in the trend of Insurance Fraud of Foreign Cars” conducted by the SIU Support Division of DB Insurance won the Excellence Award at the “Excellent Insurance Fraud Prevention Contest” hosted by Financial Supervisory Service in 2020. The study was chosen as the best practice for its detailed analysis on changing trends of insurance fraud, such as car tuning using replicas, and the development of appropriate investigation methods in response to those types of frauds.

Based on our study, it was found that compared to the previous insurance fraud that was mainly committed by excessively and falsely charging service fees and rental fees, they have evolved differently as of late, using cheap duplicate components instead of genuine parts, marking the number and price of the genuine component on the duplicate, thus stealing the difference in the amount between the duplicate and genuine component. In addition, since 2019, we have conducted a sample survey of 5 tuning companies renowned for their internet advertisements and discovered that hundreds of illegal tuning claims worth KRW 1.5 billion have been falsely charged. Based on the results of this study, DB Insurance plans to establish and implement a company-wide response plan across the sales department, compensation department, and SIU against insurance fraud based on components.

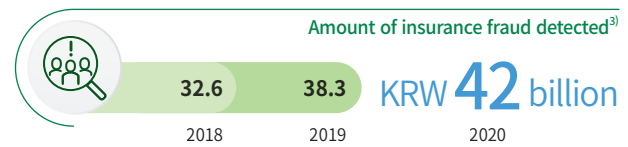
System improvement to support insurance fraud detection

To support activities that detect insurance fraud, we rearranged our Insurance Fraud Detection System (IFDS)²⁾ in 2019 and created an integrated data-based compensation system that manages the entire process from receiving accident reports to settling compensation payments. The system outlines the basic direction for insurance fraud investigation by giving analysis on the past accidents and detection data in a calculated score to compensation personnel. It also greatly reduced human error by compensation personnel.

In addition, since 2016, we have been making efforts to protect the personal safety of our compensation personnel by utilizing a safety support system, and we promptly identify the problem customer to take preemptive measures when necessary. Also, we now show the abnormal indicators relating to hospitals and repair companies so that information can be easily obtained when conducting accident investigations. Furthermore, we have been preparing for the establishment of an investigation system that effectively supports compensation personnel from 2020. Once the network analysis pilot project to detect conspired insurance fraud is finalized, the main project will be carried out.

Client Insurance Fraud Response System

To effectively respond to insurance fraud arising from partners such as hospitals and repair centers, DB Insurance has re-established the SIU survey and investigation process and is actively supporting effective evidence gathering activities by claim adjustment workers against clients committing illegalities. Combining data analysis and claim adjusters' opinions, we select target clients and cooperate to enable short yet intensive evidence-gathering activities. In particular, for hospitals suspected of committing insurance fraud, we establish specialized management measures and conduct intensive investigations by specialist investigators.



2) IFDS: Insurance Fraud Detection System

3) Adjustment of the detected amount due to establishment of industry-wide calculation standards

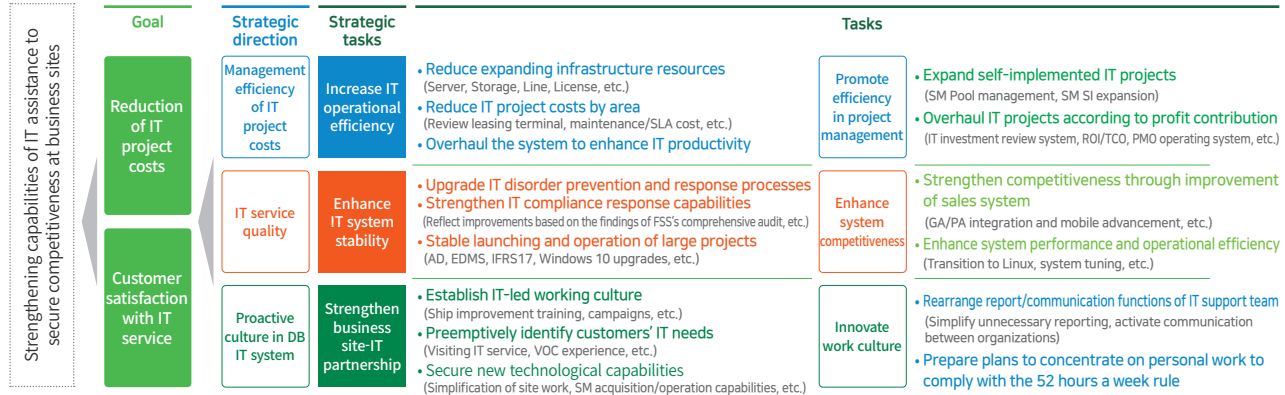
Performance

Index			Unit	2018	2019	2020
Complete sales rate			%	99.6	99.8	99.4
Sanctions made through internal inspection of incomplete sales	On-site inspection (Individuals)	Sales suspension	Person	766	769	688
		Warning		1,040	1,161	963
	On-site inspection(TM)	Sales suspension		131	34	20
		Warning		509	334	224
CS monitoring score ⁴⁾			Point	96.2	96.1	95.2
Customer satisfaction survey DCSI ⁵⁾			Point	75.4	75.8	77.3

4) Internal customer satisfaction survey of customers with service experience

5) DB Insurance customer satisfaction survey (preliminary survey by KS-SQI).

IT·Security system establishment



Strengthening IT management capabilities across the value chain

The 4th industrial revolution is in full swing, driven by innovative ways to solve social problems in the transportation and environment sectors. The insurance paradigm is also rapidly shifting to the digital platform. DB Insurance is pushing to advance its IT system across the entire process, ranging from product development to customer response, to become a leading InsurTech company. First of all, a digital foundation along with a mid- to long-term information strategy plan (ISP) was established in 2016. Accordingly, four major strategic directions were set to aid its soft landing as a digitally transformed organization by 2020 and the digital super convergence stage after 2020. These directions are driving the initiatives for Big Data, AI, blockchain, and insurance platforms. In addition, we are actively carrying out activities to improve lead time to enhance efficiency in IT project management and to operate IT assets in an efficient manner (U2L conversion¹⁾, storage/line efficiency, etc.).

1) U2L (Unix to Linux): system transition from Unix to Linux

Strengthening business site-IT partnership

To advance our customer systems at business sites, we have been conducting activities to stabilize IT service quality by facilitating a preventive and preemptive disorder response system and inspection activities, as well as supporting actions to reinforce business sites that increase the IT competitiveness of each applicable channel. To support this, we are continuously carrying out IT projects that help us enhance our capability to respond to IT issues. We are also strengthening the communication channel between IT-related departments to efficiently adapt to internal and external changes. In 2020, under the theme of establishing an IT-led work culture, we conducted Ship enhancement training and campaigns for employees by position and rendered three types of support (business site visits, IT meetings, and real-time monitoring) to resolve on-site VOCs. Additionally, we explored new business areas to expand RPA²⁾ application regarding the calculation of car insurance premiums, insurance accounting results, and confirmation on errors and input omissions.

2) RPA (Robotic Process Automation): automating repetitive and simple business processes by applying SW

Improvement of IT service quality

Our company-wide IT system is reinforcing its integrated management system, including business site support and internal system efficiency based on business processes. By leveraging the life-cycle management system, we efficiently and effectively provide IT solutions to the areas in need. Also, we have been improving weak points to increase operational efficiency and further strengthen the quality of data. Moreover, we aim to realize a stable operation of the IT system by optimizing the performance of infrastructure and applications in the entire business process. With these activities, we have accomplished faster and accurate processing of information at each decision-making stage, and productivity is also increasing. In addition, to secure business continuity, we perform detailed analysis on disorder types, their portions, and post-disorder processes. By doing so, we can shorten the disordered period to secure productivity and business continuity, and contribute to the company's achievement of high performance through stable management of IT disorders. Going forward, we will continue to encourage projects to improve IT service quality so that customers and employees can trust the entire process of our information security and all DB Insurance solutions.

Establishment of a Digital Working Environment

Due to the COVID-19 outbreak, we have increased virtual PC capacity and installed related equipment to provide an optimal telecommuting environment. In addition, we opened a non-face-to-face video call system so that on-site dispatch staff can handle insurance compensation through video-only calls and also adopted a video conference for the 2nd Half of 2020 Business Strategy Meeting, creating a non-face-to-face meeting culture. By integrating the portal UI used at the sales site and re-setting GA mobile and cyber marketing (CM) channels, we are proactively promoting digital strategic tasks across the company with the main purpose of enhancing our digital competitiveness going forward.



Enhancing the efficiency of IT project cost

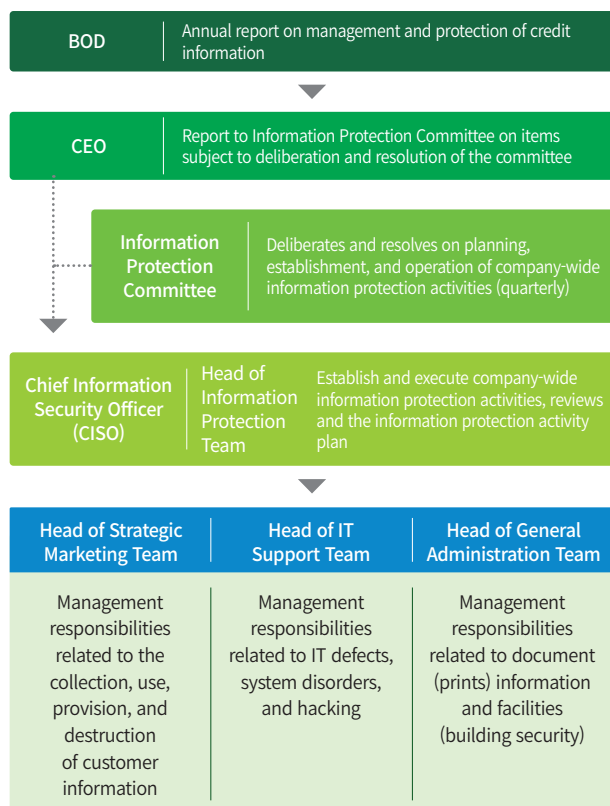
KRW 6.6billion

Privacy Protection

Management System for Information Protection

Acknowledging that information protection is a key part of management risks, DB Insurance has established a company-wide management system for information protection. To ensure watertight information security, we run a 24/7 year-round integrated security control system, voluntary information protection audits of the IT environment, and website assessments at least semiannually by outside experts, etc. In addition, we periodically verify whether our customer information protection is sufficient through inspection of the personal (credit) of contractors, an inspection of insurance subscriber recruiting contractors, on-site inspection of collected consent forms to insurance plans, and monitoring of excessive inquiries on customer information. The results are reported to the BOD on an annual basis. Furthermore, we operate the Information Protection Committee, attended by the CISO and key senior management members, to discuss major information protection issues and report the results to the CEO. To minimize information protection risks, we have also purchased "Private Information Liability Insurance" and "E-financial Transaction Liability Insurance" to cover our third-party liabilities related to company-wide information protection.

Information Security Management Governance

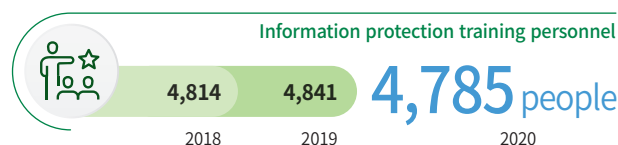


Reinforcing information leakage prevention system

To ensure business stability against increasing cyber threats, DB Insurance assesses the appropriateness of information protection levels and information access control methods and constantly upgrades them. Since 2014, we have acquired certifications in Information Security Management System (ISMS), establishing a comprehensive information protection system. After the outbreak of COVID-19, we have further improved the efficiency of the integrated security control system to make timely responses to changing work patterns. In addition, through the customer information consignment system, we conduct security checks on the consignees. As a result, from 2013 to 2020, there was not a single violation related to the leakage of customer information.

Internalization of awareness on information protection

To internalize all employees' awareness of information protection, we not only set employee behavioral guidelines for personal information protection, but also carry out relevant training on a regular basis. In 2020, we provided 12 training courses on the Personal Information Protection Act, Credit Information Use and Protection Act, and Financial Security Act and on understanding the information protection scheme to all employees as well as information protection training for IT consignees and insurance solicitors. Also, programs to help the fast recovery of business in event of emergencies such as intrusion, disorder, or disaster, are conducted every year, including incident response training (e.g., server hacking, DDoS attack, malware mail), disaster recovery training and business continuity plan (BCP) simulation training.



Strengthening customer information protection and monitoring abnormal signs

We strive to keep customer information safe by encrypting and storing customer data in a structured (DBMS) or unstructured format (images, recordings). We also check whether the statutory obligations in relation to website disclosure, security agreements, and education/inspections are fulfilled, and carry out a quarterly review on insurance planners and agencies to improve weak points, if any. Our focus is concentrated on preventing compliance issues. Thus, we constantly overhaul the access control of customer information and provide training on precautions on personal information that insurance solicitors must know in their sales activities.

Employees

Respecting Human Rights

Principles of Human Rights

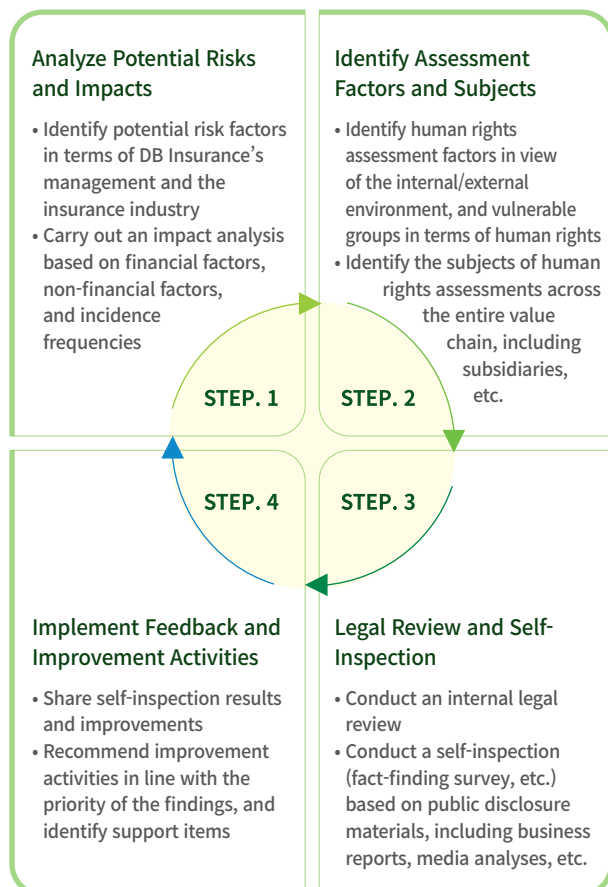
At DB Insurance, we run various programs to protect the human rights of all our employees. In addition, we operate a 24/7 social media reporting (whistleblowing) system so that human rights violations can be swiftly responded to.

Human Rights Improvement System

Human Rights Due Diligence

DB Insurance and its subsidiaries conduct periodic due diligence to preemptively respond to potential human rights impacts and risks. The Compliance Department conducts on-site inspections to ensure compliance with the Code of Ethics, while the Human Resources (HR) Department checks for human rights issues through the Corporate Culture Council. Incorporating a whistle-blowing system, we also operate channels that continuously collect information concerning human rights issues.

Human Rights Due Diligence Process



Respect for Diversity

To respect the diversity of our employees and avoid unreasonable discrimination, DB Insurance states in Article 6 (Employment Opportunity) of our Rules of Employment that "when the Company recruits and hires individuals, it shall not unreasonably discriminate on the basis of gender, age, religion, social status, regional background, educational background, marital status, pregnancy, childbirth, or history of illness" and also that fair opportunities for compensation are provided. As of the end of 2020, DB Insurance's female employee ratio was 57.4%, accounting for 2,620 out of a total of 4,567 employees (excluding executives).

Identifying and Supporting Vulnerable Groups

DB Insurance conducts satisfaction research and surveys to identify marginalized groups that are exposed to a high risk of human rights violations. As a result, we have identified employees and partners at customer contact points, such as call center personnel who regularly communicate with customers via phone, as well as sales and claim adjustment partners, who sell and provide products and services to customers face-to-face, as vulnerable groups. To this end, DB Insurance offers a counseling channel to support our customer center personnel and sales/claim adjustment partners.

Activities to improve Human Rights

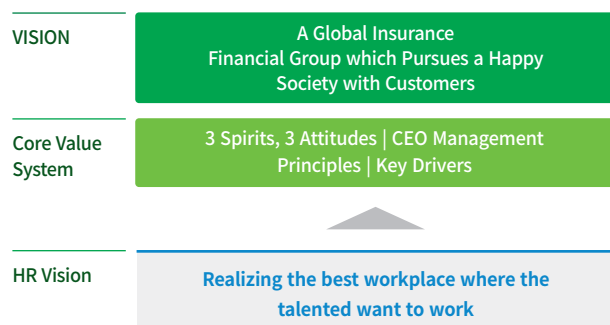
Issues	Vulnerable Classes	Improvement activities and Remedies in 2020
⋮	⋮	⋮
Reinforcement of statutory working time management system	All employees	Newly established employee support system including a health checkup leave system, flexible working hours/staggered working hours, mental health services (free medical treatment by a psychiatrist)
Reinforcement of the gender equality system	All employees	- Introduced women workforce development program to foster female managers - Mandatory inclusion of female executive/employee in the interview panel when hiring new employees
Expansion of the scope of customer-facing employee subject to protection	All employees	- Adjusted the scope of protection that was previously covering only the customer contact points (sales/compensation personnel) and call centers, to include all employees - Provided training on "Problem consumer response manual" - Established and implemented a consumer response system using Big Data analysis - Psychological counseling room and dedicated masseur

Human Resource Management

Human Resources Vision System

Based on the management principles of the CEO, which consists of the pursuit of facts, mutual communication, and autonomous management, DB Insurance operates a systematic human resource management system and strives to create the “best workplace where the top talents want to work.”

Human Resources Vision System



Job Security for Human Resources

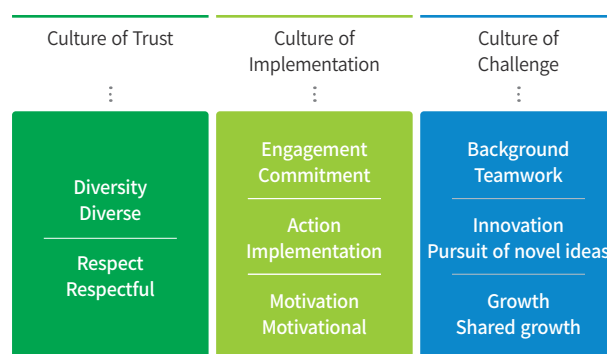
At DB Insurance, we have been converting temporary employees to permanent employees in an effort to establish a foundation of job security prior to the enforcement of legislation on non-regular employees. In 2021, we transferred 1,660 TM consultation workers to permanent positions and have subsequently been reducing our ratio of temporary positions. As of 2020, DB Insurance’s temporary (contract) employees account for 2.26% of our entire workforce (103 out of 4,567; excluding senior executives)

“Dream Big” Corporate Culture Execution System

Promotion System

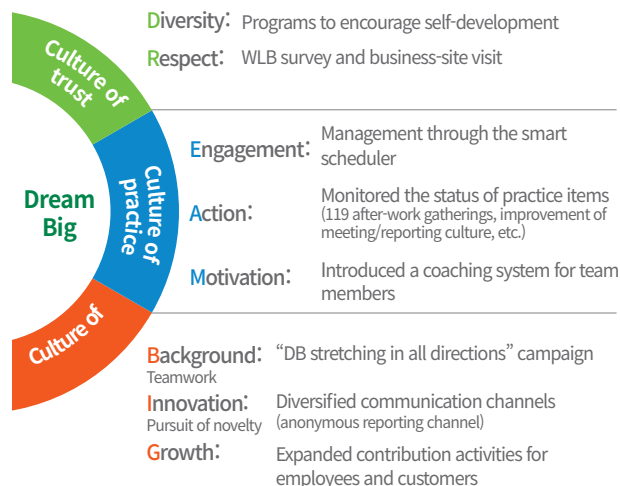
To establish a brand-new DB culture, we have defined “trust”, “challenge”, and “execution” as initiatives, and have identified the eight keywords of “diversity,” “respect,” “engagement,” “action”, “motivation”, “background”, “innovation,” and “growth.” These keywords reflect the initials of our “Dream Big” slogan. Based on this promotion system, we are offering various systems and programs to create a lively DB culture characterized by “challenging and implementing on a foundation of trust.”

Dream Big



Building DB’s corporate culture

With the goal of building a corporate culture centered on trust, practice, and challenge, we carried out our utmost efforts to form a DB corporate culture across the company by establishing a corporate culture activity plan for each keyword and putting it into practice.



Corporate Culture Council

DB Insurance operates a Corporate Culture Council that collects complaints from business sites to reflect them into management activities and runs a workshop led by opinion leaders composed of junior boarders in each business area every first and second half of the year. Given the COVID-19 situation, the council members who were selected in February 2020 gathered opinions on ways to improve corporate culture and shared the WLB survey results through online meetings. Among the opinions collected, those items that are deemed applicable at business sites are implemented after being discussed

※ DB Insurance takes complaints after listening to employees' opinions every year, and matters discussed at the Labor-Management Council are applied to all employees. (Guaranteed freedom of association in 2020: 100%)

Employee Engagement Index (EEI) Survey for a Better Work Environment

Since 2018, DB Insurance has been carrying out an annual Employee Engagement Index (EEI) survey to monitor employee work engagement and implement company-wide improvement measures. Through the EEI survey, we collect opinions from each position, division, department, and work category, and thus implement tailored improvement activities to enhance work engagement and productivity.

Employee Engagement Survey Result

Index	Unit	2019	2020
Rate of Industrial Accidents	%	0.02	0.02
Welfare and benefit expenses per person	KRW million	16.4	17.1
Employee Engagement Index (EEI)	Point	82.5	82.7

Family-friendly management

Pursuing Work-Life balance

Through various programs that focus on ways to improve WLB (Work-Life Balance), we strive to create an environment where employees can concentrate on their work and create a lively DB culture. We are carrying out activities including a PC-OFF rule, intensive working hours, smart meetings, and improving after-work gathering culture for increased work efficiency, and we have also introduced the RPA (Robotic Process Automation) system to automate repetitive tasks. Moreover, Family Day, encouraging using annual leave, and summer resort programs have been adopted to let our employees recharge their energy and enjoy time with their families. We believe that based on these efforts, DB employees' satisfaction with WLB is steadily improving.

Implementation of a Maternity Protection System

At DB Insurance, we offer various programs to create a work environment friendly for our female workers. We provide 90 days of prenatal and maternity leave to help with the restoration of psychological and physical well-being, as well as supporting medical costs for childbirth or miscarriage/stillbirth to mitigate the economic burden of childbearing. We also help them focus on childcare by providing leave for prenatal diagnoses, paternity leave, childcare leave, and reduced work hours, etc. As a result of this support, 100% of female workers who took prenatal and maternity leave in 2020 returned to work. In addition, we offer quality childcare services for the children of our employees. To create a safe and pleasant childcare environment, we also operate the "Promy Loving Child Kindergarten." This is run by the Puruni Child Care Foundation, which has proven expertise and experience in childcare. As of December 2020, 39 children attended kindergarten. Furthermore, we have adopted a telecommuting system in which female workers can carry out consultations and other services from home, with 36 female workers telecommuting as of December 2020.

Key Family-friendly Management Programs

Program	Details
Children's school expenses	- Kindergarten: KRW 100,000 a month for 2 years - High school: Entrance fee, tuition, and school support fees (full) - University: Entrance fee and tuition (full)
Dream Big Plaza	Employee-only site for sharing GWP activities by department, fun events, core values, corporate culture improvement activities, and social contribution activities
Summer vacation facilities	A total of 24 vacation facilities across Korea that can accommodate up to 795 persons
Company resorts	A total of 202 units nationwide

Envigorating communication

With the purpose of enhancing work efficiency and synergy through flexible and active communication, DB Insurance operates various channels that not only connect the company and employees but also between employees and the organization.

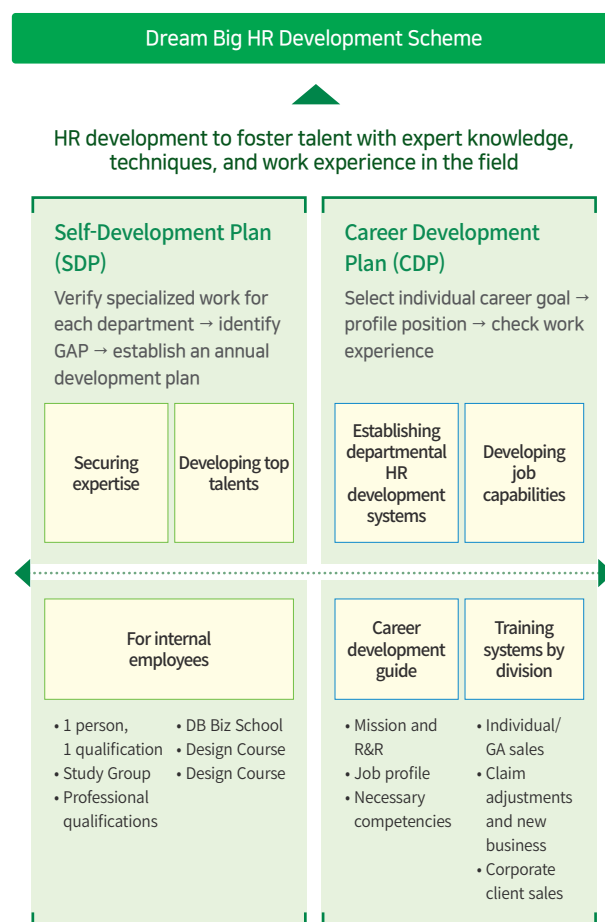
Channel activating communication

Category	Program	Description
Company-Employee	Open Communication (Tong-tong-tong) with CEO	A communication platform between the CEO and employees that have operated monthly since 2010 (Total 66 times with 3,487 employees; activities postpone in 2020 due to COVID-19)
	Diverse Communication Channels	Opinion collection and improvements activities through the diversification of communication channels – such as an anonymous internal forums and anonymous surveys using external networks and reporting channels, etc.
	Corporate Culture Council	Selection of opinion leaders for each division to collect opinions on, and improve, the company's work culture and corporate system
	Promy TV	Weekly in-house broadcasting program for employees, sharing the company's operational direction, key issues, corporate culture, etc.
	Business Performance Briefing	Executive briefing on the status of company management and issues through in-house broadcasting once a month
	E-Promy Plaza	Online magazine for employees, covering key company issues, employee contributions (travel, department introductions, etc.), news on the economy and culture produced by the PR department, etc.
Employee-Employee	Dream Big Day	Sharing core values, CS guidelines, corporate culture, and employee practices in each department every morning
	Dream Big Plaza	Employee-only site for sharing GWP activities by department, core values, Praise & Appreciation Day, Generational Dialog 2345, corporate culture improvement activities, etc.
	Field Learning Group	Weekly employee discussions to share key issues and strategic directions for each department
	Study Group	Self-development and social activities among employees with common job-related interests
Department-Department	Dream Big Council	Organization for opinion leaders to improve the work culture across the entire company and achieve inter-departmental collaboration through consultation
	Participation Platform	An anonymous survey forum to obtain the opinions of employees when deciding on key systems and policies
	Employee Satisfaction Survey	Internal Customer Satisfaction Index (ICSI) Survey to improve staff department service satisfaction, and an Employee Satisfaction Index Survey (ESI Survey) to determine how to improve work motivation
	Dream Big Times	Monthly company newspaper where we identify and share key issues that we want to share with other divisions, so that all employees can understand the company's strategic direction

Talent development

Dream Big Talent Development System

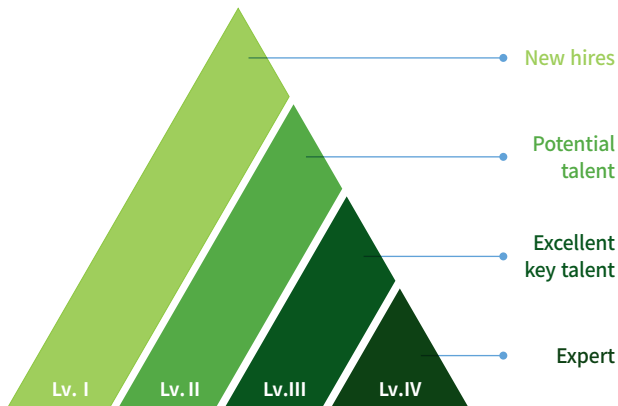
“Dream Big Talent Cultivation System,” a unique human resource development scheme, was set to strengthen employees' competency and improve their job expertise. It is equipped with a training system tailored to each job tier, job duty, and talent to cultivate the best experts armed with professional knowledge and practical experience in the insurance industry. We are systematically implementing training courses categorized for common job competency training and individual job training, and we also assist and encourage employees' acquisition of domestic/overseas professional qualifications. In addition, self-development (SDP) and career development (CDP) are in place to support customized development of capabilities.



Tiered Training System

To help all employees at DB Insurance grow into key leaders within the company, we operate a tiered training system that consists of an introductory course, a course for employees eligible for promotion, a post-promotion leadership course by rank, and a common competency improvement course.

Education system by job hierarchy



Expert academy

We have been investing in efforts to strengthen the job expertise of our employees through the operation of Dream Big Business School (DBB school) and Marketing Academy (MA). The DBB School was established by reorganizing the previous innovation academy and consists of training courses for educating about innovation methodologies and marketing skills, based on digital transformation. We expect to improve employees' mindsets towards innovation and their digital competency through this course, and thus cultivate innovation experts who can play a leading role in projects. Additionally, the Marketing Academy assists on-site business managers to improve marketing capabilities and helps the new branch leaders.

Cultivating InsureTech Professionals

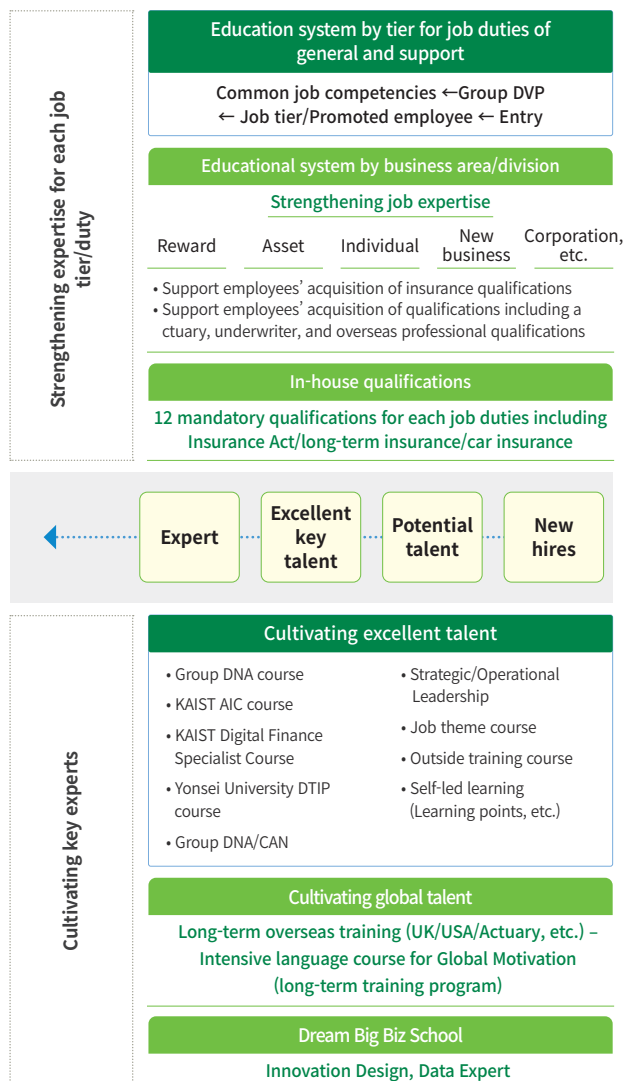
We train InsureTech experts to better adapt to market changes and accelerate digital transformation. Training programs are customized for each competency level, aiming to reinforce the professional competencies of InsureTech-related personnel and to expand the base for understanding and applying InsureTech technology. We also support employees' acquisition of externally accredited qualifications to cultivate expert employees with data analysis capabilities.

Securing organizational leadership capabilities

We introduced "Strategic/Operational/Self Leadership" courses to foster high-performing leaders who can lead in an organization's achievement of vision and transformation and who effectively manage the workforce and tasks of the company. The main characteristics of the course are that it accommodates leaders' diverse competencies and provides optimized training tailored to each individual. It also reflects matters arising from changes in the internal and external environments and the company's major issues into the training courses to improve the program's training effectiveness.

Establishing an Organizational Culture of Learning

We conduct employee competency evaluations and systematically manage 3 competencies – basic competencies, work implementation competencies, and professional skills competencies – to promote an organizational culture of self-learning. Based on these, we establish long-term self-development and career development programs. To ensure prompt responses to the uncertainties of a rapidly-changing business environment, we also run various study organizations, such as on-site study groups and proposal-related activities.



Performance Evaluations and Compensation

Performance Evaluation System

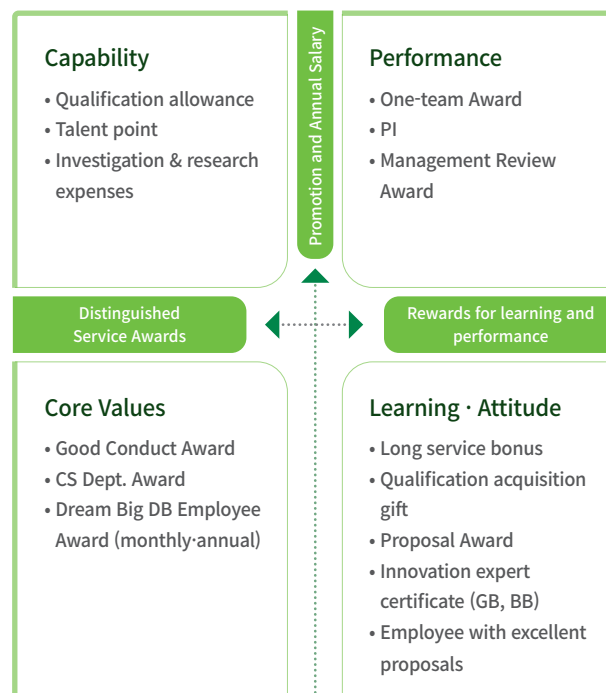
DB Insurance has established a performance-based system with a focus on high performance and high compensation, thereby encouraging our employees to set goals and evaluate their performances. Through our goal-setting program, monthly evaluation agreement program, self-development & career-development plan program, etc., we inspire our employees to set and achieve clear goals, while using the Balance Score Card (BSC) to subdivide performance measurements and allocating the company's goals to organizational and individual KPIs. We have also institutionalized appeals to final performance appraisals, and communicate details concerning these appraisals so that future goals can be established.

Guaranteeing Fair Opportunity

In the pursuit of fair opportunities for all employees, from 2010, we have separated the evaluations on males and females to prevent female employees from being disadvantaged or discriminated against based on their gender. Also, "Business Manager Training Course" and "CA (Claim Academy) Course," courses for cultivating professional sales managers and compensation experts, respectively, are operated to provide opportunities to the sales workforce (PA: Prime Agent), female employees, and workers in other areas within the company to help them cultivate branch management capabilities. After completing the courses, we support their growth as branch leaders or sales management experts.

Reasonable Compensation System

DB Insurance's compensation system determines an employee's annual salary based on their basic salary and performance compensation. By applying different rates for different jobs, we ensure adequate and reasonable performance-based compensation. Annual salaries and promotions are decided based on employee competency and performance evaluations. Each employee is compensated according to a performance-centered compensation system that rewards high performance with high compensation. Furthermore, we offer various awards to motivate our employees to continuously develop their capabilities and enhance their performance at work.



Establishment of Evaluation Appeal System

When employees wish to raise objections concerning their competency or performance appraisal results, they can appeal through the Evaluation Appeal System. The HR Committee conducts fair deliberations and makes decisions on appeals received under a stipulated process, and determines whether or not to accept the appeal. The result is then given as feedback to the employee who filed the appeal. In 2020, out of a total of 40 appeals, evaluations were adjusted in 12 cases.

Welfare

Selective employee benefits

Our employee benefits system pursues selective support so that all employees can work in a pleasant working environment with pride and joy. We operate various programs to build a healthy and flexible working environment, including health check-ups, culture, art, volunteering, family-friendly, stabilization funds, company housing, and in-house clubs. We observe government policies such as a salary wage system and retirement age extension and invest a great deal of effort to provide a more beneficial scheme by identifying the diverse needs of employees through utilizing surveys, proposals, various meetings, and outside consulting firms.

Support for Re-employment and a Secure Elderly Life

To promote the re-employment of our retired employees, DB Insurance has established a new re-employment service in line with the 'Act on Prohibition of Age Discrimination in Employment and Elderly Employment Promotion', which was amended in May 2020. The re-employment service will be offered as "Dream Big Life," a career planning training course designed for general and administrative employees in their 50s who will retire non-voluntarily. Aside from this, retirees with outstanding performance results will be offered opportunities for re-employment in the organization or related subsidiaries. Through such support, employees can enjoy stable employment after their retirement, and we can benefit from their professional know-how and expertise.

In addition, to ensure the secure management of retirement pensions, DB Insurance operates two types of pension plans: the defined benefits (DB) pension plan, and the defined contribution (DC) pension plan. The management of retirement pensions abides by the relevant legal standards on severance pay and is diversified to multiple financial institutions, including DB Life Insurance, Korea Investment & Securities, Hyundai Marine, and Fire Insurance, Kyobo Life Insurance, Samsung Life Insurance, KEB Hana Bank, Shinhan Bank, Lotte Insurance, Mirae Asset, KB Kookmin Bank, and Shinhan Life Insurance, for effective risk management.

Welfare & Benefits Programs

Category	Program Description
Health checkup	• Medical check-up for employees and their families • Psychological counseling for employees and their families • Health fund (Prohibition of Smoking, Diet) • Online/offline training on emotional labor, sexual harassment, etc., and provision of professional psychological counseling for employees' stress management • On-demand illness response system (prevention/treatment/leave, etc.) • Group accident insurance for employees and their families • Health information seminars • In-house clubs • Supporting fitness center use • Newly introduced leave for health checkups
Creating a healthy work environment	• Management of lighting, noise, indoor air quality, humidity, and temperature, for an ergonomic work environment - Periodic replacement of office furniture and replacement of all office lighting with LED lighting - SMART ventilation within the office building, temperature control, management of cooling and heating systems for key company buildings - Regular quarantine activities
Creating a flexible work environment	• Adoption of flexible work hours to support a work-life balance • Support for telecommuting through a remote IT system
Creation, communication, and empathy (CCE) program	• Invitation to Arts and Humanities (Guest lectures) • Cultural events and performances • Volunteer activities for social contribution
Family-friendly program	• 90 days of paid maternity leave • Promy I-Sarang Daycare Center, a daycare facility for employees in Dongja-dong, Seoul • Kindergarten, high school, and university tuition assistance • Dream Big Square - A dedicated website for employee use only, that shares GWP activities by department, fun events, core values, corporate culture improvement activities, social contribution activities • Summer resorts (24 resorts in total used by 795 people) • Fertility leave (paid) for infertility treatment • Family care leave and leave of absence • Reward money for continuous working period (paid in travel voucher or cash), vacation system
Support for stabilization funds	• Support for house purchase, security deposit, and small expenditures for congratulations and condolences
Corporate housing support	• Corporate housing support for employees working in areas with no connection - Temporary residence cost, company housing rents (security deposit, monthly rent), company housing living expenses, transportation expenses to and from the residence
In-house clubs	• Support in-house clubs including leisure sports, volunteering, travel/climbing, culture/art, and learning

※ Subject to flexible operation, depending on circumstances with COVID-19

Safety and Health for Employees

Operation of the OHS Committee

DB Insurance operates an OHS committee composed of three representatives each from labor and management, with a view to maintaining and improving the occupational health and safety (OHS) of our employees and workplaces. Through this committee, we consult on health and safety issues, such as industrial accident prevention plans. In addition, we designate OHS managers who are responsible for a wide range of activities, including OHS training programs, work environment inspections, investigations into the causes of major accidents, and the establishment of measures to prevent accident recurrence, etc.

Employee health protection program

A variety of health policies and programs exist to support employees' work in a healthy working environment. All employees and their spouses receive annual health check-ups that vary by age and working period to ensure that the check-up program practically meets their needs. In addition, we have eased employees' medical expense burden by providing a group insurance system for their medical expenses for injuries and diseases that covers the employees and their immediate family. In particular, we provide special programs that support consultants such as massage care and check-up for the existence of any harmful factors causing muscular-skeletal disease. Psychology counseling services and health fund systems are also utilized to help employees manage their health.

BOD's resolution on safety/health system and implementation plan thereof

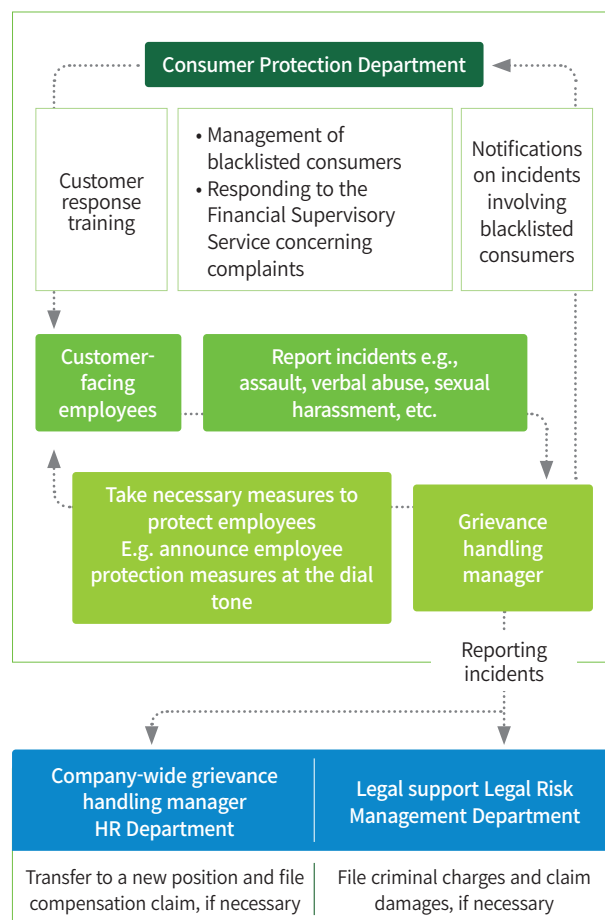
We prepared a company-wide safety and health system, results of past safety and health tasks, and future implementation plans through the resolution of the BOD. We reported this via the BoD in March 2021, and we expect to make BoD resolutions and reports at least once a year.

Safety and Health Operation System

Category	Roles and authorities
CEO	Company-wide chief safety and health officer
Occupational Safety and Health Committee (3 employee members/ 3 employer members)	Deliberation/resolution on important matters related to the company's safety and health (Restricting reappointment of members for more than 3 years)
Safety and Health Management Manager (Head of HR)	Implementation of committee resolutions, implementation of safety and health prevention activities according to relevant regulations, support committee operation
Safety and health management department	Implementation of job-related safety and health prevention, inspection, and reporting activities

Protective measures for customer-facing employees

Since 2020, we have expanded the applicability of the Customer-facing Employee Protection System, which previously only covered employees who work directly with customers, such as those in sales and compensation, to all employees. We also wrote the "Problem Customer Response Manual" to reinforce the measures set for customer-facing employees. In particular, we have assigned dedicated personnel for handling complaints in each business area so that customer-facing employees do not suffer any disadvantages in case of assaults, verbal abuse, and sexual harassment in performing their jobs.



Occupational Health & Safety Assessment Series (OHSAS) Certification

By identifying and mitigating hazardous factors, DB Insurance established the Safety and Health Management System to create a safe and healthy working environment, and also acquired OHSAS¹⁾ 18001 certification to enhance the system's reliability.

1) OHSAS: Occupational Health & Safety Assessment Series

Performance					
	Indicator	Unit	2018	2019	2020
Employee status	Executives	Person	48	46	46
	Employees	Person	4,439	4,545	4,567
	Total	Person	4,487	4,591	4,613
	Senior managers/ junior managers	Male	673	696	711
		Female	25	33	44
	Assistant managers	Male	440	488	565
		Female	62	64	77
	Junior assistant managers/ staff members	Male	599	542	477
		Female	1,151	1,163	1,217
	Specialists/consultants	Male	217	237	194
		Female	1,272	1,322	1,282
	Total	Person	4,439	4,545	4,567
Recruitment status	College graduates	Person	73	54	23
	Experienced employees	Person	362	272	166
	Female office employees	Person	56	49	35
	Total	Person	491	375	224
Female employee recruitment status	Total employees	Person	776	375	224
	Female employees	Person	600	269	144
	Female high school graduates	Person	261	106	50
Overseas local hires		Person	52	58	62
Transition to permanent positions		Person	16	20	16
Hours of training	Total training hours	Time	366,263	317,528	285,375
	Training hours per person	Time	81.6	69.2	61.4
Training expenses	Total training expenses	KRW million	5,596	4,933	3,371
	Training expenses per person	KRW million	1.25	1.07	0.73
Key training outcomes	No. of employees who have obtained qualifications	Person	782	529	445
	Employees with insurance qualifications	Person	1,168	1,203	1,267
	Insurance qualification ratio	%	35.5	36.9	38.7
Employees participating in study groups		Person	871	1,265	1,017
ESI satisfaction for employee education and training		Point	84.2	82.0	81.9
No. of employees engaged in self-assessments & creating self- development plans		Person	2,454	2,192	1,910
Per capital productivity		KRW 100 million	38.8	40.4	43.0
Welfare & benefit expenses	Total welfare & benefit expenses	KRW 100 million	488	529	562
	Welfare & benefit expenses per person	KRW million	15.2	16.4	17.2
Maternity leave usage status	No. of workers using leave before and after childbirth	Person	103	83	74
	No. of childcare leave users	Person	122	117	116
No. of employees who return from maternity/ paternity leave	Male	%	80.0	100.0	90.0
	Female	%	86.2	79.8	89.6
Turnover rate		%	4.0	3.5	3.9
Rate of performance evaluation		%	96.7	95.5	94.3

Partners

Roles of Partners

Partners of DB Insurance are largely divided into sales partners, who sell the company's products and services, and claim adjustment partners, who deal with claims for insurance accidents. Sales partners consist of "exclusive channels" such as exclusive planners, called Prime Agents (PA), as well as insurance agencies and "non-exclusive channels", such as corporate agents, called General Agencies (GA), and Cross-over planners entitled to sell life and general (non-life) insurance products. We strategically diversify our channels based on characteristics such as complex models, including Total Consulting (TC) and Life Design (LD) channels, as well as traditional face-to-face sales and Tele-marketing (TM) channels. Claim adjustment partners include hospitals, car repair shops, and damage appraisal firms, which ensures a smooth claim adjustment process for customers. At DB Insurance, we recognize our sales and claim adjustment partners as core stakeholders and an important backbone of our business activities. As such, we are committed to creating mutual values with our partners.

Sales Partners

Exclusive channels	Non-exclusive channels
PA An exclusive planner who can only sell DB Insurance's insurance products	GA Non-exclusive insurance agency and financial institution who can sell all insurers' insurance products
Insurance agency Insurance agents who can only sell DB Insurance's insurance products through an exclusive contract with DB Insurance	Cross-over planner Life insurance exclusive planner who mainly focuses on life insurance planning but can also handle non-life insurance products

Claim Adjustment Partners

 Accident investigators/Damage appraisers A firm that conducts accident investigations for car, long-term, and general insurance and insurance damage appraisals	 Hospitals An institution that provides insurance accident-related medical services and conducts diagnoses of medical issues
 On-site/emergency dispatch service providers A service provider that is dispatched to traffic accident sites, for emergencies such as vehicle failure	 Promy car service centers Domestic car repair partner that has passed a review by DB Insurance

Securing competitiveness of partners

Differentiated support for business-site training

In order to enhance the professionalism of insurance planners and business managers, we have introduced differentiated training programs considering the characteristics of their work. For the insurance planners, we provide sales activation training, and particularly for Prime Agents (PAs) of 13 months or more, we are providing the "2020 Power-Up Course" to improve their productivity. Accordingly, various curricula including training on customer consulting based on product trends, as well as disease data, are being managed. We have also activated non-face-to-face education through the "DB learning platform," a smart learning system that enables insurance planners, training managers, and business managers to gain expertise through customized and self-directed learning programs. Taking advantage of this platform, trainees were able to enjoy high-quality educational content without time and space restrictions. This eventually led them to adapt to self-directed learning, and educational opportunities became available for all PAs. In addition, a new "Flip Learning¹" was introduced, a program that combines online and offline by strengthening the advantages of online and improving the disadvantages. In this type of program, trainees need to pre-learn about the main terms first, and then they are trained in a participation-type program.

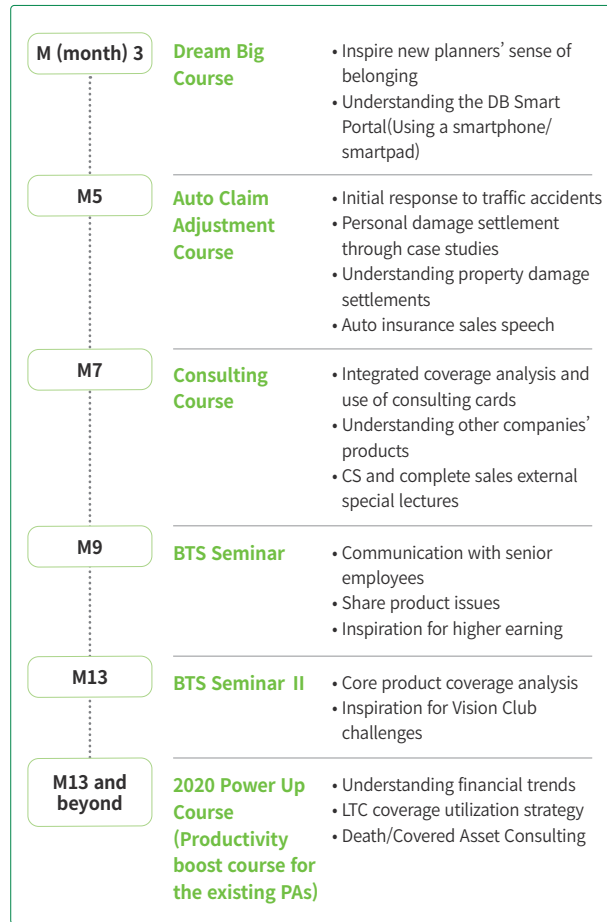
1) Flip learning (reverse order): a process leading to interactive group education based on learning results of online pre-learning

Insurance planner	Training personnel	Business manager
- Core competency-oriented training for new recruits - Enhance mobile-based customized PA training - Strengthen specialized training in accordance with organizational characteristics	- Standardize work and strengthen competency in training personnel - Strengthen the competency of training coaches, based on their career and characteristics - Strengthen the competency of branch mentors for activity coaching	- Core competency-oriented manager training course - Business manager training to strengthen task execution - Expand foundation for self-directed learning by business managers

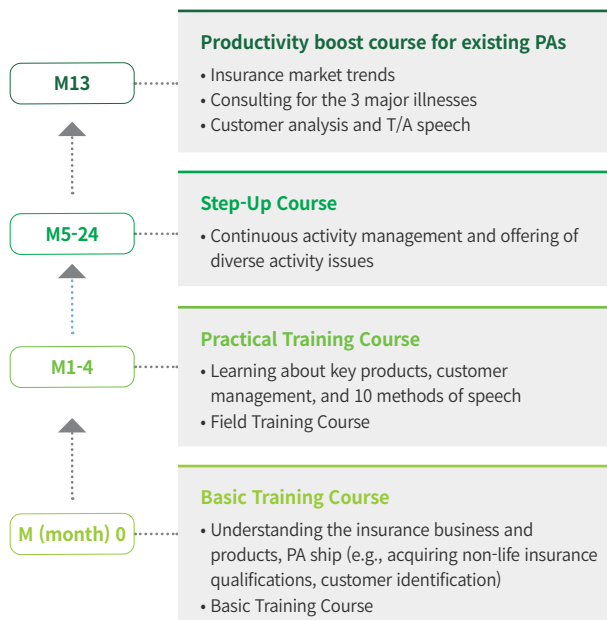
Systematic Training for New Planners

Recognizing that the competency of planners is directly linked to the company's growth, DB Insurance runs various programs for new planners, up to their second year of employment, to promote their activities and stable development.

Programs Managed by HQ



Programs Managed by Business Groups



Reinforcing support for insurance planners' sales activities

To help insurance planners effectively perform customer-facing activities, we provide various tools and content such as study books and proposals that summarize the major diseases specified in the Terms and Conditions of the insurance contract so that insurance planners can explain various information to our customers. The "DB Smart Portal," opened in 2018, facilitates one-stop business processing from customer registration, subscription planning, electronic signature, and confirmation at the site using a single tablet computer or smartphone. In addition, through the "Smart Insurance Analysis Service," we were able to significantly improve PA's customer management by providing "1 minute consulting," which allows customers' confirmation on insurance subscription details and automatic insurance planning. Thanks to these activities, in 2020, a total of 2,992 (excellent certification) and 472 (blue ribbon) PAs of DB Insurance obtained excellent Certification¹⁾ and Blue Ribbon²⁾ by the General Insurance Association of Korea.

1) Excellent certification: Grants qualification of a certified insurance planner under an overall evaluation of the working period at the same insurance company, retention rate of new contracts, performance, and the number of incomplete sales.

2) Blue Ribbon: The highest honor given to an exemplary PA out of the PAs granted excellent certifications for 5 consecutive years



Support for onsite planner activities

Enhancement of support for customer activity tools

- Establishment of a procedural basis for contactless activities
- Introduced an automatic visit scheduling system
- Support for Get-in-Touch activities for customers retained in a partner's list
- Introduced a function to transfer coverage analysis reports
- QR code added to product leaflets in insurance plans

Enhancement of customer handling and consulting competency

- Commenced specialized training for each business group/branch

Support for Settlement of Sales Workforce

DB Insurance provides a variety of support programs to assist the sales workforce to concentrate on their jobs, create high-performance results, and settle stably. Regarding the fee, which is the performance compensation for their soliciting activities and part of the system that reflects the company's policy, we frequently share the purpose and direction with the sales workforce through in-house broadcasting and regular training. Fees paid for the performance of newly hired insurance planners have been reinforced, and activity fees have been newly adopted to lay groundwork for constant growth. Furthermore, improvements were made to the criteria of collecting evaluation fees to increase the sales of long-term insurance products that center on efficiency. In 2019, to nurture an elite new sales workforce, we adopted a system whereby new hires complete FTC in the 1st month to 4th month, present visions, and receive goals during the period from the 5th month to 8th month. When the goals were achieved, they were provided with a BTS seminar in the 9th month. In 2020, the training period has been extended to present vision and goals from the 9th month to the 12th month, providing BTS Seminar II in the 13th month once the goal is achieved.

Efficient business support by channel

To support the efficient growth of the sales workforce, we reorganized our branch structures so that they are composed of the standard branch, TC (Total Consulting), general branch, and specialized branch in 2015. We then redefined the responsibilities and roles of our staff organizations. After the reorganization, we have continued making efforts to maximize the productivity of branches by re-building staff organization operation, differentiating operating cost schemes in consideration of branch characteristics, and improving the business efficiency of branches operating in suburban areas.

To better support the insurance planners efficiently and intensively, we operated separate channels for individual and strategic business sectors, reinforced a fee system for new hires, and adopted an advance payment system. To improve the efficiency of branch operation and increase their sales, we are operating a branch management strategy centered on areas where life insurance companies are concentrated. Based on these support activities, we help our insurance plans to more effectively manage customers and provide optimal consulting services.



Securing the competitiveness of partners

Support women in the workforce on career breaks through LD Center

First launched in 2014, LD (Life Design) Center is composed of women in the workforce in their 30s and 40s who were on career breaks. The center has positioned itself as a specialized sales channel by differentiating the education programs and operation methods compared to the general insurance planner channel. It provides high-quality data to support the insurance planning activities and provides training programs tailored to each individual to upgrade their work capabilities. It also selects female Prime Agents (PAs) in their 30s and 40s at standard branches for each business group and provides training so they can act as future growth engines for DB Insurance. Moreover, all new hires undergo psychological tests to be coached on work adaptation and peer relationships while special lectures including influencers, show hosts, and famous lecturers are held regularly to proactively develop competencies of the young female workforce.

Taking into account the characteristics of its sales workforce where a majority are working mothers, the center manages various welfare programs that support their work-family balance. Considering childcare and housework by working mothers, it adopted customized working hours including flexible working hours and voluntary working hours, and also supports separate human resources, even when there is a work vacancy due to childcare. The center gives childbirth congratulation money and childcare costs for 18 months, as well as eases financial burden arising from childcare by continuing the income level from before childbirth when returning from maternity leave. Also, the LD Center has installed a children's playground in branches, holds Family Day regularly, and runs job experience programs and financial classes which are welcomed by the employees.

Providing real-time location of on-site dispatch staff

DB Insurance operates a service through which the location of the on-site dispatch staff and expected arrival time are notified to customers who have requested emergency action due to car breakdown or traffic accident. Customers are greatly satisfied with the prompt dispatch service since it eases their anxiety in unexpected situations, and their satisfaction only grows with time.

Strengthening Mutually Beneficial Cooperation with Partners

Promoting Communication with PAs

By allowing PAs with excellent sales capacity to join our Product Leaders Club, which decides the direction of our product policies, DB Insurance enables the reflection of candid voices from the field. In addition, we broadly utilize the PA Opinions & Suggestions system in our policies and systems. This system serves as a communication channel through which PAs can deliver real-time opinions in the field on matters necessary for improved sales activities. The opinions and suggestions registered in the channel are directly communicated to HQ and relevant departments, and adopted suggestions are reflected in our company's policies and systems.

In addition, to foster smoother communication with our sales partners, we operate various communications channels, such as the DB Round Table (DBRT) seminar, cross-sales team leader course, GA manager course, mentor course, training coach course, sales team leader course, and TC Center leader course. Additionally, each year, we hold an annual award ceremony and select excellent PAs based on performance evaluations, customer satisfaction, and retention ratio, and induct PAs that have contributed to the advancement of DB Insurance into the "DBRT Hall of Fame," thus promoting the loyalty and pride of our sales partners.

Expanding partnerships with compensation partners

DB Insurance delivers various support, such as selecting excellent compensation partners, to establish a close win-win relationship with its partners. In 2020, in line with the popularization of the non-face-to-face digital economy caused by the COVID-19 outbreak, we have been enacting various measures to enhance non-face-to-face customer service satisfaction, increase subcontractors' operational efficiencies, and realize digital transformation and innovation. Since the launch of the DB V-system, we shortened the waiting time spent at partner repairers using the non-face-to-face function and expanded the use of a simplified damage compensation system based on mutual business trust. Also, by entering partnerships with new platform companies such as "Rencar" and "Cardoc," we extended our IT-based cooperation channels to provide new services stably and efficiently to customers.

Performance

	Indicator ¹	Unit	2018	2019	2020
Sales partners	Exclusive planner (PA)	Person	12,977	14,756	15,810
	Cross-over planner	Person	8,867	8,821	7,774
	Individual (non-corporate) agency	Unit	2,452	2,419	2,438
	General Agency (GA)	Unit	1,631	1,661	1,684
	Bancassurance (BA)	Unit	38	38	40
Claim adjustment partners	Emergency dispatch network for vehicle failure	Unit	473	481	480
	On-site dispatch network for car accidents	Unit	434	388	363
	Specialized repair network	Unit	362	340	334
	Accident investigator & damage appraiser	Unit	17	19	19
Franchisee satisfaction index (FSI)		Point	70.2	66.1	68.2
Emergency dispatch service satisfaction		Point	97.9	98.2	98.5
Number of cases handled per claim adjustment partner		Case	324	326	322

03

GOVERNANCE
REPORT

Direction	Establishment of a global standard governance Structure
Promotion Strategies	Enhancing transparency and independence in the operation of BOD • Enhance transparency in the operation of BOD • Enhance compliance/risk management response capabilities
	Establishment of ESG integrated management system • Spread ESG management to subsidiaries • Co-respond to ESG issues associated with business partners (sales, compensation, asset management)

Governance

Board of Directors

The Board of Directors (BOD), DB Insurance's top decision-making body, makes key management decisions and audits the management of the company. The CEO serves as the chair of the BOD to establish a responsible management system from a mid- to long-term perspective and to enhance fairness and transparency. In addition, we ensure the independence and soundness of the BOD by appointing independent directors with diverse expertise and experience, while operating an independent governance structure with subcommittees centered on independent directors.

Composition of BOD

In accordance with the Articles of Incorporation ("AOI"), DB Insurance operates the Board of Directors ("BOD"), composed of five directors, and appoints three independent directors to maintain a majority of non-executive directors. At the 2021 annual general meeting of shareholders, independent directors, Jeongho Choi and Jeongsuk Moon, and executive directors, Jeongnam Kim and Jongpyo Jeong, were appointed. Under the "Act on Corporate Governance of Financial Companies," independent director Seongkook Kim was appointed according to the method of "separately appointing one or more independent directors who are Audit Committee members." As part of our effort of practicing ESG management, we appointed a female independent director, Jeongsook Moon, a professor at Sookmyung Women's University and a consumer protection expert, to strengthen the professionalism and diversity of the BOD. The BOD conducts regular BOD meetings that are held once a quarter and temporary

BOD meetings, depending on the importance of the management issues. It resolves major management issues stipulated in relevant laws and regulations, AOI and BOD regulations, and deliberates on and resolves agendas considering social and environmental impacts and governance issues in its decision-making process.

Operation of the BOD

Category	Unit	2018	2019	2020
No. of meetings held	Time	8	7	10
No. of agendas submitted	Case	24	17	25
Attendance rate ¹⁾	%	100	97.2	100

¹⁾ Attendance rate of all registered directors (2 executive directors/3 independent directors), minimum attendance requirement for all members: 80%

Profile of BOD members

As of March 2021

Name	Title	Year of Birth	Gender	Term	Date of first appointment (Date of the latest appointment)	Tenure	Field of expertise	Major career	Industry experience ²⁾ (Finance/Insurance)
Jeongnam Kim ³⁾	CEO, Chairman of the BOD	1952	Male	3 years	2009.6.12 (2021.3.26)	11 years 1 month	Finance (Non-life insurance)	- Head of New Business Division, DB Insurance - Head of Individual Business Division, DB Insurance - (Current) Vice Chairman of DB Insurance	40 years
Seongkook Kim	Senior independent director	1950	Male	1 year	2016.3.18 (2021.3.26)	5 years	Finance, Finance administration	- Insurance Bureau at the Ministry of Finance, Korea Financial Intelligence Unit - CEO and President of IBK Credit Information	34 years
Jeongho Choi	Independent director	1954	Male	1 year	2019.3.15 (2021.3.26)	2 years	Business administration (Insurance)	- Actuarial Standards Committee Member, Financial Supervisory Service - Director, Korea Insurance Academic Society - (Current) Director, Korea Risk Management Society - (Current) Professor of Business Administration, Sogang University	35 years
Jeongsook Moon	Independent director	1955	Female	1 year	2021.3.26 Newly appointed	-	Consumer economics (Finance)	- Consumer Policy Advisory Committee Member, Fair Trade Commission - Chief Officer (Deputy Director), Financial Consumer Protection Department, Financial Supervisory Service - President, Korea Finance Consumer Federation - (Current) Professor of Consumer Economics, Sookmyung Women's University	35 years
Jongpyo Jeong	Executive director	1962	Male	3 years	2021.3.26 Newly appointed	-	Finance (Non-life insurance)	- Head of HR support team, DB Insurance - Head of Corporate Business Division, DB Insurance - (Current) Head of Individual Business Division, DB Insurance	34 years

²⁾ Work experience in financial companies and finance-related organizations

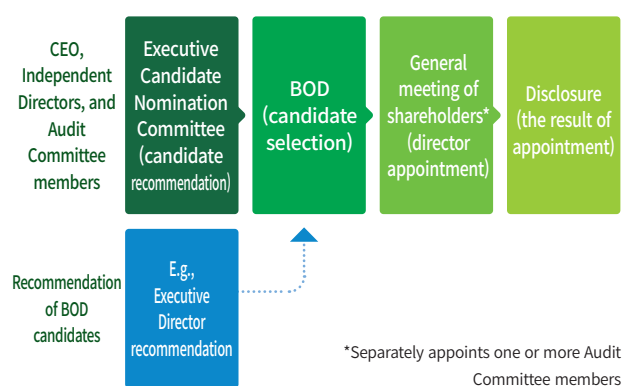
³⁾ Director's current company stock ownership (Registered directors are not obliged to hold stocks)

• Jeongnam Kim (CEO, executive director): 73,000 common stocks (compared to base salary: 8.43 times, as of the end of 2020)

Director Appointment Process

DB Insurance recommends CEO, Independent Director, and Audit Committee candidates through the Executive Candidate Nomination Committee, in line with the Act on Corporate Governance of Financial Companies. In accordance with internal regulations, the Executive Candidate Nomination Committee is composed of three or more directors, for which a majority, including the Chairman, are independent directors. The Executive Candidate Nomination Committee forms and operates candidate pools for independent directors and the CEO, and reports on the operating status of these pools at least once a year to the BOD. From the pool of candidates, the committee reviews and recommends candidates based on their expertise, fairness in past work, ethics, and responsibility. The recommended candidates are appointed by BOD resolutions at the general meeting of shareholders. The appointment of the CEO is carried out in accordance with the procedures of the CEO Succession Regulation and emergency measures to prevent managerial vacancies caused by replacement or accident. The Annual Corporate Governance and Compensation Report that outlines the details of director appointments is disclosed on our official website.

Director Appointment Process



Operation of Candidate Pools

Category	No. of members
CEO candidate pool	10
Independent director candidate pool	68

Unit: person

Operation of the Independent Director Candidate Pool

Category	Public office	Finance	Academia	Legal	Total
Total	12	24	22	10	68
Female	3	7	11	9	30
Men's	9	17	11	1	38

Unit: person

Independence of the BOD

1	An independent director shall not have been employed by the Company in a top management position, including the CEO, in the past 5 years
2	An independent director and/or their family shall not have received money in any form whatsoever from the Company or its parent company or subsidiary, in the past 3 years
3	An independent director and/or their family shall not have served as an executive of the Company or its parent company or subsidiary in the past 3 years
4	An independent director shall not be the Company's advisor, consultant, or an advisor to its top management, nor be in an affiliated relationship with the Company
5	An independent director shall not be in an affiliated relationship with the Company's key customers (suppliers) or partner companies
6	An independent director shall not have personal transactions or service contracts with the Company or its top management
7	An independent director shall not have transactions or relationships with NGOs, etc., that receive a significant amount of contributions from the Company
8	An independent director shall not have served as a partner or employee of the Company's auditor in the past 3 years
9	An independent director shall meet the independence criteria or other requirements designated by the BOD, and shall not have conflicts of interest with the Company

Expertise of the BOD

Independent director candidates are nominated after a fair verification process in accordance with the regulations of the Executive Candidate Nomination Committee and other applicable laws. The company identifies and nominates directors from a pool of candidates composed of experts with a broad understanding and practical experience of not only the financial industry, but also of relevant fields including the economy, law, accounting, and the media.

Diversity of the BOD

The BOD promotes diversity in its composition by appointing directors with extensive experience in, and professional knowledge of, the financial industry, and that are highly competitive in professional and specialized sectors such as non-life insurance, financial industry regulation, fair trade, and personnel/labor management. In addition, director candidates are not discriminated against with respect to their race, disability, gender, etc.

Our Diversity Policy

Age, gender, and racial diversity in the workplace are assets to the company. DB Insurance is committed to leveraging the diverse backgrounds, experiences, and perspectives of our employees to provide outstanding and equal customer services to all the communities we serve. Therefore, we promote diversity in our workforce across all ranks and business sites, including our subsidiaries. At DB Insurance, we reinforce diversity by establishing policies to correctly recognize the importance of diversity in all areas of the insurance business, such as recruitment, human resources development, competency enhancement, retention of employees, assignment of jobs, and mentoring/training programs.

BOD Activities

Prevention of Conflicts of Interest

The BOD receives periodic reports on the results of prior reviews and audits of potential conflicts of interest (e.g., internal transactions) conducted by the Risk Management Committee and the Audit Committee in accordance with the relevant regulations. Depending on the results of the review and deliberation, the company supports the decision-making process relating to conflicts of interest by reflecting review opinions in board resolutions, and if the agenda falls short of the approval requirements prescribed by the board and related statutes, the company may limit the progression of the agenda in question. Under Article 34 of the Enforcement Decree of the Commercial Act, the BOD does not recommend or elect, as director, anyone already serving as a director, officer (executive), or Auditor Committee member of two or more companies other than DB Insurance.

Sub-committees of the BOD

In accordance with the relevant laws and the company's AOI, 6 sub-committees operate under the BOD, including the Audit Committee, Risk Management Committee, Remuneration Committee, Executive Candidate Nomination Committee, ESG Committee, and Management Committee. Each committee deliberates on and resolves the matters delegated by the BOD.

Enhancement of Fairness in Senior Management Incentives

The Compensation Committee is composed entirely of three independent directors to ensure the objectivity and fairness of performance evaluations for senior management, including the CEO and CFO. Compensation for senior management is paid on a deferred basis (at least three years) under the "Executive Performance Compensation Regulation." We also stipulate the method of recovering compensation from management in the event that clawback is necessary. The Annual Corporate Governance and Compensation Report, which contains the current status of the compensation system, is disclosed on our official website.

Compensation Ratio¹⁾

As of 2020

Total CEO remuneration	KRW 797 million
Annual compensation of employees (excluding CEO)	Median KRW 66 million
	Mean KRW 71 million
CEO/Employee compensation ratio	Median compensation ratio 12.1 times
	Mean compensation ratio 11.2 times

1) Compensation includes incentives (performance compensation)

Composition & Roles of BOD Committees

Category	Key responsibilities	Composition	Chairperson	Requirements
BOD	Decision-making on major management issues such as convening the general meeting of shareholders and approving financial statements and business plans	3 independent directors, 2 executive directors	Jeongnam Kim (Executive Director)	A lead independent director shall be appointed in case the BOD chairperson is not an independent director (senior independent director: Seongkook Kim), and the majority of the BOD should be composed of independent directors
Audit Committee	Selects independent auditor, determines on accounting treatments and performs audit activities independently, investigates business and asset status, etc.	3 independent directors	Seongkook Kim (Independent director)	Should be composed of 3 or more directors, of which two thirds or more are independent directors, and chairperson should be an independent director
Risk Management Committee	Decision-making on major risk management issues such as establishing risk management strategies, setting risk management limits, and group risk management	3 independent directors	Jeongho Choi (Independent director)	Should be composed of 2 or more directors, of which the majority are independent directors, and the chairperson should be an independent director
Remuneration Committee	Operates the performance remuneration system for the Management and employees, and deliberates on the adequacy of the system, etc.	3 independent directors	Jeongho Choi (Independent director)	Should be composed of 3 or more directors, of which the majority are independent directors, and the chairperson should be an independent director
Executive Candidate Recommendation Committee	Manages candidate groups for positions of CEO and independent director, and recommends candidates for positions of CEO, independent director, and audit committee members	3 independent directors	Jeongsok Moon (Independent director)	Should be composed of 3 or more directors, of which the majority are independent directors, and the chairperson should be an independent director
ESG Committee	Establishes environmental (E), social (S), and governance (G) policies and manages the operation framework for vitalizing sustainable management activities	1 independent director, 2 executive directors	Seongkook Kim (Independent director)	Should be composed of 3 or more directors including the CEO, and the chairperson should be an independent director
Management Committee	Decision-making on frequently occurring general management items such as the issue of opening and closing branches and appointing managers	2 executive directors	Jeongnam Kim (Executive director)	Should be composed of 2 or more directors, and the chairperson should be the CEO

BOD Performance Evaluation

We evaluate the operation of our BOD and its subcommittees, as well as our registered directors. Details concerning the evaluation, including methodology, are disclosed once a year through our annual governance report.

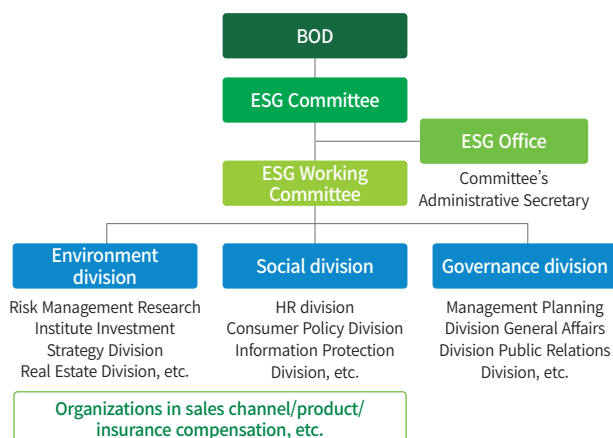
Governance & Remuneration System Annual Report Disclosure URL

<https://www.idbins.com/pc/bizxpress/contentTemplet/pb/mp/fr/list.jsp>

BOD's ESG management activities

We have been taking the lead in promoting ESG management activities in the insurance industry, establishing an ESG Committee as a subcommittee of the BOD in March 2021. The ESG committee consists of 3 directors including the CEO, and the role of chairperson must be served by an independent director. The committee carries out decision-making on environmental, social, and governance issues of sustainable management, then reports the details of activities and major decisions to the BOD. It also approved the company's ESG management strategy in May 2021, building an industry-leading transparent ESG management system. Additionally, to facilitate smooth performance of the committee, an ESG Office is placed directly under the committee to serve as their administrative secretary, as well as an ESG Working Committee in which managers from major departments of the company participate. The working committee is divided into 3 subdivisions: environment, society, and governance, each tasked with identifying major pending issues and detailed improvement tasks, including internal and external environmental analysis related to ESG management and understanding stakeholder issues. The pending issues and improvement tasks identified by the working committee are reported to the ESG Committee and are then reflected in the company-wide ESG strategies and implementation checklists.

ESG Management Organization



Shareholding Structure

DB Insurance has issued a total of 70,800,000 common shares. No preferred shares have been issued. As a listed company on the Korea Exchange, we are permitted to issue shares with limited voting rights. However, the issuance of shares with different voting rights, such as Poison Pills and Golden Shares, is not permitted under Korean law.

Major Shareholders

As of December 2020

Classification	Shareholding ratio (%)	Remarks
Namho Kim	9.01	Largest shareholder
Joonkee Kim	5.94	Related party (Family relatives)
Joowon Kim	3.15	
DB Kim Joon Ki Cultural Foundation	5.00	Affiliated not-for-profit organization
National Pension Service	10.3	- Pension fund

※ Based on total issued shares (70,800,000 shares)

Ethical Management

Foundation for Ethical Management

Compliance Management System

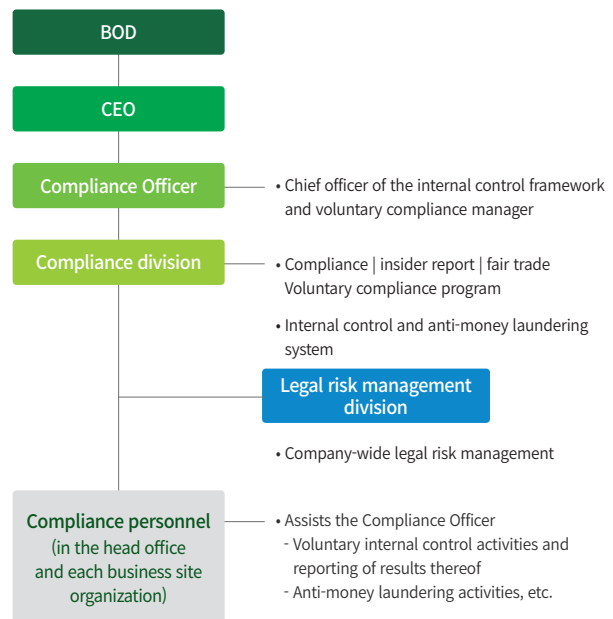
Having established a global standard compliance management system, including compliance policies, identification and evaluation of compliance risks, control and monitoring, internal audit, and management performance review, we acquired ISO 19600 in 2017 for our compliance management system, in a first for the industry. We also updated our Code of Ethics and guidelines to account for laws and regulations such as the Anti-Graft Act, thereby raising awareness and promoting ethical practices. Going forward, we will continue to support the ISO 19600 certification and our Code of Ethics at our subsidiaries and overseas business sites.



Ethical Management Governance

The Internal Control Committee chaired by the CEO meets biannually to discuss major issues of internal control, including compliance, financial accidents, constant monitoring, and inspection of business areas vulnerable to internal control and improvement plans. Furthermore, the Compliance Officer was separately appointed under the BOD and the CEO to ensure the independence of compliance management. In addition, we have segregated the roles and responsibilities of compliance, legal risk management, and Compliance personnel to further enhance efficiency and professionalism in our ethical management.

Organizational Chart of Ethical Management



Company-wide Compliance Management System

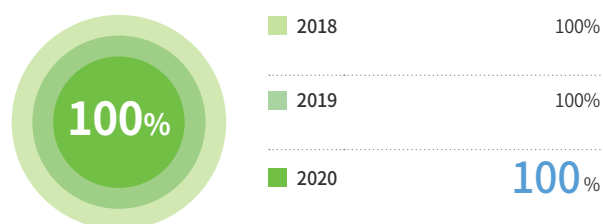
In order to enhance our company-wide internal control management, we promote our compliance risk management process and support internal controls every year. Key indicators are monitored on a monthly basis according to the level of risk identified by each department. In the event that abnormally high or low indicator values occur within the monitoring items, we identify problems and make any necessary improvements to our systems. In order to prevent financial accidents and unethical conduct, we also carry out quarterly self-inspections through supervisors appointed by on-site teams and the head office.

2020 Ethical Management Consultations and Reports

Unit: Case

	Category	No. of Cases
Client Complaints	Services (products)	22
	Corruption	-
	Complaints from suppliers	4
	Misc. (e.g., personal data)	0
Action	Disciplinary Actions	0

Participation in Pledges for Ethical Practice



Compliance training in 2020

Category	Training Method	Timing
4 Essential compliance courses	VOD	April
Entry course for new hires	Lectures	January
Compliance program	In-house broadcasting system	March, June

Major internal control activities in 2020

Unit: case

Category	Number of implementations	Main contents
Constant monitoring	36	Monthly monitoring on key indicators of sales, head office, and insurance compensation divisions
(Periodic) inspection	17	Inspection of major policy handling departments
Self-inspection at business sites	8	Inspection by dispatched supervisors, self-inspection by branches

Various compliance activities

To raise employees' interest and deepen their understanding of compliance, we have been providing compliance training to new general and office employees upon entering the company. We also distribute various compliance-related content through an in-house broadcast and VOD. Since 2019, our training courses are produced as videos to facilitate easy access to the training program for all employees. Also, group training is arranged for compliance personnel from 200 departments of the company annually to internalize the compliance activities. We also operate the Ethics Report Center on our website so that employees and sales organizations can report unethical behaviors they have witnessed, and we post pop-ups on our internal business IT system to encourage insider reporting. Furthermore, we added these ethical management courses to the basic training package that is provided to our subsidiaries including DB Sonza, DBCAS, DBCSI, DBCNS, and DBMNS. We receive a written, online compliance pledge from each subsidiary, reflecting the characteristics of their business, as part of our activities to spread compliance culture to all our subsidiaries.

Implementation of compliance activities

Compliance Index

To systematically control compliance matters across the company, we have introduced a compliance index evaluation scheme that assesses the compliance level of head office, sales, and insurance compensation divisions by conducting job ethics tests, compliance monitoring reports, and compliance risk evaluations. To facilitate a more accurate evaluation system, we are continuously improving and supplementing evaluation items, taking into account internal and external changes and compliance issues that actually occurred. For the 2020 evaluation, the company's compliance index recorded 96.4 points, down by 0.1 point from the previous year.



Compliance Index



Voluntary compliance of fair trade

Committed to practicing fair trade, DB Insurance enacted the "Fair Trade Voluntary Compliance Regulations" in 2003 in pursuit of transparent competition under fair procedures. We adopted a fair trade compliance program that provides training to all employees at least once a year to promote the internalization of fair trade culture throughout the company. To monitor and check voluntary compliance of fair trade and employee/business partners' compliance with the Code of Ethics Practice Guidelines, the Compliance Officer sends out notices titled "Request for Cooperation to build an Ethical Culture" each year to all business partners, including hospitals, goods suppliers, loan solicitors, and industrial suppliers. In 2020, these notices were sent out to 5,000 suppliers across the country. When partners submit their requests through the VOC, we go through in-depth discussions with them and actively strive to improve those issues.

Risk assessment and regular monitoring system

Compliance risk analysis and evaluation

To systematically manage compliance risks, since 2017 we have been identifying compliance risks likely to occur in each department and evaluating those risks in detail by probability of occurrence to assess associated risk levels. As a result, the number of risk items increased from 200 in 2017 to 445 in 2020 and optimal plans were devised to control these risks accordingly. The overall results were computerized in the compliance risk section of our ethics and compliance IT system and are subject to ongoing management. In addition to these annual risks, we periodically update and manage ongoing, regular compliance risks.



Compliance Risk & Management Planning

445 cases
(As of 1st half of 2020)

Legal Risk Response System

The Legal Risk Management Department, which is composed of in-house attorneys and legal experts, is dedicated to preventing risks by organizing training and providing information, business and non-insurance claim management, and business-related legal advice. By implementing an effective legal risk management system, we respond effectively to legal issues across our business, such as matters related to the establishment and revision of the articles of incorporation, corporate policies, and guidelines, as well as issues related to labor management and human resources, which are increasing every year.

Legal Risk Review

Unit: Case

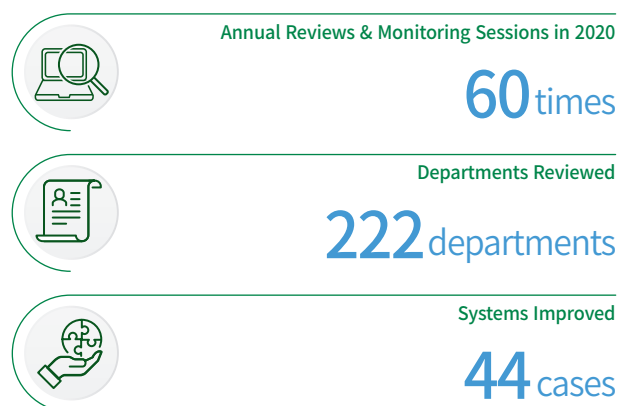
Category	2018	2019	2020
HQ Inquiries	653	613	674
Sales	1,513	1,602	1,653
Compensation	62	83	80
Total	2,228	2,298	2,407

Operation of the internal accounting management framework

In accordance with the enforcement of the “Act on External Audit of Stock Companies,” we operate an effective internal accounting management framework. In 2020, we evaluated 584 critical controls and made improvements and corrections accordingly. In 2023, a consolidated internal accounting management system will be introduced, and we are consulting with external advisors to establish such a system for consolidated internal accounting management.

Eradication of unethical behaviors

DB Insurance implements various ways to prevent unethical employee behaviors and give alerts on those behaviors throughout the company. By operating an insider reporting system, we were able to create an environment where employees can freely report unethical acts conducted inside the company. In the event of a disciplinary action taken by the company against an employee as a result of the insider report, the disciplined person and reason for disciplinary action are disclosed, with subsequent training to prevent recurrence provided. Also, the Compliance Officer’s “Financial Abuse Report Center” can be accessed through the company website so that anyone can report cases of financial accidents or internal control violations. In addition, if one has obtained any goods or valuables that cannot be returned due to unclear recipients in the course of performing their job, they should be reported to the Compliance Officer via the “Registration System of Reporting of Money and Valuables,” through which public auctions are held for the reported goods. All proceeds from the public auction are then donated to social welfare organizations and the in-house “Heart Fund.” Thanks to these efforts, we have seen no cases of violations, fines, or penalties in relation to acts of anti-corruption, bribery, antitrust, or anti-competitive practices over the past five years. Furthermore, we have taken multiple measures to maintain the integrity and clean nature of the organizational culture throughout the company since 2019 by checking compliance with the “Code of Ethics Practice Guidelines,” monitoring receipts or transfer of congratulatory gifts between employees for employee inauguration, promotion, and internal job transfer.



Measures Taken

36 cases

Anti-money laundering system

To carry out anti-money laundering (“AML”) activities that can practically prevent criminal acts and build a sound, transparent financial order, we furnished an internal control system under which our employees are faithfully fulfilling their roles. To comply with the reinforced requirements of the Financial Action Task Force on Money Laundering (FATF) and financial authorities, a review checking on the current status of our AML system was carried out by an outside expert in 2016. Consequently, we use the RBA (Risk-Based Approach) system, self-developed in 2018, to perform identification of customers, reporting of suspicious transactions and large cash transactions based on the RBA risk assessment. As a result, 820 suspicious transactions and 2 large cash transactions were reported to the Korea Financial Intelligence Unit in 2020. Going forward, we plan to further develop the implementation structure and the system to comply with the statutory schemes in a timely manner amid the changing environment.

Management of Disclosure Violations

In accordance with the applicable laws and regulations, our guidelines on disclosure, procedures, and management are such that our employees can perform their duties in line with our Code of Conduct. Those in charge of disclosure can promptly notify relevant departments in case of any problems.

Donations to Political Parties and Organizations

We are subject to restrictions under Article 31-1 of the “Political Funds Act”, and have not made any donations to political parties or organizations during the reporting period. The prohibition of political involvement is specified in our Code of Ethics. Although employees may express their political views as individuals, they are not permitted to represent their political views on behalf of the company.

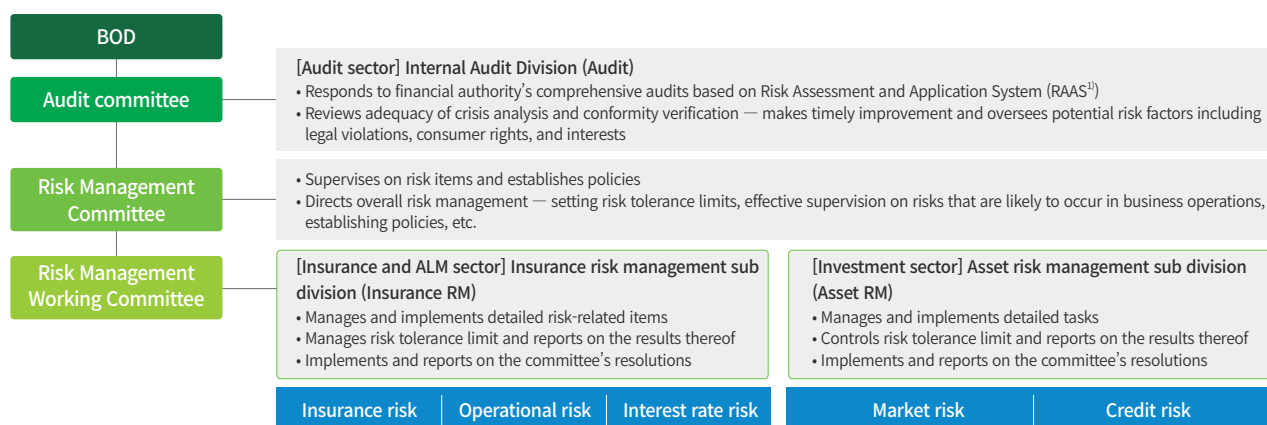
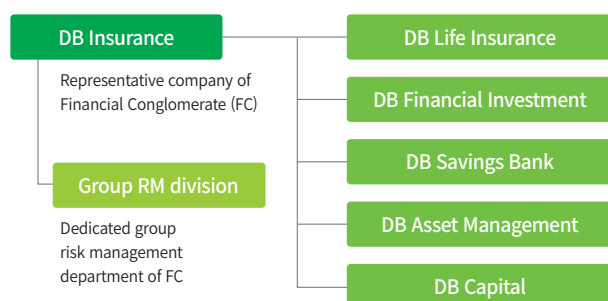
Risk Management

Strengthening risk management of FC

Since 2018, the “Exemplary Standards for Supervision of Financial Groups” have been enforced to prevent multiple entities of financial and non-financial companies in a solitary corporate group from becoming insolvent as well as to prevent degradation of soundness in the entire financial group due to deteriorated non-financial affiliates causing financial affiliates to go insolvent. With the aim of promoting a scrutinized risk control function, DB Insurance organized a dedicated group risk management department according to this exemplary standard, establishing the “Group Risk Management Standard” and “Group Risk Management Council” to efficiently manage relevant risks at the FC level.

On June 30, 2021, the “Act on Supervision of Financial Conglomerates (Financial Conglomerates Act)” came into effect. This act legislates the statutory basis for supervising FC under the goal of stabilizing the financial market and accomplishing the sound management of FC. As a representative company of DB FC, we will faithfully perform the role of overseeing risk management and other affairs of the FC and will further improve our internal control and risk management system.

DB FC Risk Management System



1) RAAS: Risk Assessment and Application System

Enterprise risk management

Risk policy and strategy

To conduct company-wide risk management, DB Insurance performs strict monitoring and control activities, following certain limits and guidelines set by the risk management strategy established in 2020. Also, mid- to long-term management strategies and risk management strategies in connection with business plans are approved annually by the Risk Management Committee. Moreover, we allocate risk capital to each risk category so that the overall risk level is maintained appropriately compared to the reserve capital, and we strive to minimize the risk burden by predetermining the risk factors, volume, and adequacy.

1	Risk appetites such as the company's total risk exposure and target RBC ratio
2	Capital allocation to individual risk using RBC (Risk-Based Capital)
3	Risk limits and VaR/Exposure/Loss/Losscut/Concentration limits and guidelines assuming an optimal asset portfolio
4	Guidelines for average payback period under ALM for interest rate risk management, guidelines on estimated interest rate
5	Optimal reinsurance operation strategy including insurance risk holding limit
6	Establishing a risk management body under DB FC to prevent risk transfer among affiliates and group insolvency

Risk management organization

In accordance with the “Act on Corporate Governance of Financial Companies,” DB Insurance has established a Risk Management Committee, a sub-committee of BOD that supervises the risk management and overall business operation. Additionally, the Risk Management Working Committee was organized to flexibly respond to the rapidly changing financial market environment, which also places sub divisions dedicated to managing insurance risks and asset risks, thereby further enhancing expertise in its operation. An internal audit division is also in place to maintain and reinforce the financial soundness and safety of our financial system.

Establishment of the risk management system

To maintain the financial soundness of the company, DB Insurance sets individual risk limits according to the target RBC ratio, taking into account market and regulatory environment changes, mid- to long-term business plans, and RBC²⁾ ratio projections. Furthermore, we have been regularly carrying out crisis analysis under which we assess reserve capital capacity by applying scenarios assuming the changes in risk factors of stock prices, interest rates, and exchange rates, establishing countermeasures accordingly.

Capitalizing on our Enterprise Risk Management (ERM) system, we have been efficiently assisting risk control functions, which include the tasks of calculating individual risk exposure, stress testing, and risk-oriented management planning. In 2019, the risk management information system was restructured to prepare for the upcoming Korean-Insurance Capital Standard (K-ICS), a new solvency framework soon to be introduced. After conducting a pilot operation in 2020, we are preparing to update the statutory revisions into the system in 2021 so that the new scheme can be implemented with no setbacks.

2) RBC (Risk-Based Capital): Solvency ratio of an insurance company and an indicator of financial soundness

Types of Risk Management

Category	Types of Risk	Description
Financial Risks	Insurance	• Risk associated with prices and reserves, arising from differences between expectations and reality
	Interest Rates	• Risk of loss due to a decrease in the company's net asset value when interest rates fluctuate, arising from discrepancies in the maturity of assets and liabilities and the interest rate structure
	Market	• Risk of price fluctuations caused by interest rates, stock prices, and exchange rates
	Credit	• Risks arising from defaulting parties • Risk of changes in asset value due to defaults and credit ratings • Reinsurance credit risk: from reinsurer bankruptcy
	Subsidiaries	• Risks arising from the risks that subsidiaries are exposed to
	Business Management	• Risks arising from strategic aspects of management, e.g. delays in maintenance of necessary management systems and failure to make decisions
Non-financial Risks	Legal	• Risk of losses due to errors in the interpretation or application of laws, or non-compliance with regulations and policies
	Office Work	• Risks arising from employee negligence or misconduct in business processes, or errors in business procedures and standard settings
	Computer Systems	• Risks associated with program, system, and computer errors
	Reputation	• Risks that will negatively affect the company's credibility due to management failures, violation of laws, and social issues
	Operation	• Risk of human and material damage due to disasters and accidents

Business Continuity (BCP) Management

As various disasters occur frequently and worsen every year, the risk of business suspension due to unforeseen disasters is also increasing. To be fully prepared against these disaster emergencies, we have been carrying out our BCP (Business Continuity Plan) from 2013 and regular mock training every year to ensure business continuity, even in the event of business suspension.

Analysis of business impact	• Distribution and identification of tasks, by unit, so that they can be recovered in accordance with their importance in the event of an interruption to operations
Company-wide BCM planning	• Realignment of priorities by analyzing BCM (Business Continuity Management) results at the company level • Management planning with respect to the organization, human resources, alternative business sites, IT systems, important information, equipment, and supplies • Update of project-related R&R and personnel
Simulated BCP training	• BCP reviews and promotion of awareness through an annual update of accident scenarios and mitigation of inadequacies through post-training comments • IT DR (disaster recovery) training in line with electronic finance supervisory regulations

Management of financial soundness and limit setting

Since 2009, we have maintained stable capital adequacy by assessing the soundness of risk equity in accordance with the RBC criteria stipulated by the financial authority. Also, we allocate the capital required for each risk according to the RBC criteria, where risk tolerance limits are set upon the approval of the Risk Management Committee. This information is regularly reported to the committee and Management and relevant issues are strictly controlled and monitored constantly. As of December 2020, the RBC ratio was 208%.

Risk Factor Sensitivity Analysis

Through asset sensitivity analysis, we proactively respond to the impact of various market risk factors on our market capitalization and profit and losses by identifying the factors which have the most impact on changes in our RBC ratio. We also analyze crisis situations in line with risk factors and integrated crisis situations according to changes in interest rates, stock prices, exchange rates, default rates, and loss ratios. As a result of these diverse efforts, our RBC ratio has never fallen below 100%, even during times of crisis.

Financial Stability Management

K-ICS (Insurance Capital Standard)

As IFRS17 (International Financial Reporting Standard), which is based on the market value of insurance liabilities, is expected to be implemented in 2023, authorities are promoting the K-ICS, a new financial stability management system based on the market value of assets and liabilities. In response to these new policies, we have included the K-ICS standard model and internal model in the IFRS17 integrated system, which is based on the new solvency system, with respect to reserve capital, long-term insurance risk, general insurance risk, market risk, and credit risk. We are also building our interest-bearing assets to match duration and cash flow, adjusting our insurance liabilities portfolio and increasing capital if necessary.

K-ICS

1	Increase in the volatility of reserve capital and required capital according to the market valuation of assets and liabilities
2	Raising confidence in the measurement of required capital (99% → 99.5%)
3	Expansion and segmentation of risk assessment targets
4	Introduction of future cash flow projections concerning assets and liabilities

IFRS 9 implementation

In preparation for IFRS 9, which specifies changes in financial instrument classification and impairment approach, we have completed the establishment of a new asset management system that aligns with these accounting treatment changes so as to ensure that IFRS 9 can be applied independently to reporting periods from 2022.

Enforcement of the Financial Conglomerates Act

Since 2018, the “Exemplary Standards for Supervision of Financial Groups” was piloted on 6 financial groups, including DB Financial Group, to integrally reinforce financial soundness. Also, the “Act on Supervision of Financial Conglomerates (Financial Conglomerates Act)” was enacted in December 2020 and became effective in full force on June 30, 2021, legislating supervision activities. As a representative company of the DB FC, we furnished an integrated risk management system to control DB FC’s group equity ratio and made public disclosures on major business issues to strengthen the group’s risk-controlling capabilities.

Main framework of the Financial Conglomerates Act

1	Frameworks for risk management and internal control of FC
2	Periodic assessment on risk management of FC
3	Capital adequacy check for each FC
4	Reporting and disclosure of major issues

Emerging Risks

To strategically control risks, we have been continuously monitoring and analyzing the emerging risks triggered by internal and external changes in the business environment, including disruptive innovation led by new technologies and increasing losses due to climate change. We will set proactive response plans to cope with the newly identified emerging risks effectively.

Major risks	Disruptive technology innovations	Increased physical climate change risks																								
Background and definition	• Spread of disruptive innovation based on new IT technologies in all areas of finance - Non-financial industries' expansion into the financial sector driven by AI, blockchain, TechFin, etc. - Creation of new markets due to the implementation of Big Data-based business models • Increased security risks due to hacking and damage to major IT systems	• Increasing social and environmental losses due to climate change - Continuous increase in damage related to natural disasters - Increasing damage from storms and floods in summer and cold waves in winter according to geopolitical traits Losses from Natural Disasters Unit: KRW 100 million <table><thead><tr><th>Year</th><th>Ceded Reinsurance Losses</th><th>Retained Insurance Losses</th><th>Total Losses</th></tr></thead><tbody><tr><td>2016</td><td>140</td><td>58</td><td>198</td></tr><tr><td>2017</td><td>97</td><td>40</td><td>137</td></tr><tr><td>2018</td><td>127</td><td>60</td><td>187</td></tr><tr><td>2019</td><td>152</td><td>92</td><td>244</td></tr><tr><td>2020</td><td>371</td><td>321</td><td>692</td></tr></tbody></table>	Year	Ceded Reinsurance Losses	Retained Insurance Losses	Total Losses	2016	140	58	198	2017	97	40	137	2018	127	60	187	2019	152	92	244	2020	371	321	692
	Year	Ceded Reinsurance Losses	Retained Insurance Losses	Total Losses																						
2016	140	58	198																							
2017	97	40	137																							
2018	127	60	187																							
2019	152	92	244																							
2020	371	321	692																							
Main defense strategy and potential risks	• IT technology development is driving competition with big tech companies/foreign companies, not only domestic insurance companies - IT companies' entrance into the insurance industry (Naver, Kakao, Toss, etc.) - Establishment of a digital insurance company by an overseas insurer (Cigna Group) • Leakage of customer information leads to serious reputational risks and evolves into regulatory risks subject to sanctions by financial authorities.	• Insurance product loss rate due to the increase in extreme weather events (damage from storms and floods in summer and cold waves in winter) • Growing demand for financial products and services related to climate change • Increased business costs and legal risks due to strengthening environmental regulations																								
Response	• Promote specialization and differentiation by establishing mid- to long-term digital response strategies that consider the traits and potentials of the insurance industry • Establish industry's highest- level security system by having up to 5% of total employees working as dedicated IT security personnel and introducing a network system that separates intranet from external Internet - No leakage of customer information has occurred so far as of 2021.	• Increase capacity to respond to climate change through big data analysis technology, etc. • Development of products and services related to climate change and natural disasters • Active climate change response activities such as reduction of greenhouse gas emissions																								
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BUSINESS

Report

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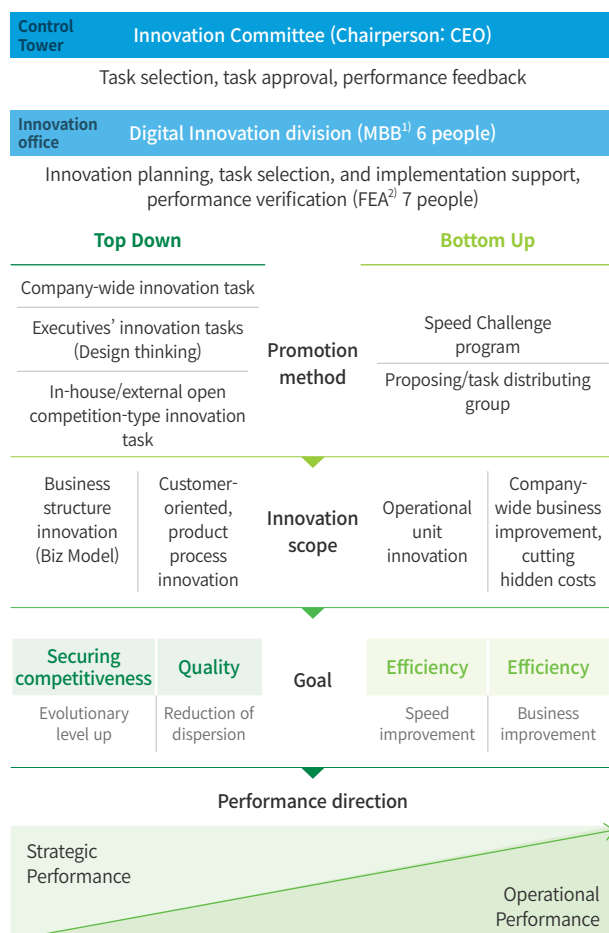
Innovative Management

Innovation Management Promotion System

Innovation Strategy and Integrated Performance Management

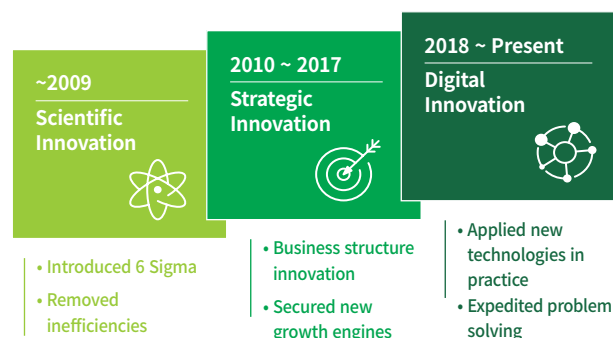
We promote company-wide innovation in management to help develop growth engines for the future and increase efficiency. Through the Innovation Committee led by the CEO, company-wide innovation plans from a mid-/long-term perspective are established and tasks are identified. With a dedicated team, innovation and execution capabilities, such as manpower training and task management, are enhanced. Tasks implemented as innovation projects are not only managed through an integrated system, but also continuously monitored, with feedback collected to improve effectiveness. In 2021, and continuing from 2018, we are supporting digital innovation and continuing to apply new technologies, such as AI, big data, and IoT, to drive innovation in the 4th industrial revolution.

2021 Innovative Management Promotion System



1) MBB(Master Black Belt): Advance in-house innovation certification grade
2) FEA(Financial Effect Analyst): Financial impact analysis

Innovation Roadmap



Transition to a high-efficiency business structure adapted to a low-growth era

To achieve and execute implementation of mid- to long-term strategies throughout the company and strengthen, we have established and performed detailed strategic tasks. As part of the "2020 mid- to long-term strategy," the scope of innovation tasks was expanded to include subsidiaries in 2017 to reinforce innovation capabilities at all business sites. Also, from 2018 to 2019, we performed a comprehensive review on mid- to long-term strategic tasks, digital innovation tasks, and management issues and promoted 23 tasks in a top-down method. In 2020, we applied a design thinking methodology to speed up the problem-solving process and implemented a Speed Challenge program to solve inter-organizational issues. For certain long-standing unresolved problems, we held in-house/outside open competitions to propose solutions. From 2021, there are 33 outstanding tasks in progress which are led by the digital transformation project and "2025 mid to long-term strategy."

Main innovation tasks for 2021

Open competition innovation task	- Increase renewal rate of CM car insurance - Increase mobile utilization rate in TM long-term insurance sales - Increase volume of policy loans for customers with large deposits - Increase U/W review automation for long-term insurance - Simplify vehicle compensation insurance payment - Enhance operational efficiency of medical review for insurance compensation
Customer products	- Establish a business cost projection model for each insurance contract based on Big Data - Improve profit/loss by establishing a data system for managing medical reimbursement expenses - Build a customer value-based car insurance premium U/W system
Channels	- Operate new sales channels to adapt to the non-face-to-face business environment - Secure prospective customers using financial broadcasting - Establish a candidate system using Big Data
Rewards	- Innovate the compensation process utilizing new digital technology - Take a preemptive response to MR through risk index control - Build a compensation system optimized to the DT environment of SMART compensation
Asset management	Set up an optimized outsourcing strategy under the changing regulatory environment

Culture of Innovation

We are committed to internalizing an innovation process to create an environment where employees can work more efficiently and proactively. To this end, we hold an annual in-house best practice contest and reward selected projects. The CEO also directly reviews company-wide innovation projects, which are supported by executives, to promote their implementation. Departmental proposals, a representative innovation activity that began in 2016, was upgraded to a working group activity in 2017. In 2018, we renamed our onsite working group activities to “One-Team Activities” and are continuously implementing them in practice. The One-Team project is an autonomous group that seeks to improve work regardless of department or team. A total of 342 teams were active from 2018 to 2020, and a total of 108 teams are participating in the project in 2021.

Innovation Management Performance

Establishing the best quality management system in the domestic financial industry

DB Insurance built the highest quality management system among its domestic peers in the financial industry through constant innovation. After winning the “National Quality Grand Award” in 2015, we became the first company in the insurance industry to receive the “National Quality Masters” for two consecutive years in 2016 and 2017, solidifying our position as a leading company in the industry. Also, we were awarded the Gold Medal in 2017, Bronze Medal in 2018, two Gold Medals and one Silver Medal in 2019 for Excellent Quality Task Group at the National Quality Management Convention hosted by the Korean Agency for Technology and Standards and the Korean Standards Association. In 2020, we also won the Iron Tower Order of Industrial Service Merit, three Gold Medals and one Silver Medal for Excellent Quality Task Group, earning recognition for the best quality company in Korea in deed as well as in name.

Advancement of quality management system

2020	• Iron Tower Order of Industrial Service Merit, three gold medals, and one silver medal for Excellent Quality Task Group	2016	• National Quality Masters
2019	• Two Gold Medals and one Silver Medal for Excellent Quality Task Group	2015	• National Quality Grand Award
2018	• Bronze medal for Excellent Quality Task Group	2008	• National Quality Innovation Award
2017	• Gold medal for Excellent Quality Task Group • National Quality Masterpiece	2005	• National Quality Management Award

Innovation Performance Management

From 2004 to 2020, we carried out a total of 2,656 innovative tasks (41 cases in 2020) that resulted in financial performances of a cumulative KRW 2.10 trillion (KRW 79.7 billion in 2020). From an innovation capability perspective, considering the fact that 75.7% (314 people) among our head office employees obtained GB (Green Belt)³⁾ or higher certification grade, where 52.5% (165 people) of those 314 people acquired BB (Black Belt)⁴⁾ as of the end of 2020, we recognize that innovation tasks are contributing to the development of employees’ competencies, spreading a culture of innovation throughout the company.

3) GB (Green Belt): Beginner grade of the in-house innovation certification

4) BB (Black Belt): Intermediate grade of the in-house innovation certification

Business Case

Customer satisfaction by simplifying car insurance TM sales script

As a leading InsurTech company, we have been fully utilizing our digital infrastructure for on-site support of our business sites to reduce employee fatigue, increase work efficiency, and provide faster services. In 2020, the car insurance TM sales script was simplified at the suggestion of the “Into the Field” team at the in-house innovation contest, ultimately boosting the sales of long-term insurance products and reducing customer complaints.

Background

External environment

- Increased customer fatigue due to 10-minute script
- Complaints from clients due to misleading sections in the script

Internal issues

- All scripts are displayed on the company screens regardless of subscription status
- Inconvenience due to difficulty supplementing missing script parts and inability to save progress

Concepts for Improvement

- Standard script benchmarking and comparative analysis of our own scripts
- Simplification of essential guide scripts and development of auto scripts
→ Implementation of nationwide improvement plan through pilot test and sequential opening over 3 stages

Performance

- 50%▼ recording time for complete sales (5 minutes per contract)
- Marketing consent rate 14.5% p▲ (83.3%)
- More DBs secured due to increase in marketing consent rate (14K cases per month▲)
- Long-term insurance sales increase due to more marketing opportunities (KRW 74 million/quarter)

Economic Value

Asset Management

To preemptively respond to the rapidly changing economy, DB Insurance has reinforced its asset management capabilities to be centered on new ALM (Asset Liability Management) and is diversifying the target investments and regions. Our assets will be matched to expected cash flows streaming from insurance liabilities to secure abundant reserve sources for insurance payouts and stable interest rate margins in the long-term.

Reinforcing operating system for professional asset managers

DB Insurance has been making numerous efforts to improve the HR management system of professional asset managers to boost performance in asset management. We picked 13 core competencies and 6 duties necessary to carry out mid- to long-term asset management and have been recruiting new hires, cultivating and managing this workforce in line with those competencies and duties. Specifically, we arranged a new education system centered on asset management training that focuses on cultivating hybrid talent with knowledge in both insurance and investment and held research seminars on the investment themes of each field to have new ideas shared. We are also committed to reinforcing investment capabilities in the overseas market through actions such as incorporating subsidiaries in core locations and recruiting human resources. Despite the difficulties of COVID-19, our efforts to nurture talented people shall continue through online seminars and online training programs that will replace the previous group training.

Strengthening adaptability to changes in investment environments

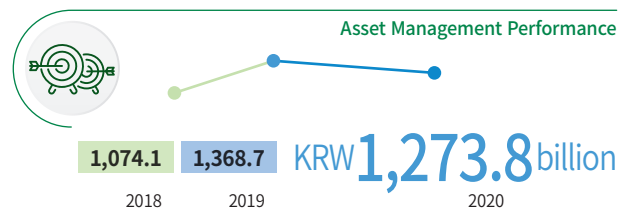
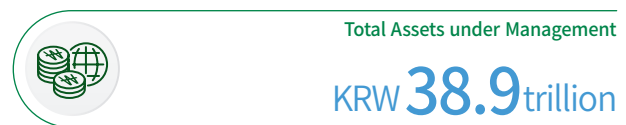
DB insurance has been seeking various countermeasures in preparation for the upcoming new accounting standards (IFRS 17, IFRS 9) and regulatory scheme (K-ICS) effective 2023, which are expected to have significant impacts on the equity and profit/loss volatility of insurance companies. First, to strengthen ALM we plan to divide our assets between a "liability-matching asset group" and "profit-generating asset group," consider the nature of funds when managing these groups, and extend asset duration to align them with maturities of insurance liabilities on an ongoing basis. Second, we plan to reduce the portion of investment that causes high volatility in profit and losses, such as funds and structured securities, and gradually reduce the portion of high-risk marketable assets in stages. Moreover, assuming the decrease of ROI, we plan to replace existing assets with assets of high capital efficiency for our future trading portfolios, such as high-quality alternative investments in the domestic/overseas market, corporate bonds, and high-efficiency equity.

Maintaining Competitive Advantages in ROI

In order to strengthen ALM-based asset management, we are diversifying our efforts to create additional profit by taking advantage of market opportunities, including stock management, and maintaining a ratio of more than 90% of interest-bearing assets with stable income. By doing so, we managed to reach KRW 1,273.8 billion in profit and 3.41% ROI in 2020, thus maintaining a strong competitive edge.

Global Network Expansion

To further strengthen our strategic alliances with leading insurers and operators around the world, we have signed an MOU with the top insurer in North America and are promoting joint investments in the global real estate market, infrastructure assets, and overseas corporate bonds. Consequently, we are not only expanding our presence in overseas investment sourcing channels, but are also accumulating invaluable know-how. Furthermore, we have established an office in Manhattan, New York to build a network with local financial companies, while providing outstanding investment information and improving accessibility to investment trends. In addition, we are improving our due diligence process concerning overseas investment, which has suffered lately due to COVID-19, through our New York investment subsidiary, while exploring high-quality assets and management companies. Going forward, we will continue to establish overseas bases to strengthen our global network and access to investment assets.



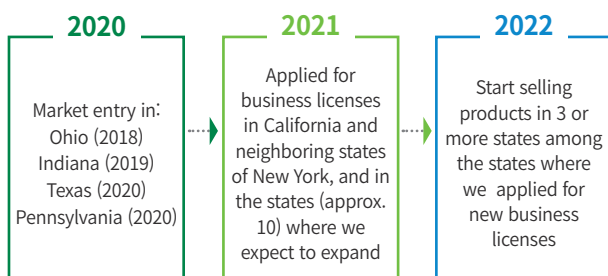
Overseas business

US

DB Insurance has been steadily expanding its business in the US market through various product sales, including package insurances (property and compensation), car insurance, and house fire insurance for individuals and corporations. In particular, our Overseas Business Group directly expanded into the US market by building a presence in California. We plan to improve work efficiency, train local experts, and expand target sales regions, capitalizing on our integrated operating system and quick decision-making process to grow as a competitive player in the US market.

Status and plans for our presence in the US market

We are stepping up our efforts to build a sustainable business presence in the US, such as extending our sales into Texas and Pennsylvania in 2020. Considering their different business environments and applicable regulations, we plan to differentiate the composition of product and operation plans, tailoring them to each region for stable business expansion.



Guam

The Guam branch, established in 1984, has grown to become the most trusted and leading insurance company in Guam and nearby islands, including Saipan. It is known for providing speedy customer service and its established partnerships with local agents.

Hawaii

Our Hawaii branch, which is recognized as the leading insurance company in the country for its competitive products and prompt customer service, continues to grow on a foundation of strong profitability by leveraging its close partnership with major channels in the market. Furthermore, we are committed to improving our service quality and expanding our market presence with a focus on our IT systems, while exploring new markets to develop growth engines for the future.

California

The California branch operates a variety of sales channels, including Koreans, local agents, large MGA¹⁾, etc. based on detailed market analysis and localization strategies. The branch was able to open up opportunities to expand its presence in the US by finding strategic partners, which led to successful entry into the US commercial automobile market. From 2020, the branch launched house fire insurance sales and plans to further expand into neighboring states through the MGA to seek additional growth engines going forward.

1) MGA: Managing General Agent.

New York

To secure business stability, the New York branch actively promoted diversification in sales channels and product portfolios. Following the launch of package products that renders property and liability insurances for SMEs and comprehensive housing insurances for individual customers, it successfully entered the commercial car insurance market and secured a stable growth engine. Going forward, through the Overseas Advisory Corporation established in the State of New York in 2020, we plan to upgrade the asset management competencies of the overseas branches and reinforce investment management strategies to increase asset size and profits through new investment opportunities and proactively manage assets accordingly.

US branches ²⁾

As of 2020

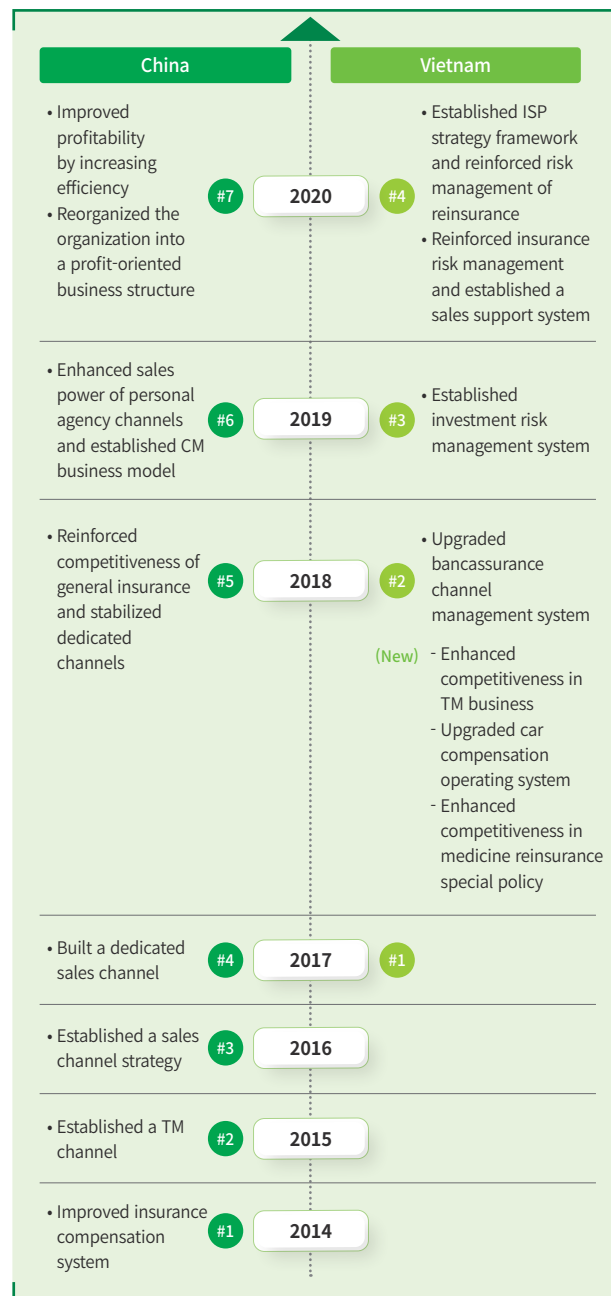
Category	Unit	Guam	Hawaii	California	New York	US support division
Total number of support staff (Number of local employees)	Number of people	7(3)	16(13)	11(9)	10(8)	35(27)
Volume	1 million USD	43.9	77.8	72.6	49.5	-

2) As of the end of 2020, based on the overseas branch performance report issued by the Financial Supervisory Service

Asia

Based on close cooperation with our subsidiaries in China and Vietnam, we are sharing our business know-how and corporate culture to develop competitive advantages in the local market, thus laying the foundation for sustainable growth.

Joint projects of subsidiaries



China

After establishing the first presence in China through the Beijing office in 2006, DB Insurance gradually expanded into the Chinese market through the acquisition of shares in a local insurance broker in Qingdao in 2011 and shares in a local primary insurance company in 2013. Due to uncertainties of the Chinese market and high entry barriers in the early stages of the market entry, DB insurance took the safe approach of share acquisition and joint ventures with local partners, rather than an independent expansion strategy. In particular, our insurance business in China is jointly promoted together with a local primary insurer with sales rights in all regions of China, and we also participate in the local primary insurer's business management. With these efforts, we are steadily solidifying our market dominance in China by securing local business capabilities.

Vietnam

DB Insurance is making various efforts from diverse perspectives to become a market leader in Vietnam, known to have significant growth potential. With the acquisition of Vietnam Post & Telecommunication Insurance (PTI) in 2015, we established a local business presence and have been providing services differentiated from local ones, such as joint promotions of Korean-type bancassurance products for the first time in Vietnam. We will reinforce internal capabilities and cooperate with local partners to solidify our business position on the Indochinese Peninsula.

Major business performance

Uncertainties in the global financial market are growing as the global economy is undergoing severe stagnation due to the outbreak of the COVID-19 pandemic, along with strengthened protectionism in trade, low interest rates, and low growth trends. Likewise, the profitability of the domestic insurance market is severely deteriorating due to increasing loss ratio and business costs as well as environmental changes triggered by the 4th industrial revolution and IFRS adoption. Even under such difficult circumstances, DB Insurance successfully recorded KRW 14.699 trillion for direct premiums, up 80% from the prior year, and a net income of KRW 502.2 billion, up 34.8% from the previous year. Going forward, we will continue to secure engines for sustainable growth by proactively responding to environmental changes and continuing ongoing business innovation activities.

Condensed Income Statement

Unit: KRW million, %

Category	2019	2020	Change	G/R
Direct written premium	13,026,984	14,069,876	1,042,892	8.0
Retained premium	12,114,798	13,035,372	920,574	7.6
Accrued premium	11,870,582	12,670,470	799,888	6.7
Loss	10,241,678	10,626,128	384,450	3.8
(Loss rate)	86.3	83.9	(2.4)	
Net operating expenses	2,485,314	2,634,777	149,463	6.0
(Expense rate)	20.9	20.8	(0.1)	
Operating profit (insurance)	(856,410)	(590,436)	265,974	31.1
Operating profit (investment)	1,368,743	1,273,754	(94,989)	(6.9)
Total operating profit	512,333	683,318	170,985	33.4
Non-operating/special profit and loss	(7,276)	(4,831)	2,445	33.6
Net income	372,691	502,204	129,513	34.8
(Profit rate)	3.1	5.4	2.3	

Condensed Balance Sheet

Unit: KRW million, %

Category	2019	2020	Change	G/R
AUM	36,974,180	38,935,825	1,961,645	5.3
(AUM rate)	84.7	82.6	(2.1)	
Non-AUM	3,255,418	3,621,804	366,386	11.3
Special account assets	3,437,244	4,566,701	1,129,457	32.9
Total debt	37,946,382	41,060,251	3,113,869	8.2
Capital	35,400	35,400	0	0
Total capital	5,720,665	6,064,080	343,415	6.0
Total assets	43,667,047	47,124,331	3,457,284	7.9

Tax policy

We are committed to fulfilling our reporting obligations by strictly observing tax laws and regulations in all countries where we conduct business operations. Through the electronic disclosure system (dart.fss.or.kr), we conduct external audits based on international accounting standards at the end of every quarter and every year. Relevant information and corporate tax-related matters, including corporate income tax, deferred tax, and effective tax rate, are highlighted and indicated in our financial statements and disclosed publicly. We also respond to inquiries by tax authorities and investigations, and faithfully fulfill our duty as a corporate tax payer.

Corporate Tax Rates

Unit: KRW million, %

Category	2019	2020
Income before tax	505,057	678,487
Statutory tax	132,366	176,282
Statutory tax rate	26.21	25.98
Amount of tax paid	62,427	156,554
Tax rate applied	12.36	23.07

Corporate Tax Payments

As of 2020, Unit: KRW million, %

Category	Direct premium written	Net income before tax	Tax paid	Domestic tax reduction due to overseas tax payments (KRW)
Domestic	12,689,116,953	618,775,651	143,891,960	-
Overseas	242,754,232	4,833,281	670,612	3,375,101,467
U.S. Branch	199,263,633	2,469,920	-	2,742,542,018
Guam	43,490,599	2,363,361	670,612	632,559,449

Distribution of Economic Performance

We not only promote sustainable growth through economic performance, but also strive to fulfill our corporate social responsibility by distributing economic gains to our stakeholders, including customers, partners, shareholders, employees, and local communities.

Partner	Executives and employees	Shareholder	Customer	Local community	
Agency sales commission	Personnel expenses	Dividend payments	Insurance payments	Amount of social contribution	Hours spent on social contribution activities (executives, employees, insurance planners)
KRW 488.4 billion	KRW 270.1 billion	KRW 132.1 billion	KRW 6,424.9 billion	KRW 6,274 million	55,505 hours

Management's Report on ICFR

To DB Insurance Shareholders, the Board of Directors, and the Audit Committee

We, the CEO and Internal Accounting Manager of DB Insurance, have assessed the design and operation of our internal accounting management system for the fiscal year ending on December 31, 2020.

Company management, including the CEO and Internal Accounting Manager, is responsible for the design and operation of the internal accounting management system.

To ensure the disclosure of trustworthy financial statements, the CEO and Internal Accounting Manager check whether the internal accounting management system is effectively designed and operated to prevent and detect errors or fraudulent practices that may cause the distortion of financial statements.

Concerning the design and operation of the internal accounting management system, the CEO and Internal Accounting Manager apply the Internal Accounting Control System Design and Operation Concept, which is a standard developed by the Internal Accounting Control System Committee. When it comes to assessing the design and operation of the internal accounting management system, the Best Practices for the Evaluation and Reporting of the Internal Accounting Control System, developed by the Internal Accounting Control System Committee, was used as a reference.

Based on the results of the internal accounting management system assessment as of December 31, 2020, we have concluded that the system is effectively designed and operated in accordance with the Internal Accounting Control System Design and Operation Concept.

We have confirmed that no part of the report contains false statements or omissions. We also confirm that the report does not contain or display any content that may mislead or cause serious misunderstanding, and moreover, that it has been checked and reviewed with due caution.

February 25, 2021

CEO **Kim Jung-nam**

Internal Accounting Manager **Nam Seung-hyung**

Consolidated Financial Statements

Consolidated Statement of Financial Position

DB Insurance Co., Ltd., and Subsidiaries

Unit: KRW

Category	54 th Term	53 rd Term	52 nd Term
Asset			
1. Cash and cash equivalents	677,852,714,853	830,764,561,941	1,355,523,910,215
2. Financial assets at fair value through profit or loss	1,694,517,622,757	1,501,358,235,644	1,127,448,907,222
3. Available-for-sale financial assets	23,438,188,670,625	23,306,572,234,773	21,481,086,399,191
4. Held-to-maturity financial assets	2,027,277,611,241	1,583,653,497,198	-
5. Loans and receivables	20,011,187,403,793	18,082,079,619,797	17,785,139,260,599
6. Hedging derivative assets	620,490,991,293	191,386,711,876	153,245,398,209
7. Investment in associates	294,720,399,718	266,417,815,529	253,397,283,875
8. Property and equipment	425,257,208,304	424,709,863,129	401,907,533,262
9. Investment property	1,263,868,683,598	1,301,395,220,600	1,327,813,639,790
10. Intangible Assets	165,742,654,046	173,952,894,610	197,450,414,985
11. Reinsurance Assets	756,189,568,707	690,280,490,210	625,266,483,751
12. Other assets	2,216,691,903,220	2,049,742,495,170	1,972,387,621,809
13. Deferred tax assets	31,454,755,996	28,180,220,983	24,986,596,603
14. Current tax assets	14,277,325,805	27,948,406,743	-
15. Separate account assets	6,413,609,498,382	5,320,609,467,957	4,224,069,613,977
Total assets	60,051,327,012,338	55,779,051,736,160	50,929,723,063,488
Liabilities			
1. Insurance contract liabilities	43,489,149,431,001	41,202,210,717,696	38,754,409,764,615
2. Policyholder's equity adjustment	5,240,925,368	3,914,437,757	2,899,854,383
3. Financial liabilities at fair value through profit or loss	5,909,154,011	4,471,608,814	3,514,797,797
4. Hedge derivative liabilities	111,695,140,384	91,242,722,861	62,042,547,785
5. Defined benefit liabilities	22,981,001,313	30,183,368,481	31,664,233,664
6. Other liabilities	2,679,318,051,866	2,266,751,916,006	1,862,658,787,847
7. Deferred tax liabilities	664,010,627,872	633,445,636,528	366,460,763,540
8. Current tax liabilities	94,061,259,721	-	46,499,664,470
9. Separate account liabilities	6,474,369,513,505	5,401,791,588,846	4,508,758,794,440
Total liabilities	53,546,735,105,041	49,634,011,996,989	45,638,909,208,541
Equity			
1. Share capital	35,400,000,000	35,400,000,000	35,400,000,000
2. Capital surplus	84,884,742,115	37,912,781,518	37,912,781,518
3. Capital adjustment	(152,492,009,860)	(29,655,475,800)	(29,655,475,800)
4. Accumulated other comprehensive income	1,227,862,925,174	1,132,111,761,903	532,289,972,810
5. Retained earnings	5,218,530,258,589	4,770,134,899,102	4,520,361,048,989
(Accumulated bad debt reserve)	(80,062,488,875)	(82,670,664,559)	(71,285,909,734)
(Accumulated contingency reserve)	(1,023,646,135,736)	(932,220,238,263)	(851,326,171,683)
(Estimated bad debt reserve)	(7,919,472,804)	2,608,175,684	(11,384,754,825)
(Estimated contingency reserve)	(107,111,318,013)	(91,425,897,473)	(80,894,066,580)
Controlling interests	6,414,185,916,018	5,945,903,966,723	5,096,308,327,517
6. Non-controlling interests	90,405,991,279	199,135,772,448	194,505,527,430
Total equity	6,504,591,907,297	6,145,039,739,171	5,290,813,854,947
Total liabilities and equity	60,051,327,012,338	55,779,051,736,160	50,929,723,063,488

Consolidated Statement of Financial Position

DB Insurance Co., Ltd., and Subsidiaries

Unit: KRW

Category	54 th Term	53 rd Term	52 nd Term
Operating revenue	20,110,608,226,449	18,676,127,539,094	17,454,511,735,438
1. Premium income	15,456,134,292,643	14,398,431,205,010	13,694,903,918,841
2. Reinsurance income	709,047,875,554	629,249,632,265	572,687,287,879
3. Compensation income	16,767,289,047	16,835,534,404	10,425,295,349
4. Interest income	1,314,290,869,921	1,317,559,978,903	1,271,241,145,006
5. Financial instrument investment income	1,437,149,183,500	1,047,634,819,690	723,923,745,697
6. Gains on foreign exchange transaction	447,359,614,158	548,671,180,803	476,659,852,308
7. Fee income	6,936,573,211	10,050,392,316	8,690,691,406
8. Dividend income	210,804,361,684	197,263,460,704	150,551,979,079
9. Other income	357,334,684,760	372,457,626,038	411,621,739,634
10. Separate account income	154,783,481,971	137,973,708,961	133,806,080,239
Operating expense	19,379,625,754,764	18,167,258,780,467	16,736,363,400,348
1. Provision for insurance contract liability	2,224,947,958,183	2,362,107,081,304	2,039,889,141,075
2. Insurance claim expense	6,742,539,356,819	6,266,404,699,552	5,684,187,801,355
3. Refunds paid	3,768,510,289,062	3,523,330,560,400	3,474,180,520,751
4. Dividends paid	6,481,802,045	8,038,765,484	6,262,064,705
5. Damage investigation expense	144,584,397,195	144,453,086,963	128,437,766,586
6. Reinsurance expense	1,025,024,054,401	904,422,225,181	806,068,720,594
7. Operating expense	1,694,875,383,731	1,598,993,901,941	1,486,212,400,502
8. Amortization of deferred acquisition cost	1,385,837,699,775	1,348,186,374,730	1,255,765,834,667
9. Interest expense	55,013,765,115	47,788,284,729	42,611,716,337
10. Financial instrument investment expense	922,194,898,034	1,138,381,095,738	992,200,075,071
11. Bad debt expense	12,129,430,703	17,566,145,967	14,603,462,659
12. Losses on foreign exchange transaction	753,516,591,362	176,465,185,737	164,938,814,998
13. Property management expense	108,032,272,577	104,304,138,561	98,724,398,655
14. Real estate management expense	18,062,083,192	17,163,844,728	16,421,080,959
15. Other expenses	363,092,290,599	371,679,680,491	392,053,521,195
16. Separate account expense	154,783,481,971	137,973,708,961	133,806,080,239
Operating profit	730,982,471,685	508,868,758,627	718,148,335,090
Non-operating income	57,038,457,718	38,294,966,897	29,669,083,352
Non-operating expense	37,020,908,582	25,591,799,780	15,091,927,536
Net income before income tax	751,000,020,821	521,571,925,744	732,725,490,906
Corporate income tax expense	189,891,504,635	141,409,183,804	196,895,960,723
Net Income	561,108,516,186	380,162,741,940	535,829,530,183
Net income attributable to controlling interests	558,841,368,552	375,995,766,788	531,029,013,405
Net income attributable to non-controlling interests	2,267,147,634	4,166,975,152	4,800,516,778
Other comprehensive income	87,590,068,428	606,635,582,284	73,536,077,237
1. Items to be reclassified as profit or loss in subsequent periods			
Gains on valuation of available-for-sale financial assets	115,262,514,491	602,704,862,521	72,031,849,530
Losses on valuation of held-to-maturity financial assets	(504,557,015)	(16,623,261,170)	-
Equity changes in other comprehensive income of associates	6,530,057,445	11,913,123,389	(10,080,024,748)
Gains (Losses) on valuation of hedging derivatives	3,966,286,105	(22,294,156,182)	(9,004,533,337)
Gains (Losses) on translation of overseas operations	(53,605,661,616)	2,832,079,137	11,178,392,258
Other comprehensive income in separate accounts	9,466,040,682	27,481,761,266	18,558,906,323
2. Items that will not be reclassified as profit or loss in subsequent periods			
Remeasurement of defined benefit liability	4,286,623,333	1,069,305,179	(8,718,239,833)
Property, plant and equipment revaluation surplus	2,188,765,003	(448,131,856)	(430,272,956)
Total comprehensive income	648,698,584,614	986,798,324,224	609,365,607,420
Comprehensive income attributable to controlling interests	654,592,531,823	975,817,555,881	614,941,780,610
Comprehensive income (loss) attributable to non-controlling interests	(5,893,947,209)	10,980,768,343	(5,576,173,190)
Basic and diluted earnings per share for controlling interests	9,171	5,940	8,389

Consolidated Statement of Changes in Equity

DB Life Insurance Co., Ltd., and subsidiaries

Unit: KRW

Category	Controlling interests					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Capital adjustment	Accumulated other comprehensive income	Retained earnings			
January 1, 2018 (beginning balance of the year before last)	35,400,000,000	37,912,781,518	(29,655,475,800)	448,377,205,605	4,136,000,837,502	4,628,035,348,825	204,974,233,746	4,833,009,582,571
Total comprehensive income:								
Net Income					531,029,013,405	531,029,013,405	4,800,516,778	535,829,530,183
Gains on valuation of available-for-sale financial assets				82,222,915,707		82,222,915,707	(10,191,066,177)	72,031,849,530
Equity changes in other comprehensive income of associates				(10,080,024,748)		(10,080,024,748)		(10,080,024,748)
Losses on valuation of hedging derivatives				(8,990,727,011)		(8,990,727,011)	(13,806,326)	(9,004,533,337)
Gains on translation of overseas operations				11,178,392,258		11,178,392,258		11,178,392,258
Other comprehensive income in separate accounts				18,558,906,323		18,558,906,323		18,558,906,323
Revaluation surplus				(430,272,956)		(430,272,956)		(430,272,956)
Remeasurement of defined benefit liability				(8,546,422,368)		(8,546,422,368)	(171,817,465)	(8,718,239,833)
Total comprehensive income				83,912,767,205	531,029,013,405	614,941,780,610	(5,576,173,190)	609,365,607,420
Shareholder transactions directly reflected in equity:					(146,668,801,918)	(146,668,801,918)	(4,892,533,126)	(151,561,335,044)
Annual dividends								
December 31, 2019 (ending balance of prior year)	35,400,000,000	37,912,781,518	(29,655,475,800)	1,132,111,761,903	4,770,134,899,102	5,945,903,966,723	199,135,772,448	6,145,039,739,171
January 1, 2020 (beginning balance of current year)	35,400,000,000	37,912,781,518	(29,655,475,800)	1,132,111,761,903	4,770,134,899,102	5,945,903,966,723	199,135,772,448	6,145,039,739,171
Total comprehensive income:					(126,221,916,675)	(126,221,916,675)	(6,350,523,325)	(132,572,440,000)
Net Income					375,995,766,788	375,995,766,788	4,166,975,152	380,162,741,940
Gains on valuation of available-for-sale financial assets				591,919,142,515		591,919,142,515	10,785,720,006	602,704,862,521
Losses on valuation of held-to-maturity financial assets				(12,909,047,967)		(12,909,047,967)	(3,714,213,203)	(16,623,261,170)
Equity changes in other comprehensive income of associates				11,913,123,389		11,913,123,389		11,913,123,389
Losses on valuation of hedging derivatives				(22,276,978,178)		(22,276,978,178)	(17,178,004)	(22,294,156,182)
Gains on translation of overseas operations				2,832,079,137		2,832,079,137		2,832,079,137
Other comprehensive income in separate accounts				27,481,761,266		27,481,761,266		27,481,761,266
Remeasurement of defined benefit liability				1,309,840,787		1,309,840,787	(240,535,608)	1,069,305,179
Property, plant, and equipment revaluation surplus				(448,131,856)		(448,131,856)		(448,131,856)
Total comprehensive income				599,821,789,093	375,995,766,788	975,817,555,881	10,980,768,343	986,798,324,224
Shareholder transactions directly reflected in equity:			(122,836,534,060)			(122,836,534,060)		(122,836,534,060)
Acquisition of treasury stocks		46,971,960,597		8,360,987,024	(8,360,987,024)	46,971,960,597	(150,878,053,025)	(103,906,092,428)
Acquisition of non-controlling interests							39,839,480,000	39,839,480,000
Issuance of hybrid securities					(102,085,022,041)	(102,085,022,041)	(158,247,959)	(102,243,270,000)
Annual dividends								
December 31, 2020 (ending balance of current year)	35,400,000,000	84,884,742,115	(152,492,009,860)	1,227,862,925,174	5,218,530,258,589	6,414,185,916,018	90,405,991,279	6,504,591,907,297

Consolidated Statement of Cash Flows

DB Life Insurance Co., Ltd. and subsidiaries

Unit: KRW

Category	54 th Term	53 rd Term	52 nd Term
Cash flow from operating activities	1,243,177,679,597	2,196,575,041,559	246,437,608,324
1. Net income before income tax	751,000,020,821	521,571,925,744	732,725,490,906
2. Adjustment of revenue and expenses	2,238,016,893,849	2,253,552,991,986	2,044,251,822,649
3. Changes in assets and liabilities	(3,157,932,148,108)	(1,816,102,578,562)	(3,648,150,940,517)
4. Interest received	1,310,415,059,742	1,232,201,842,870	1,233,717,046,285
5. Interest paid	(40,633,297,420)	(36,423,191,131)	(32,736,465,363)
6. Dividends received	215,124,381,768	200,981,671,862	154,501,077,089
7. Corporate income tax paid	(72,813,231,055)	(159,207,621,210)	(237,870,422,725)
Cash flow from investment activities	(825,656,154,447)	(2,329,041,168,099)	144,508,919,678
1. Cash inflow	11,124,825,164,186	9,343,448,911,744	7,333,030,105,120
Disposal of available-for-sale financial assets	9,914,054,207,164	8,583,538,840,045	7,293,997,996,671
Redemption of held-to-maturity financial assets	116,662,661,720	22,894,949,112	-
Settlement of hedging derivatives for hedge accounting	7,059,256,335	-	-
Increase in lease security deposit	8,384,750,193	13,532,545,471	22,373,422,723
Disposal of investment property	37,433,531,717	33,685,131,817	1,383,784,107
Disposal of property, plant, and equipment assets	115,719,571	431,355,178	2,280,731,248
Disposal of intangible assets	440,000,000	-	-
Changes in scope of consolidation, etc.	1,040,675,037,486	689,366,090,121	12,994,170,371
2. Cash outflow	(11,950,481,318,633)	(11,672,490,079,843)	(7,188,521,185,442)
Disposal of available-for-sale financial assets	(11,035,127,419,468)	(10,518,174,140,978)	(7,074,461,378,034)
Redemption of held-to-maturity financial assets	(655,606,953,209)	(604,781,354,145)	-
Settlement of hedging derivatives for hedge accounting	(167,120,758,661)	(509,544,230,782)	(65,643,010,054)
Increase in lease security deposit	(5,754,070,199)	(7,390,403,993)	(11,735,407,872)
Acquisition of investment property	(36,797,392,740)	(198,246,967)	-
Acquisition of property, plant, and equipment assets	(21,997,885,753)	(18,025,167,905)	(22,550,584,954)
Acquisition of intangible assets	(27,291,883,594)	(14,104,695,971)	(13,816,557,368)
Cash outflow due to restoration work	(784,955,009)	(271,839,102)	(314,247,160)
Cash flow from financing activities	(296,240,101,588)	(116,447,499,811)	(44,802,344,392)
1. Cash inflow	73,510,255,992	58,651,495,706	115,732,419,291
Issuance of hybrid securities	39,839,480,000	-	-
Net increase in borrowings	30,952,142,972	57,196,690,846	111,725,203,723
Increase in lease security deposit (for tenants)	2,718,633,020	1,454,804,860	4,007,215,568
2. Cash outflow	(369,750,357,580)	(175,098,995,517)	(160,534,763,683)
Acquisition of treasury stocks	(122,836,534,060)	-	-
Decrease in lease security deposits (for tenants)	(2,710,144,832)	(5,186,743,400)	(8,944,628,639)
Stock issuance cost	-	-	(28,800,000)
Dividend payment	(102,243,270,000)	(132,572,440,000)	(151,561,335,044)
Lease payment	(38,054,316,260)	(37,339,812,117)	-
Acquisition of non-controlling interests	(103,906,092,428)	-	-
Increase (decrease) in cash and cash equivalents	121,281,423,562	(248,913,626,351)	346,144,183,610
Effects of changes in foreign exchange rates	(24,934,837,925)	(570,259,845)	2,439,961,845
Cash and cash equivalents at the beginning of the year	424,916,824,741	674,400,710,937	325,816,565,482
Cash and cash equivalents at the end of the year	521,263,410,378	424,916,824,741	674,400,710,937

Independent Auditor's Report

DB Insurance Co., Ltd. The Shareholders and Board of Directors

Audit opinion

We have audited the consolidated financial statements of DB Insurance Co., Ltd. and its subsidiaries ("the Company"), which comprise the consolidated statements of financial position as of December 31, 2020 and December 31, 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for those reporting periods, and notes, which comprise significant accounting policies and other explanatory information. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2020 and December 31, 2019, its consolidated financial performance, and its consolidated cash flows for those reporting periods in accordance with Korean International Financial Reporting Standards ("K-IFRS"). We have also examined the effectiveness of the Company's internal accounting management system in accordance with the Korean Standards on Auditing ("KSA") on financial reporting as of December 31, 2020, based on criteria established in Internal Accounting Management Design and Operation Framework issued by the Internal Accounting Management System Operation Committee. An unqualified opinion was expressed on the independent auditor's report as of March 18, 2021.

Basis for Opinion

We conducted our audit in accordance with KSA. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company 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 opinion.

Matters to Emphasize

We draw attention to the following matter that does not affect our audit opinion. As described in Note 37-5 to the consolidated financial statements, the proliferation of COVID-19 led to various prevention and control measures taking place, including global travel restrictions. It has far-reaching implications for the global economy, and the duration and intensity are difficult to predict. The Company prepared the consolidated financial statements by reasonably estimating the impact of COVID-19 for the reporting period as of December 31, 2020. However, the ultimate impacts of COVID-19 on the Company's consolidated financial position, financial performance, and cash flows are difficult to predict as of the audit report date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. These matters were addressed in forming our opinion in the context of our audit of the consolidated financial statements as a whole, and we do not provide a separate opinion on these matters.

Premium reserve of insurance contract liabilities

As mentioned in Note 2-20 (Insurance contract liabilities) to the consolidated financial statements, in accordance with the Insurance Business Supervision Regulations and relevant laws, the Company accumulates premium reserves from which insurance money, refunds, and dividends are paid out to policyholders or beneficiaries. Pursuant to our explanatory information in Note 32 (Details of insurance contract liabilities) for the consolidated financial statements, the book value of premium reserves as of the end of the reporting period is KRW 28.3 trillion representing 68.9% of total liabilities (KRW 41.1 trillion) and KRW 34.3 trillion, representing 82.5% of total insurance contract liabilities.

The premium reserve is calculated at the present value of expected future cash flows over an estimated insurance period using a basic rate at the time of financial closing. It is determined and used by the insurance company for each product which requires the Management's material judgment. In this respect, the premium reserve was determined as a key audit matter of most significance requiring the auditor.

As of the end of the reporting period, the main audit procedures performed in regards to the Company's premium reserves of KRW 28.3 trillion booked in the consolidated financial statements are as follows:

- Understand the Company's accounting policies relating to the calculation of premium reserve and check whether the calculation method complies with the Insurance Business Supervision Regulations and its enforcement bylaws
- Check whether there are any revisions made to the regulations and internal calculation rules applied at the time of premium reserve calculation, and, if any, whether those revisions are properly reflected in the Company's calculation of premium reserve
- Confirm whether basic calculation factors including methodologies/assumptions/input variables are applied in accordance with the regulations and internal calculation rules to the products with a high portion of holdings for each collateral
- Check whether any contract is omitted for the premium reserve by comparing the contract information held in the Company's operating system with the contract information shown in the calculation result
- Confirm whether the total amount of premium reserve in the final reserve account closing file equals the financial closing balances

Responsibilities of Management and Governing Body for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 audit. 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 sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, since 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 for the circumstances.
- Evaluate the appropriateness of accounting policies used in the preparation of the consolidated financial statements 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company 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.

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 the internal controls 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. We 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 auditors' 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 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 auditors' report is Sung-Yeon Hwang.

111, Yeouigongwon-ro, Yeongdeungpo-gu, Seoul

Ernst & Young

CEO Yong-Geun Park

March 18, 2021

This report is effective as of March 18, 2021, the audit report date. Subsequent events or circumstances may occur between the audit report date and the time this report is read, and the audit report may be subject to change.

Appendix

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Third-party Assurance Statement

To the stakeholders of DB Insurance

The Sustainability Lab (the “Assurer”) was asked by DB Insurance to provide independent assurance of the “DB Insurance 2021 Integrated Report” (the “Report”) and hereby provides the following assurance statement.

Responsibility and Independence

DB Insurance is entirely responsible for all information and opinions presented in this Report. The Assurer is solely responsible for the assurance statement on the content of the Report. As an independent assurance agency, the Assurer was neither involved in the process of preparing this Report nor in any conflicts of interest that may undermine our independence.

Assurance Standards

The Assurer performed assurance in accordance with Type 1 defined in ISAE 3000 of the International Auditing and Assurance Standard Board (IAASB) and AA1000AS (2016). In accordance with the verification principles, we further identified the suitability of possible impacts from the organization’s activities and performance. This means a comprehensive review of the effectiveness and reliability of the reporting criteria between these verifications. The verification level performed the verification of the limited warranty defined in ISAE 3000. In other words, the assurer identified compliance with the importance and understanding principles and evaluated the information and reliability of the GRI indicators listed in the report.

Limitations

The Assurer identified the reliability of performance in the Report based on the behind-mentioned assurance scope and standards as follows. The on-site verification was carried out through online. The financial data in the Report was verified through the financial statements audited by an auditor, disclosure information and corporate internal business reports and data verification and interview were conducted to verify process for environmental and social performance. This Assurance Statement is published for DB Insurance’s board of directors based on a contract and the Assurer expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Methodology

This assurance was conducted through the following methods.

- Verified if the requirements for Core options of GRI Standards were fulfilled.
- Verified the compliance with the principles of the Report contents and quality based on GRI Standards.
- Verified the selection of material issues covered and the appropriateness of the technical content through media research and benchmarking analysis.
- Verified the suitability of the contents and any errors in expression through comparison analysis with other sources.
- Verified the basis of comprehensive data and information and the internal process and system through on-site inspection.

Findings and Conclusion

It is the Assurer’s opinion that the Report represents the DB Insurance’s sustainability management activities and performance faithfully and fairly. In addition, through this verification process, the Assurer confirmed that DB Insurance’s report meets the GRI Standards requirements for Core Options and secured the rational level which can be presented by Type 1 assurance level. Universal Standards Disclosures were prepared in full compliance with the requirements for Core Options while topic specific Standards Disclosures were reviewed in line with disclosures of material topics identified through the process of determining report content as follows.

- GRI Standards Reporting Principles
- Universal Standards
- Topic Specific Standards
 - Management Approach, 301-1, 2, 3
 - Marketing and Labeling, 417-1
 - Local Communities, 413-1
 - Energy, 302-1
 - Indirect Economic Impacts, 203-2

• Inclusivity: Stakeholder Engagement

The Assurer confirmed that DB Insurance is promoting communication activities through communication channels by stakeholders in order to comply with the principle of inclusiveness. DB Insurance defines key stakeholders and establishes a systematic participation system considering the characteristics of the industry. Stakeholder expectations identified through stakeholder engagement are reviewed in line with the company's strategic direction and strategic tasks.

• Materiality: Identification and Reporting of Material Issues

The Assurer confirmed that DB Insurance selects material issues based on materiality evaluation process. Materiality issues were selected through the process of analyzing the impact on stakeholder decision-making on various sustainability issues and analyzing the impact on management performance. The selected material issues are reflected in management activities through the circulation of top management and the activities and performance of DB Insurance on each issue are reported in the Report by area.

• Responsiveness: Organization's Response to Issues

The Assurer also confirmed that DB Insurance is identifying material issues affecting the stakeholders' performance and conducting sustainability management activities to respond to such issues. The Assurer was able to confirm that DB Insurance sets clear targets on issues presented by stakeholders and disclose the performance on issues transparently.

• Impact: Consideration of the Impact of the Organization

DB Insurance is making efforts to identify and improve the social impact of the organization by setting boundaries on the impact of major issues. In particular, Through social responsibility investment, we have confirmed that we are managing the social impact that occurs through management activities.

Recommendation

The Assurer recognizes the diverse efforts and performance made by the Company and suggests the following for the Company's publication of the Report in the future and the improvement of its sustainability standards.

- We recommend that DB Insurance further expand the category of Materiality issues selected as a materiality test. It is necessary to provide appropriate information to readers by selecting sufficient Materiality issues as a report provided for various interests in DB Insurance. In particular, Issues related to customer's important information, such as customer information security, require special attention, and Assurer think it is important to disclose information about the company's approach and promotion activities.

GHG Assurance Statement

Introduction

Korea Productivity Center Quality Assurance (hereinafter 'KPCQA') has been engaged by DB Insurance Co., Ltd (hereinafter the 'Company') to independently verify its 2020 Greenhouse Gas Emission Report (hereinafter 'Inventory Report') under limited assurance. It is the responsibility of the Company to compile the 'Inventory Report' according to the 'Greenhouse Gas and Energy Target Management Scheme (Notification No. 2021-47 of Ministry of Environment)' and ISO 14064-1. KPCQA has responsibility to conduct verification based on the ISO 14064-3 to provide verification opinion on compliance of the 'Inventory Report' against verification criteria.

Verification Scope

The following are included in the scope of this Verification.

- 1) Scope 1, 2 : All of the domestic subsidiaries under operational control of the Company (Including rented building emissions of scope 2 estimated using following calculation: "rented area(m²) × average scope 2 emissions per area(m²) of domestic subsidiaries in 2020").
- 2) Scope 3 : Other indirect emissions in relation to business trip

Conclusion/Opinion

Based on verification process according to the ISO 14064-3, KPCQA obtained reasonable basis to express the following conclusion on the DB Insurance's Inventory Report.

- 1) The Inventory Report was prepared against 'Greenhouse Gas and Energy Target Management Scheme' run by Korea Government.
- 2) As a result of materiality assessment on 2020 Greenhouse Gas Emission of entire domestic subsidiaries, material discrepancy is less than the criteria of 5% for the organization who emits less than 500,000 tCO₂-eq/y in accordance with the requirements of the 'Greenhouse Gas and Energy Target Management Scheme'.

Reporting period		2020.1.1 ~ 2020.12.31
Total Annual Emissions (tCO ₂ -eq)	Total Emissions (Scope 1, 2)	25,228
	Direct Emissions (Scope 1)	2,751
	Indirect Emissions (Scope 2)	22,477
	Other Indirect Emissions (Scope 3) Business Trip	241

August 6th, 2021

CEO Jeong Eui Sik

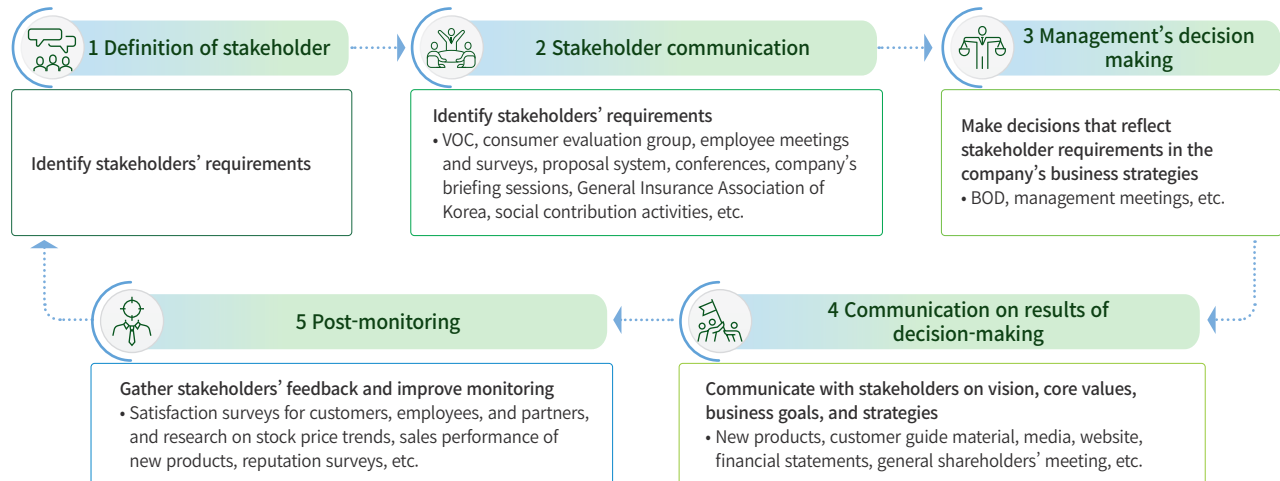
Korea Productivity Center Quality Assurance



Stakeholder Engagement

DB Insurance defines customers, shareholders, investors, executives/employees, partners, and local communities as key stakeholders. We actively collect internal and external stakeholders' opinions through communication channels tailored to the traits of each stakeholder and reflect them in our major business decisions. We also conduct direct surveys such as internal and external customer satisfaction surveys (CSI), employee satisfaction surveys (ESI), partner satisfaction surveys (FSI), and online reputation survey systems, as well as indirect surveys on new products' sales performance and trends of stock prices. These survey results are reflected in Management decisions for further improvement.

Stakeholder Communication System



Creating Stakeholder Value



Management decision-making process

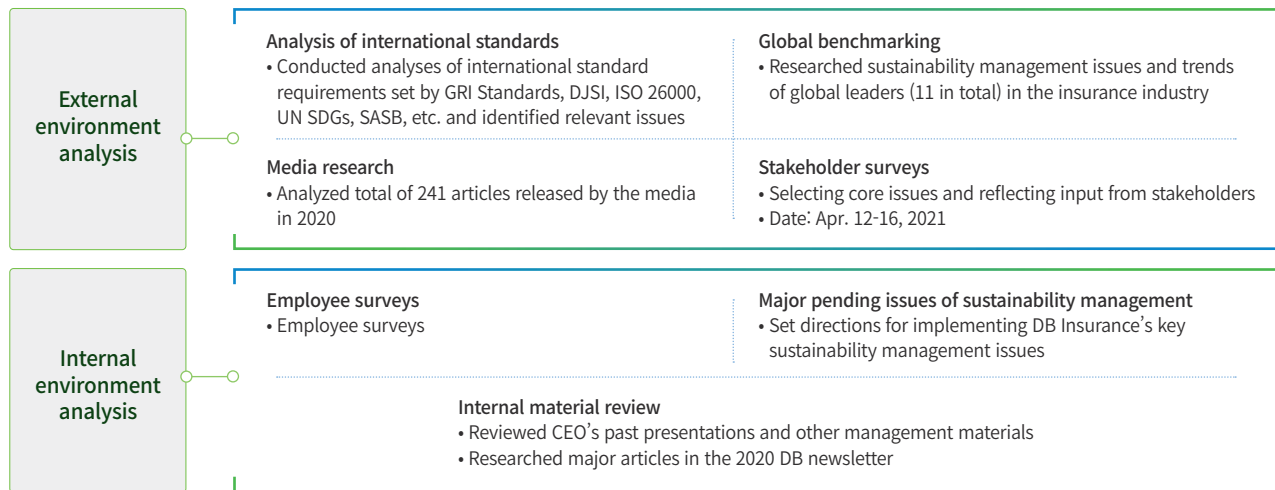
Our decisions on key business issues are made through various management bodies, including the BOD, committees, and management meetings. We reflect the impacts arising from changes in the business environment and strategies into our operation schemes and make further improvements accordingly. Our decision-making process is facilitated smoothly through an electronic approval system and major decisions are transparently disclosed to all employees on the business portal system.

Materiality Assessment

To identify key sustainability management issues that may affect the overall business environment, we conducted surveys on sustainability management trends in Korea and overseas markets and benchmarked peer companies. We also analyzed internal resources, including management strategy-related materials and DB newsletter articles. To ensure that diverse sources of opinions can be reflected in the report, we also included our key stakeholders and experts in the survey respondents. Through this report, we intend to transparently disclose sustainability management activities and performances of core issues and collect opinions from various stakeholders to achieve internalization of sustainability strategies and improvement of the management system.

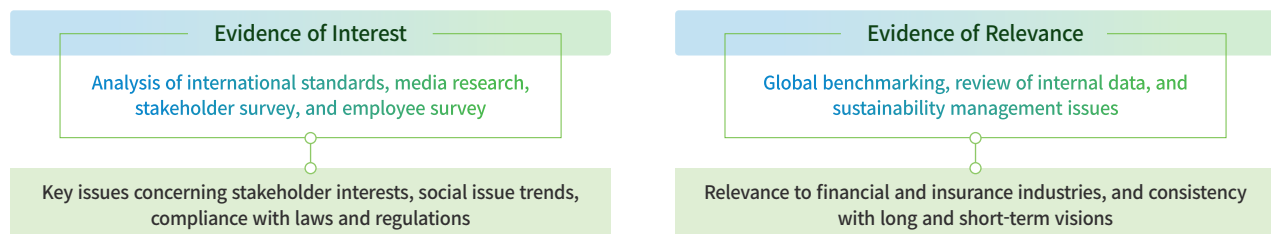
Step 1: Creating a Topic Pool

Multi-faceted analysis for sustainable management of DB Insurance

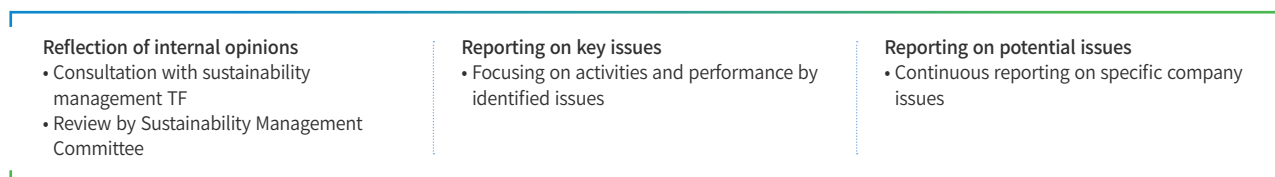


Step 2: Materiality Mapping & Selection of Key Issues

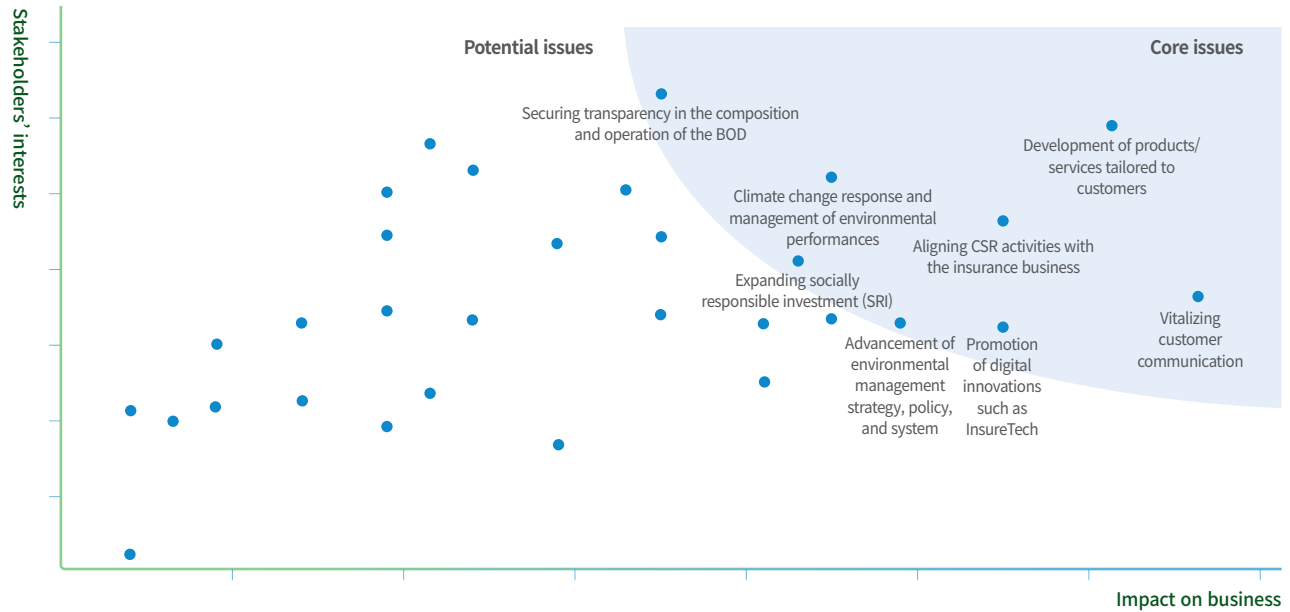
Materiality test based on stakeholders' interest and business relevance



Step 3: Assurance and Reporting



Materiality Map



Materiality test result

Key topics for stakeholders	Impact assessment			Report details	Page reference	GRI Standards
	Finance	Operation	Reputation			
Development of products/services tailored to customers	●			ESG Report - Social Report	42-50	Marketing & labelling
Vitalizing customer communication		●				
Aligning CSR activities with the insurance business			●	Material Topic - Topic 3. Social Contribution	31-35	Local community
Securing transparency in the composition and operation of the BOD		●		ESG Report - Governance Report	68-71	Governance
Climate change response and management of environmental performances		●		ESG Report - Environment Report	40	Energy & emissions
Promotion of digital innovations such as InsureTech	●			Material Topic - 1. Digital Transformation	16-22	-
Advancement of environmental management strategy, policy, and system		●		ESG Report - Environment Report	39	-
Expansion of socially responsible investment (SRI)		●		Material Topic - Topic 2. Sustainable Finance	23-30	Indirect economic impact

GRI Index

Universal Standards(GRI 100)

Classification	Disclosure	Indicators	Page	Note
Organizational Profile	102-1	Name of the organization	6	
	102-2	Activities, brands, products, and services	9	
	102-3	Location of headquarters	6	
	102-4	Location of operations	6, 85-86	
	102-5	Ownership and legal form	6	
	102-6	Markets served	6, 85-86	
	102-7	Scale of the organization	6, 87-88	
	102-8	Information on employees and other workers	62	
	102-9	Supply chain	9	
	102-10	Significant changes to the organization and its supply chain	-	No significant change
	102-11	Precautionary Principle or approach	76-79	
	102-12	External initiatives	106-107	
	102-13	Membership of associations	108	
Strategy	102-14	Statement from senior decision-maker	4-5	
	102-15	Key impacts, risks, and opportunities	79	
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	72-75	
	102-17	Mechanisms for advice and concerns about ethics	72-75	
Governance	102-18	Governance structure	68-71	
	102-20	Executive-level responsibility for economic, environmental, and social topics	71	
	102-21	Consulting stakeholders on economic, environmental, and social topics	68-71	
	102-22	Composition of the highest governance body and its committees	68-69	
	102-23	Chair of the highest governance body	68-69	
	102-24	Nominating and selecting the highest governance body	68-69	
	102-28	Evaluating the highest governance body's performance	71	
	102-29	Identifying and managing economic, environmental, and social impacts	71	
	102-31	Review of economic, environmental, and social topics	8	
	102-33	Communicating critical concerns	101	
	102-34	Nature and total number of critical concerns	68	
	102-35	Remuneration policies	70	
	102-38	Annual total compensation ratio	70	
Stakeholder Engagement	102-40	List of stakeholder groups	101	
	102-41	Collective bargaining agreements	-	All employees excluding registered directors under the Employment Rules
	102-42	Identifying and selecting stakeholders	101	
	102-43	Approach to stakeholder engagement	101	
	102-44	Key topics and concerns raised	102-103	
Reporting Practice	102-45	Entities included in the consolidated financial statements	-	Business report
	102-46	Defining report content and topic Boundaries	2	
	102-47	List of material topics	103	
	102-48	Restatements of information	-	No restatements of information
	102-49	Changes in reporting	-	No significant change
	102-50	Reporting period	2	
	102-51	Date of most recent report	2	
	102-52	Reporting cycle	2	
	102-53	Contact point for questions regarding the report	2	
	102-54	Claims of reporting in accordance with the GRI Standards	2	
Management Approach	102-55	GRI content index	104-105	
	102-56	External assurance	98-99	
	103-1	Explanation of the material topic and its Boundary	16, 23,	
	103-2	The management approach and its components	31, 102-	
	103-3	Evaluation of the management approach	103	

Topic-specific Standards

Economic Performance(GRI 200)

Classification	Disclosure	Indicators	Page	Note
Economic Performance	201-1	Direct economic value generated and distributed	87-88	
	201-2	Financial implications and other risks and opportunities due to climate change	79	
	201-3	Defined benefit plan obligations and other retirement plans	60	
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	28	
	203-2	Significant indirect economic impacts	31-35, 88	
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	72-75	
	205-3	Confirmed incidents of corruption and actions taken	75	
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	75	
Tax	207-1	Approach to tax	88	

Environmental Performance(GRI 300)

Classification	Disclosure	Indicators	Page	Note
Energy	302-1	Energy consumption within the organization	40	
	302-2	Energy consumption outside of the organization	40	
	302-4	Reduction of energy consumption	40	
Water	303-3	Water withdrawal	40	
Emissions	305-1	Direct (Scope 1) GHG emissions	40	
	305-2	Energy indirect (Scope 2) GHG emissions	40	
	305-3	Other indirect (Scope 3) GHG emissions	40	
	305-5	Reduction of GHG emissions	107	
Waste	306-2	Management of significant waste-related impacts	40	

Social Performance(GRI 400)

Classification	Disclosure	Indicators	Page	Note
Employment	401-1	New employee hires and employee turnover	62	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	60	
	401-3	Parental leave	56, 62	
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	66	
Occupational Health and Safety	403-8	Workers covered by an occupational health and safety management system	61	
Training and Education	404-1	Average hours of training per year per employee	62	
	404-2	Programs for upgrading employee skills and transition assistance programs	57-58	
	404-3	Percentage of employees receiving regular performance and career development reviews	62	
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	62, 69	
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	59	
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	54	
	412-2	Employee training on human rights policies or procedures	54	
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	31-35	
	413-2	Operations with significant actual and potential negative impacts on local communities	-	N/A
Marketing and Labeling	417-1	Requirements for product and service information and labeling	42-50	
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	N/A
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	-	N/A

Financial Services Sector

Classification	Disclosure	Indicators	Page	Note
Product portfolio	FS7	Value of financial products and services that deliver a specific social benefit, by type.	24-30	
	FS8	Value of financial products and services that deliver a specific environmental benefit, by type.	24-30	

Major Initiatives

UN Global Compact

We express our support for the UN Global Compact, the global sustainability management initiative, and faithfully comply with the 10 principles of human rights, labor, environment, and anti-corruption. Going forward, we will keep up our sustainability management activities and spare no efforts in fulfilling our social responsibilities as a corporate citizen.

Category	Operation		DB insurance's policies and activities
Human rights	1	Businesses should support and respect the protection of internationally proclaimed human rights	• Supports human rights protection by joining UNGC
	2	Businesses should make sure that they are not complicit in human rights abuses	• Internal control activities • Employee human rights and ethics training • Strengthened customer information protection activities
Labor	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	• Corporate Culture Council • Dynamic leader conference
	4	Businesses should eliminate all forms of forced and compulsory labor	• Prohibits forced and compulsory labor
	5	Businesses should effectively abolish child labor	• Prohibits child labor
	6	Businesses should eliminate discrimination in respect of employment and occupation	• Complaint handling system • Fair evaluation system
Environment	7	Businesses should support a precautionary approach to environmental challenges	• Sets goals for carbon emission reduction
	8	Businesses should undertake initiatives to promote greater environmental responsibility	• Energy-saving campaigns • Participates in green sports • Uses recycled toner and recycled equipment
	9	Businesses should encourage the development and diffusion of environmentally friendly technologies	• Developed a special policy for eco-friendly car insurance contracts (UBI special policy, etc.) • Developed environmental liability insurance
Anti-corruption	10	Businesses should work against corruption in all its forms, including extortion and bribery	• Pledge of ethics and compliance signed by all employees • Open auction system • Whistleblowing system

UNEP FI

In December 2016, DB Insurance joined the “PSI: Principles for Sustainable Insurance” announced at the Rio+20 Earth Summit in 2012 by the United Nations Environment Program Financial Initiative (UNEP FI). We are committed to fulfilling our social responsibilities as a global corporate citizen.

Category	Principles
Principle 1	We will embed environmental, social, and governance issues relevant to our insurance business into our decision-making.
Principle 2	We will work together with our clients and business partners to raise awareness of environmental, social, and governance issues, manage risk, and develop solutions.
Principle 3	We will work together with governments, regulators, and other key stakeholders to promote widespread action across society on environmental, social, and governance issues.
Principle 4	We will demonstrate accountability and transparency by regularly and publicly disclosing our progress in implementing the Principles.

UN SDGs(Sustainable Development Goals)

Main goals	DB Insurance's policies and activities	KPIs for business profit	KPIs for social/environmental benefits
Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Provides financial education for elementary schools (Company-to-school), expands scholarship programs, etc.	• Enhance corporate image • Increase brand impact	Ensure educational opportunities for the underprivileged and expand our social contribution
Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable	Social contribution activities such as the Yellow Carpet Campaign	• Control traffic accident loss ratio	Ensure children's traffic safety
Goal 13. Take urgent action to combat climate change and its impacts.	Declared coal-free finance, expands eco-friendly investments	• Reduce climate change risks • Increase the return on asset management	Expand response to climate change including environmental pollution

Other goals	DB Insurance's activities
Goal 3. Ensure healthy lives and promote well-being for all at all ages	Increased types of insurance products tailored to the underprivileged class
Goal 5. Achieve gender equality	Appointment of female independent directors; introduced a female manager training program
Goal 10. Reduce inequality within and among countries	Global social contribution activities in underprivileged areas

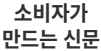
TCFD Information Disclosure

To systematically respond to climate change, we have been implementing the following climate change activities based on the governance, strategy, risk management, metrics, and targets specified in TCFD recommendations.

Category	Principles	DB Insurance's policies and activities
Governance	A Describe the BOD's oversight of climate-related risks and opportunities.	The BOD, the highest decision-making body of the company, and its subcommittee, the ESG Committee, understand the company's ethical obligations and social responsibilities and make decisions on major ESG management issues. In particular, issues related to climate change are key matters deliberated and resolved by the committees. The final responsibility and decision-making authority for climate change issues are with the CEO (BOD Chairperson) of DB Insurance.
	B Describe management's role in assessing and managing climate-related risks and opportunities.	DB Insurance takes proactive actions on climate change issues through the ESG Committee regularly held each year. The committee is composed of 3 directors where the chairperson should be an independent director, and decisions made by the committee are reported to the BOD for their deliberation. The working committee of the ESG Committee carries out major ESG strategy tasks, including the establishment of environmental management policies, management of environmental KPIs, development of environmental products and services, set up of carbon neutral-oriented plans, and environmental risk management framework.
Strategy	A Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	DB Insurance recognizes extreme weather events, such as typhoons and floods caused by global warming, as short-term risk factors. Industries vulnerable to the natural disasters of typhoons and floods may be subject to severe financial losses, and difficulty in predicting the loss ratio of existing insurance products may increase. DB Insurance developed "Environmental Liability Insurance" in 2019 to fulfill its social responsibilities for environmental impacts and established a climate change risk analysis system based on GIS in 2020. Creating a corporate image of prioritizing customers' assets safety and fulfilling social responsibilities will serve as a great opportunity for DB Insurance.
	B Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	DB Insurance is the first financial company in Korea to stop investing in new coal power plants and has been making selective investments in eco-friendly financial products for adapting to climate change, including renewable energy solar power funds, loans for wind power plants and co-generation plants, waste power plants, domestic wood pellets, and biomass power plants. We also consider not only the investment returns but also positive social and environmental impacts when making decisions for investment (Please refer to page 28 of this report for details).
	C Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The Korean government established a plan to reduce greenhouse gas emissions by 24.4% compared to 2017 by 2030. In consideration of the government's reduction target, DB Insurance has set a goal of reducing carbon emissions by 25% by 2030 and is making various efforts to exceed this.
Risk management	A Describe the organization's processes for identifying and assessing climate-related risks.	DB Insurance has included the climate change issue into its risk management system, a company-wide process for identifying, assessing, and managing risks, and regularly performs analyses on climate change issues. In accordance with the Principles for Sustainable Insurance (PSI) of the UN Environment Program Financial Initiative (UNEP FI), the climate change issue is recognized as a material factor in maintaining stability in financial products and is reflected in our business operations. That is, they are reflected not only in DB Insurance's short-term strategy but also in the mid- to long-term strategy through the company's analysis on opportunities and risks. These climate change management strategies and practices are methodically and comprehensively managed by the ESG Committee and ESG office. Also, when making product development and investment decisions, we monitor risks and opportunities associated with environmental regulations, changes in consumer behavior toward eco-friendly products, and reputations of corporate-led eco-friendly activities. Therefore, we control the climate change risk exposures on our products by identifying financial and non-financial risks and opportunities stemming from climate change.
	B Describe the organization's processes for managing climate-related risks.	
	C Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and Targets	A Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	We use metrics such as greenhouse gas emissions, energy consumption, and business trip distances to assess the risks and opportunities of climate change.
	B Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	We report greenhouse gas emission data and its details through an annual integrated report. (Scope 1 - 3)
	C Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Greenhouse gas emission goals are set in the mid- to long-term based on the government's greenhouse gas reduction target and are disclosed in the report. Other environmental performance goals are also determined on the basis of absolute values.

Major Awards and Participants

Major Awards

 Received the Presidential Award for Excellent Quality Task Group at the National Quality Management Convention Korean Standards Association	 Selected as an excellent company by KS-CQI Hosted by the Korea Standards Association
 Received the Hall of Fame Award in "Consumer-Centered Management (CCM)" Hosted by the Fair Trade Commission and reviewed by Korea Consumer Agency	 Received the Grand Award for Excellent Content of Financial Consumer Protection Hosted by Consumer News

Affiliated organizations and associations

National Quality Award Winners National Quality Award Winners Establish a network for companies winning the global standard national quality award	Korea Personnel Improvement Association Share the most updated information related to personnel education and build a network for training	Korea Management Association Exchange information for business innovation and competitiveness enhancement
General Insurance Association of Korea Respond to common issues of the non-life insurance industry and promote joint not-for-profit projects	Korea Listed Companies Association Exchange opinions of listed companies and protect their rights and interests	Korea Enterprises Federation Exchange opinions on major issues regarding labor-management relations from a Management perspective
Korea Fire Protection Association Conduct safety inspection on fire prevention and fire extinguishing facilities and education on related research	Korea Academy Of Business Ethics Share the best practices of ethical management and their application to the company	Financial Security Institute Exchange various information protecting implementations, including prevention and response activities against security incidents in the finance industry
CFO Association (Forum) Networking group building a global CFO community which offers CFO's opinions on corporate management and capital markets and practices ethical management	Korean Insurance Academic Society Utilize research data of theoretical/legal/practical research on insurance studies and the insurance industry	Financial Information Protection Council Exchange of opinions between financial institutions and the financial authorities for information protection

Major membership dues

Unit: KRW million

Category	Name	Amount
1	General Insurance Association of Korea	3,763
2	Korea Insurance Development Institute	2,198
3	Automobile Technology Research Center	1,639
4	Korea Insurance Research Institute	866
5	Korea Credit Information Services	691
	Total	9,157



2021 Sustainable Management
Integrated Report



This report is printed in soybean oil ink on
eco-friendly paper.

