INTEGRATED REPORT 2022

ABOUT THIS REPORT

Overview of 2022 Sustainable Management Integrated Report

2022 Integrated Sustainability Report is the 7th Integrated Report and the 12th Sustainability Report published by DB Insurance. DB Insurance faithfully describes business performance, financial performance, and non-financial activities and performance in the Integrated Report on Sustainability Management.

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

This report mainly covers the domestic places of business of DB Insurance including its headquarters, nationwide business divisions, and the Compensation Department and excluding consolidated companies. It also features some of the oversea branches and offices and their performance. Non-financial data covers 100% of sales, and environmental performance indicators are reported on a total of nine owned buildings and leased offices. The reporting period for the report is from Jan. 1, 2021 to Dec. 31, 2021, and for significant details, it comprises the activities and performance up to the first half of 2022.

Company name	DB Insurance Co., Ltd.
Address	DB Financial Center, 432 Teheran-ro, Gangnam-gu, Seoul, Republic of Korea
Division in charge	ESG Office
Contact	+82-2-3011-3138 / f1140076@dbins.co.kr
Website	www.idbins.com

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CEO Message

DB Insurance Envisions a Happy Community with Customers.

Greetings to our stakeholders!

2022 is a meaningful year as DB Insurance celebrates its 60th anniversary. I would like to express my deepest gratitude to all who have given your deep interest and warm support so that the company has continued to grow over the past 60 years.

I think that because our employees have worked tirelessly for the company's growth into 'a global insurance and financial services group that envisions a happy society with its customers', and our stakeholders have passionately supported this vision, the company has registered its sustainable growth over the past sixty years.

Building on the past sixty years, DB Insurance is now starting a new voyage as a true non-life insurance company under the strategic direction of "Aim for the top player through top-line growth based on management efficiency".

At the same time, DB Insurance will strive to establish itself as a global insurance and financial services group that leads ESG management by bringing transparency into its governance system, creating social values, and preemptively responding to climate change. In addition, the company supports and faithfully abides by the UN Sustainable Development Goals (SDGs), the Sustainable Insurance Principles (PSI) by the UNEP FI, and the TCFD (Climate Change Financial Information Disclosure Council).

Dear DB Insurance's stakeholders,

All the employees of DB Insurance know that the future we will open is bigger than the fruits of our efforts that we have reaped over the past six decades.

I would like to thank you again for your deep interest in DB Insurance. DB Insurance promises to continue its win-win management through contemplating and growing together with all stakeholders.

Thank you.

August 2022
DB Insurance Co., Ltd.
Vice Chairman & CEO **Jeongnam Kim**

김 정 남

DB Insurance

DB Insurance Co., Ltd., which was launched as Korea Public Auto Insurance Company in 1962, was affiliated with the DB Group in 1983. The company changed its name to Dongbu Insurance Co., Ltd. in October 1995, and has grown into a general non-life insurance company representing Korea based on its management philosophy that puts customer satisfaction first and its excellent financial soundness. In November 2017, the company changed its name to DB Insurance Co., Ltd. in order to leap forward as a global insurance finance company.

DB Insurance, which has laid the foundation for stable growth through profitable management for over twenty years based on profit-oriented management, systematic loss ratio management, and industry-leading ROE and ROA, has grown and developed with our society by fulfilling its social responsibilities as a desirable corporate citizen.

Name of company
DB Insurance Co., Ltd.

CEO
Jeongnam Kim

Date of incorporation
March 2, 1962

Headquarters
DB Financial Center, 432 Teheran-ro, Gangnam-gu, Seoul, South Korea

Number of employees
4,605
(as of Dec. 31, 2021)

Website
www.idbins.com

Vision

DB Insurance has been carrying out systematic and robust management innovation activities to proactively prepare for the future in the rapidly changing financial environment. Based on innovation activities across the company management, including personnel, channels, and systems, we were able to secure an advanced service system, as well as achieve balanced growth in sales, profit and loss, and assets, thus laying a solid foundation for sustainable growth. As a sustainable company that provides the value desired by customers and fulfills its social responsibilities, DB Insurance will go beyond the domestic insurance market and become a global insurance and financial services group, standing shoulder to shoulder with the world.

An Excellent Global Company

A GLOBAL INSURANCE AND FINANCIAL SERVICES GROUP WHICH ENVISIONS A HAPPY COMMUNITY WITH CUSTOMERS

Aiming for the top player through top-line growth based on management efficiency

Value creation for customers	Boosting profitability	Acquiring new growth engines
Increasing upscale customers through digitalbased channel innovation	Creating sustainable profits by strengthening core competencies	Diversification of business portfolio focusing on future growth

Overview of DB Insurance

As of December, 2021

Total Assets	Total Capital	Revenue
KRW 51.2 trillion	KRW 6.25 trillion	KRW 15.1 trillion
EBT	**Sales Staff**	**Customers**
KRW 1.0646 trillion	23,682 persons (including prime agents)	10.61 million people

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

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

DB CI (Corporate Identity)

The symbol in the corporate identity of DB Insurance is a shape formed with the letters of “DB”, and it is a creative development of the tradition and spirit of ‘Dongbu’ in step with the times. It inherits the history and tradition of “Dongbu” by applying orange and green, the colors of the old CI, while expressing the will and hope for the future with blue, the color that means “east” and “youth”. It also implies that the “sun” (orange) and “water” (blue) meet to create “life” (green). The gradation applied to the color of the figure adds a three-dimensional quality and dynamism to it.

Symbol

Global Network

Starting with its entry into the US market, DB Insurance secured a foothold in the Chinese market through its strategic investment that acquired equity in Ancheng Insurance in China in 2014. We are taking a leap forward as a global premium insurance company by acquiring Vietnam PTI in 2015, considering the strategic importance of the Southeast Asian market.

Global Network

As of Jan. 2022

Overseas Branches

Guam, Hawaii, California, New York

Brokerage Joint Ventures

Qingdao Brokerage Corporation

Overseas Subsidiaries

Ancheng Insurance (Chongqing) in China, PTI (Hanoi) in Vietnam, Hawaii Claim TPA, New York investment subsidiary

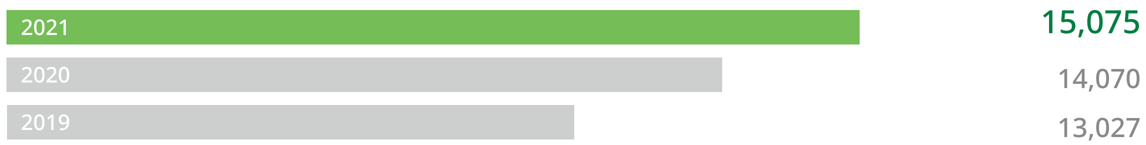
Overseas Offices

Beijing, Yangon, Jakarta

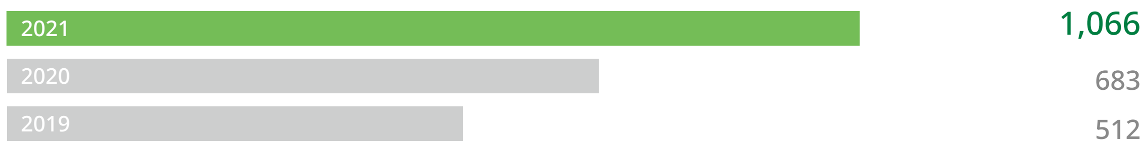
Highlights

Business Performance

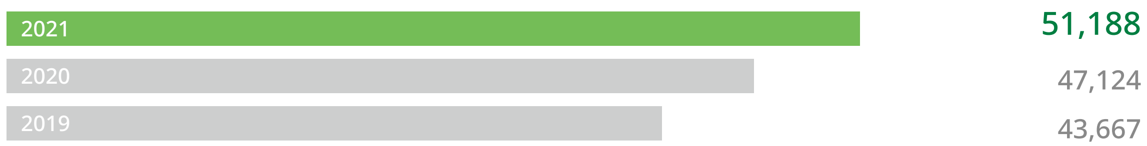
Direct written premium (Unit : KRW billion)



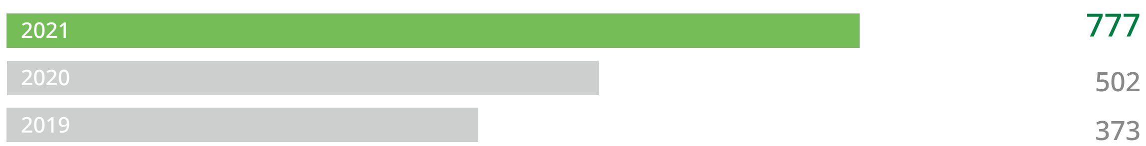
Operating profit (Unit : KRW billion)



Assets (Unit : KRW billion)



Current net income (Unit : KRW billion)



Credit Ratings

Overseas

A.M.Best

Financial soundness

A (Positive)

Debt payment

A+ (Positive)

S&P rating

A (Stable)

Korea

Korea Investors Service

Insurer solvency assessment

AAA (Stable)

Corporate bonds (Subordinated)

AA+ (Stable)

DB Financial Network

DB Financial Conglomerate (DB FC) is a financial conglomerate that seeks to enhance corporate value and achieve continuous growth based on responsible management for each company. With the advanced corporate governance system, we secure the interests of various stakeholders such as DB FC customers, investors, shareholders, employees, and partners, and strategically respond to the changes in the business environment and market while strengthening trust.
The DB Financial Network is 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 Financial Network ("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.

DB Insurance

DB Life

Based on balanced development of sales channels such as FP (financial planner) sales channels, GAs (General Agents), new channels, and bancassurance, sales focusing on protection-type insurance products, and stable asset management, DB Life is growing as a company.

DB Financial Investment

DB Financial Investment is actively investing in infrastructure to respond to the change in the form of digital technology, and is being reborn as a leading company in sustainability management by strengthening social contribution activities and improving corporate governance.

DB Asset Management

Through asset management that sticks to the fundamentals and efficient management centered on teamwork, DB Asset Management is aiming to become the best long-term investment company in Korea.

DB Savings Bank

DB Savings Bank is leading the industry through continuous growth based on strong financial stability and asset soundness.

DB Capital

Aiming for stable top-line growth through diversification of its investment portfolio, DB Capital is laying the groundwork for growth by revitalizing the investment finance sector.

DB Financial Conglomerate

According to 'Act on the Supervision of Financial Conglomerates' in 2021, a group consisting of 16 affiliated financial companies including DB Insurance was designated as a financial conglomerate. DB Insurance was selected as a representative financial company through consultations between the affiliates and has performed tasks such as risk management and establishment of internal control policies for the financial conglomerate.

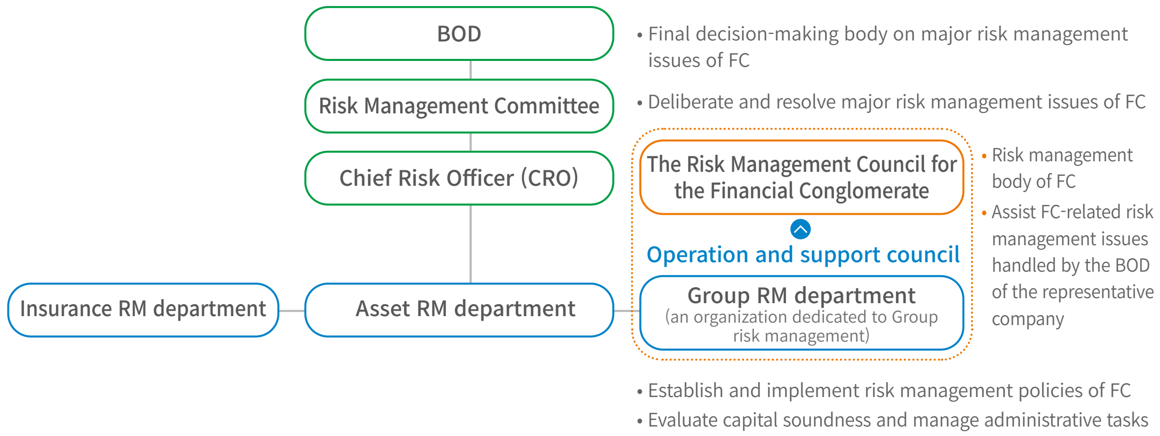
Operation of the Board of Directors and the Financial Conglomerate Risk Management Committee

The Board of Directors and the Financial Conglomerate Risk Management Committee receive regular reports from DB Insurance, a representative financial company of the group, on the financial status and governance of affiliated companies, and the status of internal transactions and risk concentration among affiliated companies. Based on the report, they deliberate and decide on major policies related to risk management and internal control for the financial conglomerate for the purpose of managing risk transfer to prevent joint insolvency of financial conglomerates and managing the risks of specific business categories facing affiliates such as insurance, financial investment, and credit.

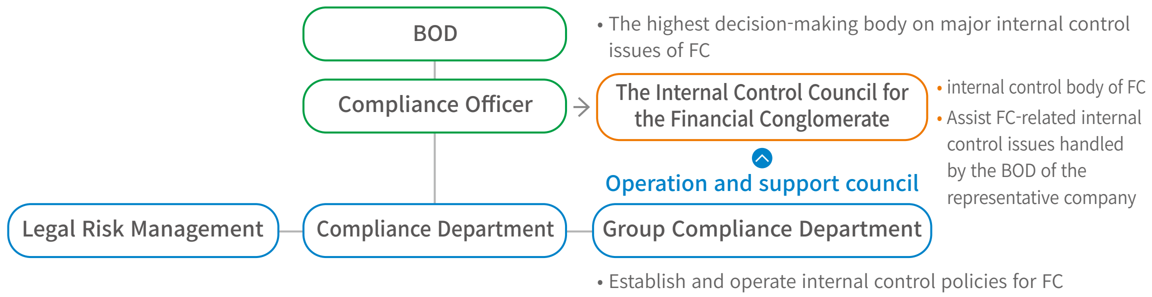
Operation of the Council on the Risk Management / Internal Control for the Financial Conglomerate

The Risk Management Council and the Internal Control Council for the Financial Conglomerate have appointed as its members the risk management officers and compliance officers from major financial affiliates: DB Insurance, DB Life, DB Financial Investment, DB Asset Management, DB Savings Bank, and DB Capital. The Risk Management Council is conducting preliminary reviews on major risk agendas for the financial conglomerate that are subject to deliberation and resolution by the Risk Management Committee and important management matters within the financial group.

Risk management system of FC



Internal control system of FC



DB Financial Conglomerate

DB Financial Investment

DB Financial Investment has selected and promoted responses to the three core agendas of venture capital development, digitalization, and ESG/carbon-neutral management as mid- to long-term strategic tasks. The company is concentrating on developing incomparable growth potentials by effectively responding to management risks, which are obstacles to the implementation of strategic tasks, and securing excellent human resources to ensure sustainable growth in corporate value.

Business Performance in 2021

DB Insurance's operating environment slowed somewhat in the second half of 2021 as government stimulus measures began to decline due to the COVID-19 pandemic. However, the company achieved the highest performance since its foundation: a net operating income of KRW 342.4 billion (+20.3% from the previous year, on an individual basis) and EBT of KRW 135.1 billion (+55.4% from the previous year, on an individual basis) through capacity buildup for its major business portfolio. In addition, the company has focused on investing in tangible and intangible infrastructure for sustainable management. With the initiation of ESG management, the company established the ESG Committee and Organizational Culture Department, a dedicated organization, and launched the Head Office Sales Synergy Task Force, a dedicated support organization for collaboration between sales departments, focusing on securing synergies within the organization. In the digital sector, we carried out a large-scale project to redevelop MTS in line with the trend, which had not changed much since its launch in 2013. The company has completed important digital-related investments, such as reducing the risk of system failure by upgrading its outdated existing IT equipment.

2021 Sustainability Management Strategies

Goal	Achievements
Building venture capital	• Formation of a private equity venture investment association through collaboration with accelerators (Blue Point-DB 1 and 2) • Expansion of customer assets related to new technologies and ventures • Publication of unlisted stock analysis report (total of 80 reports as of the end of 2021)
Response to digitalization	• Overseas stock investment service opened (July 2021) • Customer service capabilities expanded through new MTS development (released in 2022) • RPA stabilized and digital management stabilized (by improving ledger storage, improving service queue performance, and expanding backup equipment) • Expansion of investment in IT infrastructure to activate non-face-to-face sales (ODS tablet system)
Implementing ESG & carbon-neutral	• ESG Committee established (June 2021) • An organization dedicated to carbon emission trading established, and services related to ESG bonds expanded • Management stabilized and carbon emissions reduced through making major strategic meetings non-face-to-face

Status of Employees

(Unit : person)

Category		2019	2020	2021
Total number of executives and employees		804	814	819
	Male	554	555	554
	Female	250	259	265
New hires / Resignations	New hires (Male/Female)	60(39/21)	69(38/31)	96(57/39)
	Resignations (Male/Female)	74(51/23)	60(38/22)	88(56/32)
Executives / Employees	Executives	15	15	15
	Employees	789	799	804
Employment type	Permanent	717	727	662
	Non-permanent	87	87	157
Age	Under 20 y/o (Male/Female)	6(1/5)	11(0/11)	22(1/21)
	20 to 30 y/o (Male/Female)	87(30/57)	96(35/61)	92(39/53)
	30 to 40 y/o (Male/Female)	292(171/121)	269(153/116)	238(137/101)
	40 to 50 y/o (Male/Female)	305(241/64)	301(240/61)	322(247/75)
	Over 50 y/o	114(111/3)	137(127/10)	145(130/15)

Customer investments in new technologies and ventures

(As of 2021; Unit : no. of accounts, KRW million)

Category	Fund	No. of accounts	Value
KOSDAQ Venture	KTB KOSDAQ Venture Securities Investment Trust and 23 others	164	4,675
Konex	Welcome Public Offering Stock KONEX High-Yield 2	74	5,612
ESG	Pension Fund Domestic Equities ESG General Private Equity Securities 1 and 59 others	906	163,106
Quaternary industry	DB Global Robotics Index Securities and 53 others	309	2,284
Total		1,453	175,679

IR performance for 2021 new technology and venture companies

Item	Target Companies
Publication of analysis data on unlisted companies (total of 43 companies with 37 companies in 2020)	Fastcampus, IMGT, SK Materials Airplus, LIVSMED, Tempus, The Momma, NEW Studio, Block Odyssey, Solar Connect, DeepSearch, HOWSER, Musicow, EMCorp, Lumir, Simone Accesory Collection, AmazeVR, Korea Virtual Reality, Yoyo Interactive, Anipen, Reynal , Virnect, MAXST, ENJET, Thordrive, SKonec Entertainment, VentaVR, Mline Studio, GNBS Engineering, Snackfor, Bioorchestra, Studio Samick, RF Medical, DearU, DRIMAES, RIDI, Lululab, SungEel HiTech, Angelswing, Hyundai Samho Heavy Industries, Ildong Bioscience, KBank, OKXE

DB Life

Business Performance in 2021

2021 was a year in which sales activity continued to contract due to the spread of COVID-19, which continued for the second year. Despite such market environment, DB Life strengthened its business competitiveness by launching new products, improved the investment environment following interest rate hikes, and actively expanded alternative investments in asset management. The company has achieved a profit for twenty-three consecutive years since 1999 by realizing KRW 12.7 trillion in total assets on a consolidated basis, KRW 1.8 trillion in premiums, KRW 1.6 trillion in premiums of protection-type insurance products, and KRW 47.1 billion in pre-tax profit. DB Life continues to strive to become a company that keeps growing through developing differentiated new products, developing Insurtech capability, and organizational culture of trust and communication, and a company that shares with the local community.

2021 Sustainability Management Strategies

Goal	Achievements
Pursuing sustainable growth through diversification of products and sales channels	• Acquired an excellent grade 10 times, the highest frequency in the industry in the assessment of understanding of insurance policy hosted by the Financial Services Commission • Launch of a new product with a wide range of coverage ('Health Insurance I Choose as a 100- year-old Friend') • Establishment of a total consulting business group to expand exclusive channels (for financial planners)
Envisioning a life insurance company that is more loved by customers	• Honored with Grand Prize in the Customer Satisfaction Management category at the "2021 Korea Management Grand Prize" hosted by the Korea Management Association Consulting (KMAC) • Selected as an excellent call center in the "Korea Industry Service Quality Index (KSQI)" for 6 consecutive years
Implementing ESG management	• Establishment of promotion organization (ESG working council; November 2021) • Investment in green bonds and eco-friendly companies and reduction in paper use by using an electronic subscription system and smart windows • Promoting consumer-oriented management (operation of consumer panel system, etc.) • Social contribution activities (promoting various support projects such as DB Life With Angels Volunteers, heart disease surgery support, and social contribution activities with employee participation for symbiosis with the local community based on the spirit of smile, gratitude, and love)

DB Capital

DB Capital is laying the groundwork for growth by revitalizing the investment finance sector with the goal of stable top-line growth through diversification of its investment portfolio. Based on this, we are striving to grow into a company that contributes to the nation and society while protecting the interests of our customers and shareholders.

DB Savings Bank

DB Savings Bank eyes profit and balanced growth at the top line as its mid- to long-term strategy. In this way, the company is pursuing changes to secure competitiveness in a new environment by solidifying profitability-oriented asset growth and revenue structure. We strive to contribute to our shareholders, customers, and society by establishing ourselves as a better savings bank through change and innovation.

DB Asset Management

DB Asset Management pursues a stable increase in customer asset value by observing internal control standards under thorough risk management and realizing sustainable management with transparency based on ESG investment in order to be reborn as the best long-term investment company in Korea.

(Unit : KRW million)

Category	DB Financial Investment (consolidated)			DB Life			DB Capital			DB Savings Bank			DB Asset Management		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Total assets	8,422,447	9,959,594	9,583,673	11,742,344	12,296,265	12,666,082	275,313	357,453	498,760	1,260,526	1,446,025	1,823,177	59,542	63,883	68,798
Liability	7,610,867	9,037,534	8,535,236	11,119,488	11,551,947	11,951,301	184,267	260,143	389,631	1,080,046	1,257,097	1,617,785	5,300	5,723	5,461
Equity	811,580	800,336	916,955	622,856	744,317	714,781	91,046	97,310	109,128	180,480	188,928	205,392	54,242	58,160	63,337
Operating profit	991,957	1,590,289	1,410,732	2,278,405	2,397,041	2,283,760	17,327	20,722	33,516	71,506	67,901	80,169	24,058	24,920	25,545
Net income	58,392	106,894	126,818	14,931	28,474	39,062	4,953	6,242	11,737	11,892	7,609	14,609	5,143	5,118	6,377

Diverse Product Portfolio Tailored for Different Stages of Customer's Life

As people's life expectancy increases, customers face a variety of potential risks in the different stages of their lives. DB Insurance develops and provides a variety of products so that customers can preemptively respond to such risks and thereby lead a stable and prosperous life.

Stage	Customers	Product	Coverage
Single · Early Family Stage	• Single households • Customers who are building a new family • Households without children • Households with preschool children	**Medical Indemnity Insurance**	• Insures items that are not covered by the National Health Insurance • Medical indemnity coverage subscription via normal terms and conditions
		I LOVE Health Insurance	• Covers risks for each stage of child development • Essential coverage for growth periods can be offered at a low cost, terminating at age 30 • The 3 major diseases covered up to age 100
		Excellent Driver's Insurance +	• Covers insurance subscribers' traffic accidents and general injuries that may occur in everyday life, on top of car insurance
Family Growth	• Customers at the stage where their family is growing • Customers whose children are in adulthood	**Excellent Dental Insurance**	• Covers various dental treatments across three stages • Coverage up to the senior years
		Excellent Simplified and Convenient Health Insurance	• Covers seniors' medical costs • Subscription possible for those with illnesses, patients suffering from high blood pressure, and diabetics
		Smart Household Indemnity Insurance	• Covers damages to assets, physical injuries, and driver damages that may occur during daily life • Covers liabilities for damages in rented housing
		Excellent Double Plus Comprehensive Insurance	• For dementia that requires constant treatment and care • For spinal, brain, and cardiac illnesses, as well as chronic diseases
Retirement · Senior Years	• Customers older than 60 • Customers who require management of retirement and aging	**Nice and Easy Health Insurance**	• Easy subscription process consisting of only two questions • Those with illnesses can also easily subscribe
		Convenient Family Love Dementia Care Insurance	• Dementia coverage by CDR stage • Covers the cost of diagnosis and treatment costs for seniors if long-term treatment is necessary

Value Creation Process

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 Channels

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)

Splendid 60 Years




- **1962.3** Korea Public Auto Insurance Company established
- **1963.6** Automobile liability insurance sales start
- **1971.3** Completion of head office building
- **1973.3** IPO
- **1976.5** Sales of liability insurance for the first time in Korea
- **1981.1** First online system operation in the non-life insurance industry
- **1983.2** DongBu Group's management rights acquired
- **1984.10** Business license acquired for all types of non-life insurance
- **1991.12** New York and Tokyo offices opened
- **1995.10** Company name changed to DonBu Insurance Co., Ltd.
- **1997.8** Acknowledged by Guinness Records for the first time in comprehensive automobile insurance
- **2002** "PROMY", launched as an auto insurance brand
- **2004** Proclamation of "New Innovation Management"
- **2009** Total assets exceed KRW 10 trillion
- **2010** Dynamic Dongbu declared as a new slogan
- **2012** Total assets exceeded KRW 20 trillion
- **2015** Total assets exceeded KRW 30 trillion
- **2017** Company name changed to DB Insurance Co., Ltd.
- **2018** Received credit rating A from S&P
- **2019** Total assets exceeded KRW 40 trillion
- **2020** Exceeded 10 million customers
- **2021** Total assets exceeded KRW 50 trillion and pre-tax profit exceed KRW 1 trillion

System and Products Launched to Commemorate the 60th Anniversary

Celebrating its 60th anniversary, DB Insurance launches the "Promise Dream Point System" to provide more diverse services to customers. The "Promise Dream Point System" allows customers to accumulate points whenever they use online services or participate in events and then, trade them off for mobile gift cards of their choice.

"DB Plus Coverage Health Insurance," launched by DB Insurance to celebrate the 60th anniversary of its foundation, features a wideranging coverage for existing customers as well as new customers. DB Insurance will continue to develop and provide competitive products that can meet the greater expectations of customers.

Directions of Future Growth of DB Insurance

Employees

Direction

Establishment of the number one corporate culture of communication and unity

Implementation plans

- We will strengthen collaboration between the field and the headquarters.
- We will promote mutual understanding based on communication between employees and generations.
- We will create working conditions to increase the motivation to work.

Customers

Direction

Creating lifetime customers out of companions made over the past 60 years

Implementation plans

- We will hold events to enhance company awareness and reputation.
- We will produce and distribute emblems carrying social values.
- We will expand communication and exchange with customers.

Business Partners

Direction

Establishment of a foundation for achieving Top Player through win-win growth with partners

Implementation plans

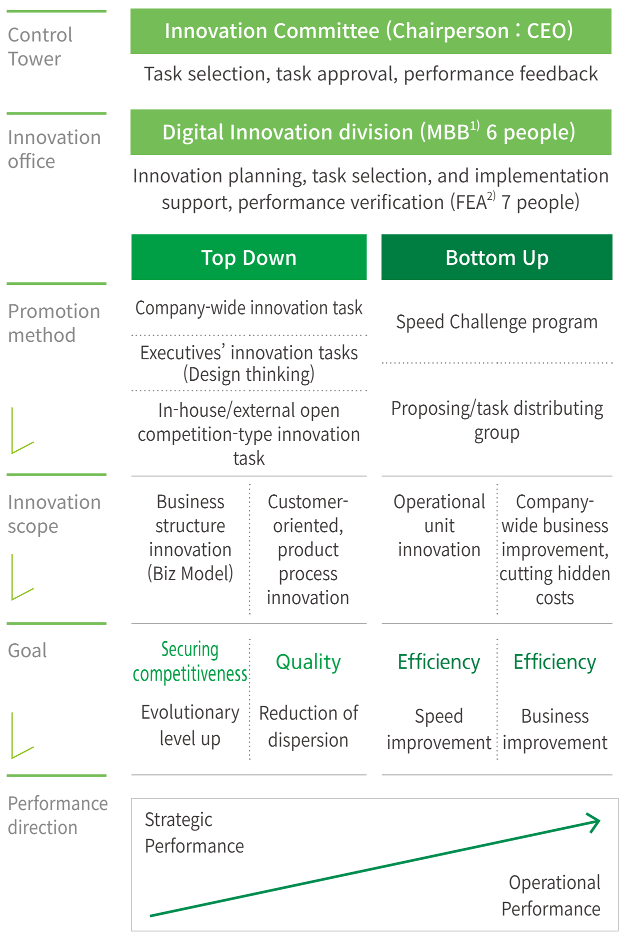
- We will increase the sense of belonging and solidarity with the company.
- We will expand mutual communication channels and engage in sincere communication.
- We will support the growth of our partners.

Business Performance

Innovation to Boost Business Competitiveness

To discover new growth engines and achieve management efficiency, DB Insurance is promoting company-wide innovative management. The Innovation Committee, led by the CEO, establishes company-wide innovation plans based on mid- to-long-term management plans, selects execution tasks, and increases the capacity to realize innovations through a dedicated organization, such as nurturing human resources and managing tasks. Tasks designated as innovation projects are integrated and managed as a system, and their effectiveness is enhanced through continuous monitoring and feedback. The application of new technologies related to the 4th Industrial Revolution such as artificial intelligence (AI), big data, and the Internet of Things (IoT), which started in 2018, and speedy innovation to strengthen the execution power of digital innovation make our focus in 2022.

2022 Innovation Management Promotion System



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

Innovation Roadmap

Scientific Innovation (~2009)	Strategic Innovation (2010~2017)	Digital Innovation (2018~Present)
• Introduced 6 Sigma • Removed inefficiencies	• Business structure innovation • Secured new growth engines	• Applied new technologies in practice • Expedited problem solving

Transformation to High-efficiency Business Structure

In order to increase the concentration of the companywide mid- to long-term strategy and strengthen its execution, DB Insurance has established and implemented detailed strategic tasks. As part of the effort to achieve the '2025 mid- to long-term strategy," the company operates 2 Waves per year for early execution of mid- to long-term strategic tasks in 2021 to improve the execution speed and flexibly operate the execution period according to the characteristics of the task. In 2022, business structure innovation tasks led by the heads of departments were selected to improve the concentration on company-wide growth strategies were selected, and tasks such as business structure improvement accompanied by organizational change, core process and system innovation, and core human competency improvement have been systematically implemented. For immediate and prompt support for issues and technical requirements in project implementation, we have operated an expanded innovation committee with the participation of the head of the IT support team and the head of the information protection team, and increased digital technical support.

Main Innovation Tasks for 2022

Innovation tasks implemented through competition	• Plan innovative marketing measures using companywide unused customer information • Increase the subscriptions for auto accident coverage in auto insurance through TM/CM channels • Rebuild the process of selling vehicle remnants. • Improve the customer experience by increasing the contract change e-signature rate • Automate the acquisition of information through early investigation on accidents involving large corporate customers
Products for customers	• Profit and loss-based top-line growth by enhancing customer value
Channels	• Expand protection through innovation in customer sales model • Build a customer-based marketing system • Build a stable profit and loss base with long-term protection • Optimize business structure to become the top in general insurance market share
Compensation	• Innovation of all processes and work processes in accordance with the basics and principles
Asset management	• Establishment of a foundation for asset management in preparation for the IFRS system
Management support	• Establishment of a new management system in response to the implementation of IFRS17

Culture of Innovation

In order to create a work environment where employees can immerse themselves in their work, DB Insurance is making efforts to internalize innovative management. Every year, the company holds a contest to present best practices within the company, and rewards tasks selected as best practices. The CEO directly reviews company-wide innovation tasks and all executives promote innovation projects to enhance the execution of innovation management. "Suggestions from Departments," a representative innovation activity that started in 2016, developed into a field improvement circle activity in 2017. In 2018, the on-site improvement circle activity developed into a "one-team activity" through employee participation. The one-team activity involves autonomous groups that promote work improvement activities regardless of department or team. A total of 468 teams were active from 2018 to 2021, and as of 2022, a total of 125 teams are actively participating in improvement activities.

Innovation Activities Performance

DB Insurance has established the best quality management system in the South Korean financial industry through its systematic and continuous quality innovation. Starting with the 'National Quality Award' in 2015, the company became the first in the insurance industry to receive the 'National Quality Masters' for two consecutive years in 2016 and 2017, solidifying its position as a leading company in the industry. In the 'excellent quality circles' category of the National Quality Management Competition hosted by the Korean Agency for Technology and Standards (KATS) and organized by the Korean Standards Association (KSA), the company won Gold Award in 2017, Bronze Award in 2018, and two Gold Awards and a Silver Award in 2019. In 2020, the company received the Iron Tower Order of Industrial Service Merit and 3 Gold Awards and 1 Silver Award for Excellent Quality, and 2 Gold Awards and 1 Bronze Award in 2021 to be recognized both in name and in reality as a company that boasts Korea's top-of-the-line quality.

Honors from Year-to-Year National Quality Management Competitions

2021	• 2 Gold Awards and 1 Bronze Award in the category of excellent quality circles
2020	• The Iron Tower Order of Industrial Service Merit and 3 Gold Awards and 1 Silver Award in the category of excellent quality circles
2019	• 2 Gold Awards and 1 Silver Award in the category of excellent quality circles
2018	• Bronze Award in the category of excellent quality circles
2017	• First Gold Award for the first excellent quality circle in the financial industry • National Quality Grandmaster
2016	• National Quality Grandmaster, the first in the financial industry
2015	• National Quality Grand Prize as the first such instance in the financial industry
2008	• National Quality Innovation Award as the first such instance in the financial industry
2005	• National Quality Management Award as the first such instance in the financial industry

The number of innovation tasks that DB Insurance carried out from 2004 to 2021 was 2,689 (33 cases in 2021), and the accumulated financial performance achieved through the innovation tasks amounted to KRW 2.0854 trillion (KRW 74.5 billion in 2021). In terms of innovation capacity, the GB (Green Belt)[3] certification rate among employees at the headquarters recorded 70.6% (278 persons) in 2021, and of these, the BB (Black Belt)[4] ratio reached 53.2% (148 persons). It was confirmed that the implementation of the innovation task contributed to the development of employee competency and the creation of an enterprise-wide innovation culture. Based on this innovation capability of DB Insurance, "TM mobile electronic subscription (patent application) based on real-time mirroring technology" had the honor of being designated as an innovative financial service by the Financial Services Commission in July 2021.

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

Value Creation through Innovation

To preemptively respond to the rapidly changing economy, DB Insurance has reinforced its asset management capabilities based on the 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 operating system for its 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. Since 2020, we have been continuously nurturing outstanding human resources through online seminars and training instead of face-to-face group training, which has been difficult to conduct due to COVID-19.

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 a “profit-generating asset group”, consider the nature of funds when managing these groups, and extend asset duration to align them with the 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.

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 1,303.9 billion in profit and 3.29% ROI in 2021, 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 highquality assets and management companies. Going forward, we will continue to establish overseas bases to strengthen our global network and access to investment assets.

Asset Management Performance

(Unit : KRW billion)

2019	1,368.7
2020	1,273.8
2021	1,303.9

Digital Innovation

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 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.

Digital Transformation Vision

To make the transition to “Digital Insurance” with the combination of InsurTech 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, Innovative Corporation, 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 that use InsurTech’s new technology. Furthermore, we will strive to grow into a leading digital insurer by bringing digital efficiency to all of our business areas.

KOREA’S NO.1 INSURER

Innovation Through Digital

Digital Drivers - 4C

Customer Centric	Innovative Corporate	Connected Ecosystem	Sustainable Creativity
Innovation of hyper-personalized customer experiences through Data Insights	Strengthening competitiveness through internalization of the digital innovation process	Evolve into an open platform with digital channels and connectivity	Digital organizational culture that explores New Biz opportunities

Customer	Channel	Products	Process	Organizational Culture
· Customer analysis using Data Analytics · Differentiated digital-based customer experience	· Integrated management of Customer experience information from an Omni Channel perspective · Advancement of digital sales support system	· Development of AI-based products · Development of personalized products and services based on digital technology	· AI-based process automation including subscription, review and insurance payment · Reinforcement of the AI-based Data Collection System	· Operation of an organization that collaborates with digital, IT, and Biz · Digital DNA internalization · Operation of the digital organization by cell unit

Key Areas of Digital Transformation

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.

Stage 3 Expand into disruptive digital business & convert platform (digital finance + non-financial service)

Stage 2 Focus on digital finance business

Stage 1 Strengthen value chain competitiveness

Financial + Technology

- Insurance: • Non-life insurance • Life insurance • Health insurance • Auto insurance
- Banking: • Individuals • Small businesses • Corporations
- Asset Management: • Financial lease asset management • Investment trust • Securities

Financial + Ecosystem

- Financial Service: • Asset management platform • Loan management • Payment
- Health-Care Service: • Healthcare platform • Offline medical treatment • Unmanned AL-based medical treatment
- Auto Service: • Car purchase management platform(new and used cars) • Rental, Auctions • Auto loans
- Real Estate Service: • Real estate insurance management • Real estate leases • Real Estate investment/Asset management
- Smart City Service: • Smart City Insurance • Smart City Heathcare • Smart City medical treatment

Digital Technology empowerment

- Biometrics: • Face, Voice • Micro-Bio
- Big Data: • Financial/Wellness/Health Data Platform
- AI(Robot): • AI platform • NLP, computer vision
- Cloud: • Finance Cloud • Health Cloud
- Open Innovation: • Open platform • Digital Office

Biz + Digital

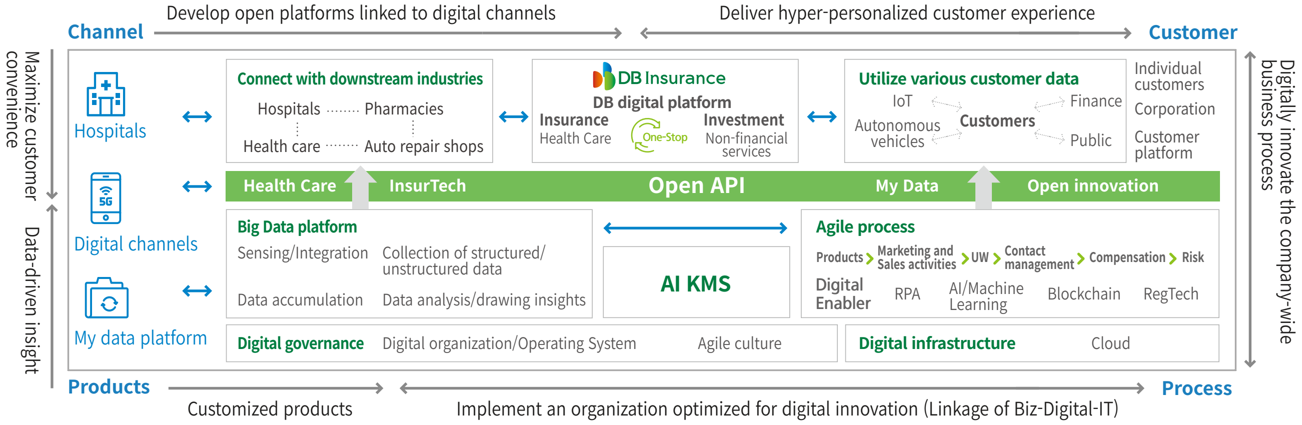
- • Digital insurers • Data-driven business • Digital Healthcare
- • Open innovation : Fintech investment, In-house ventures, AI R&D, Building Big Data center

Process + Digital

- • Realize higher efficiency capitalizing on Big Data • Promote business automation and eliminate simple, repetitive tasks by implementing AI
- • Expand open API-based partnership business • Build an internal and external data platform

Digital Innovation 2025

DB Insurance will create opportunities to create new value by systematically tapping into digital technologies through digital transformation with a view to bringing competitiveness into the value chain and discovering business areas that can be linked with downstream industries.



Operating digital consensus programs

DB Insurance has established and provides an in-house consensus-building program that consists of various contents in line with digital trends, technological changes and corresponding examples. Through Dream Big Leader, we are spreading digital technology and contents that can be helpful for each work site, while delivering a wide variety of digital-related news to all employees via weekly and monthly InsurTech 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.

Digital Affinity Contents

Being in tune with with domestic and global digital trends
(digital industry and InsureTech trends)

Understanding digital technology knowledge
(expertise in new technologies such as AI, RPA)

Appreciating practical cases of digital application
(introduce DB Insurance and competitors' cases)

Channels to stay in tune

1 Dream Big Leader propagation
2 Dream Big Times
3 The Promy broadcast
4 InsureTech newsletter

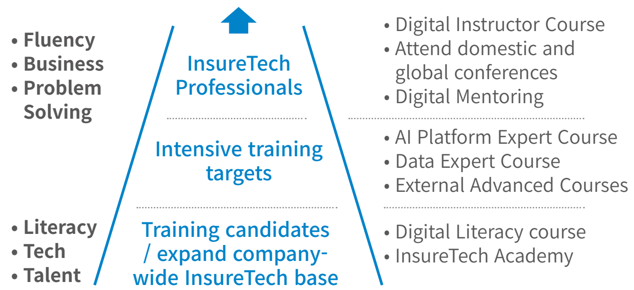
Nurturing InsureTech experts

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 InsurTech professionals capable of managing the digital transformation project. Regarding this matter, our digital talent training system has been a great help in strengthening employees' digital innovation capabilities and creative, logical problem-solving skills.

Training system and direction

Operate various programs by competency level, from training InsureTech professionals to expanding our digital base

Digital manpower training system



Nurture InsureTech collaborative professionals
(Company-wide mentor program)
- Reinforce professional competencies of dedicated personnel
- Increase training entrusted to outside specialized agencies

Promote intensive training to nurture data analysis experts
- Operate the "Data Expert" course in Dream Big Business School

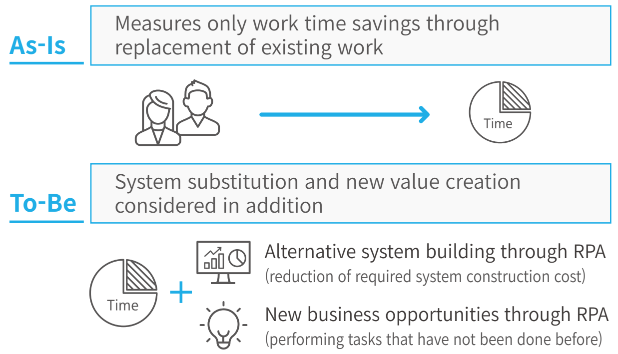
Operate a training course on digital base expansion
- Add a "Digital Literacy" course to the common competency courses, making digital technology a common competency
- Nurture digital in-house professional instructors: Cultivate/disseminate company-wide digital innovation mindsets

Business automation through RPA adoption

DB Insurance not only improves the company's productivity by building a Robotic Process Automation (RPA) system, but also supports employees so they can focus on high-value-added tasks by getting away from simple repetitive tasks. As far as the system is concerned, the company focused on the automation of 71 simple and repetitive tasks such as document preparation, computer input, external data collection, document inspection, and monitoring. It is estimated that the company saved a total of 40,000 working hours per year and financial performance of over KRW 1.9 billion through the system. Going forward, we will continue to expand the scope of work automation to maximize work efficiency.

Financial performance	Cost reduction	• Project cost reduced by over 40,000 hours per year through automation • KRW 100 million or more saved in system construction due to RPA
	Value creation	• Direct financial performance worth over KRW 1.8 billion from productivity improvement
Shortening of lead times		• Increased processing speed and throughput
Improvement in work accuracy		• Accurate work results by elimination of human errors such as calculation mistakes
Increased employee productivity		• 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

In addition, we presented a new performance paradigm that added system replacement and new value creation to reduced work hours, which was the existing RPA performance standard. By replacing the essential system with RPA, the construction cost was reduced by more than KRW 100 million. Tasks that had not been attempted before were performed with RPA, creating new value of minimum KRW 1.8 billion.



Diagnosing company-wide digital level and task creation

DB Insurance carried out a company-wide digital level diagnosis for each value chain for the purpose of proactively responding to the rapidly changing digital environment and 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 for complete sales to a level of 57% and 73% in 2021 and 2022 respectively, thereby reducing annual business costs by around KRW 1.2 billion. Moreover, once the AI-based examination system is established, we plan to automate voice quality monitoring, saving approximately KRW 1.55 billion in annual business costs.

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. In addition, 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. The company has 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 five 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 through this measurement system is approximately KRW 20.6 billion per year.

Launch of AI-led smart contact center

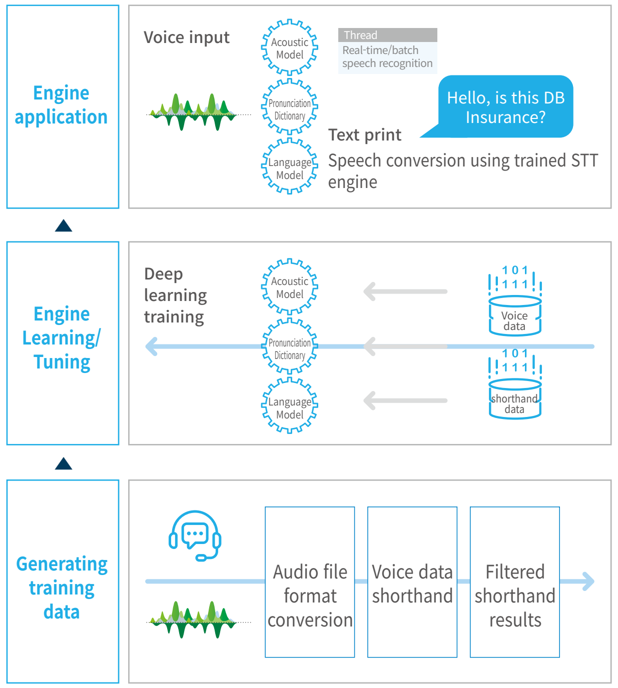
A system in which AI-based Robotellers handle complete sales monitoring, confirming whether customers have been given full explanations about products and received key documents when signing an insurance contract, was established in 2021. Currently, about 5,000 cases are being digested by the Robotellers per day. In addition, inspecting whether incomplete sales were made by listening to each voice contract signed by telemarketers, AI reduced the review time of telemarketers, which previously took an average of 40 minutes per voice recording, to about 2–3 minutes, leading to a great improvement in employee's convenience and customer satisfaction.

AI ChatBot service

Starting with the industry's first rule-based ChatBot in 2016, we upgraded the service to an AI-based ChatBot service capable of processing natural language (NLP) in January 2021. Starting with the deployment of employee chatbots in five tasks in November 2021, the company added three more fields in June of the same year, providing a service that answers eight business-related questions. 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.

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 is 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 2021, 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.

Promotion of Open Innovation[1]

DB Insurance has been promoting open innovation since 2019 in order to secure InsurTech competency in line with the speed of digital technology development. Through partnerships and joint projects with public institutions that support startups, the company discovers and nurtures startups. Through this, we are pioneering new markets by developing new products and partnering with innovative startups based on new platforms, and then we are realizing the improvement of customer satisfaction and employee productivity improvement by introducing innovative services and verifying and introducing new technologies. Moving forward, we plan to develop and provide more diverse InsurTech products and services through closer collaboration with innovative startups.

1) Open Innovation : An innovation method that innovates business and solves internal problems by adopting necessary innovative technologies and ideas while disclosing and sharing internal resources externally

Establishment of a Distinctive Open Innovation Ecosystem

DB Insurance contributed to the establishment of a differentiated open innovation ecosystem by discovering and nurturing startups through strategic collaboration with public institutions that nurture startups based on government policies, and securing a network of venture capital-focused investment institutions that support the necessary funds for startup growth. Our strategic operations are classified by the type of collaboration into program type[2] centered on accelerating, exploration type[3] centered on business meetup, and problemsolving type[4] for solving internal issues.

2) Program type: nurture a company for a set period and promote commercialization
3) Exploration type: search and discover innovative companies that meet internal needs
4) Problem-solving type: use innovative technology to solve internal unresolved issues

Category	Educational institutions	No. of Startups
Nurturing startups through programs	Korea Internet & Security Agency (KISA)	About 40 companies
	KSA	About 20 companies
Discovering startups through exploration	Seoul Fintech Lab	About 100 companies
	Seoul Creative Economy Innovation Center	About 350 companies
	Gyeonggi Creative Economy Innovation Center	About 700 companies
	D-Camp	About 150 companies
Collaboration through problemsolving	AI Hub Yangjae	About 90 companies
Total	7 locations	About 1,450 companies

Investment Network

DB Financial Investment	Softbank Ventures	Union Investment Partners
Nanuhm Angels Investment	Smilegate	Wonik Investment Partners
D.Lab Ventures	StoneBridge Ventures Inc	IP Ventures
D-Camp	Korea Credit Guaran	LB Investment
Bokwang Investment	Shinhan Venture Investment	SB Investment

Discovering and Accelerating Innovative Startups

To revitalize InsurTech, DB Insurance started supporting ten startups by operating the 'InsurTech Startup Incubation Program' in 2020 to gether with KISA. The company participated as a beneficiary and mentored three companies in 'Star Fixer Platform 3: Bio & Health'. We recruited 111 startups and held business meetups with 21 companies.

Category	Discovery/Nurturing	Commercialization
InsurTech Startup Nurturing Program	Nurturing 10 startups	Applied to 3 companies
Star Fixer 3	Mentoring for 3 companies	Implemented with 1 company
Startup Discovery (through open stage etc.)	Meetups with 21 companies	Applied to 1 company Implemented with 4 companies

Performance in Open Innovation Operation

DB Insurance is creating meaningful results in key areas of the value-chain, such as launching new products for new markets, discovering new platform-based channels, and introducing innovative services through its open innovation projects.

Category	Operational Performance
Product	Launched exclusive pet shop insurance Development of small and medium-sized parking lot liability insurance Development of mental health care collateral for group accident insurance
Marketing/ channel	Introduction of vascular care service Completed POC for AI TTV[5] training video automatic production Conducting van-sharing platform partnership Promoting partnership with EV charging platform Promoting mobility platform partnership
Contract management	Completed AI OCR mileage automatic recognition performance check and BMT

5) TTV (Text to Video) : technology that converts text into video

Strengthening Global 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 in 2021. 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. In 2021, we applied for business licenses in eight US states and continued to explore new business opportunities, mainly in areas where we obtained or were going to obtain business licenses. 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.

2020	DB Insurance started business in Ohio (2018), Indiana (2019), Texas (2020), and Pennsylvania (2020)
2021	Applied for a business license in the states close to California and New York and those where we would possibly start business (approximately 8 states)
2022	Business license acquired in Arizona, Georgia, and Alaska License acquisition in progress in 5 states including Massachusetts

Hawaii

Our Hawaii branch, which is locally recognized as the prominent insurer for demonstrating incomparable product competitiveness and providing prompt customer service, is continuing stable growth based on profitability through close ties with major channels in the market. The branch is expanding its market dominance by continuously improving customer service, and is also actively exploring new markets to secure sustainable growth engines.

Guam

The Guam branch, established in 1984, handles not only household insurance such as auto and home fire insurance, but also large lodging facilities such as hotels and condos and large-scale commercial property insurance such as shopping centers based on its prompt customer service and longstanding partnership with local agencies. The branch has grown into the most trusted leading insurance company in Guam, including neighboring islands such as Saipan.

California

By running program business through large MGA[1)] and direct sales through local agencies at the same time, DB Insurance is stably expanding top-line and profitability based on various channels. The company will continue to expand the basis for its overseas business growth by continuously discovering businesses, such as entering the California home insurance market in 2020, commercial vehicle business in Texas in 2021, and general insurance in Arizona in 2023.

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 render 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. In order to land active overseas investment opportunities and preemptively manage existing assets, the 2020 DB Advisory America, Ltd. was established and officially registered as an investment advisory firm with the US SEC and the Korea Financial Supervisory Service in 2021. It seeks to increase the profitability of the head office and branches in North America, and improve the efficiency and sophistication of asset management.

US branches[2)]

Category	Unit	Guam	Hawaii	California	New York	Support for North America	Strategy for North America
Total number of support staff (Number of local employees)	Person	6(3)	17(14)	12(10)	10(8)	28(22)	12(7)
Volume	million USD	44.1	83.7	103.5	58.0	-	-

2) As of the end of 2021, 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.

Details of business promotion in China and Vietnam

China	Year	Vietnam
#8 • Created a sales team specializing in non-auto insurance • Bolstered CM channel sales through improvement of WeChat platform • Improved profitability by bolstering auto insurance underwriting and compensation capabilities	2021	#5 • Established the insurance risk management system • Established the sales training system • Improved the project cost management structure
#7 • Improved rofitability by increasing efficiency • Reorganized the organization into a profit-oriented business structure	2020	#4 • Established ISP strategy framework and reinforced risk management of reinsurance • Reinforced insurance risk management and established a sales support system
#6 • Enhanced sales power of personal agency channels and established CM business model	2019	#3 • Established investment risk management system
#5 • Reinforced competitiveness of general insurance and stabilized dedicated channels	2018	#2 (New) • Upgraded bancassurance Channel management system - Enhanced competitiveness in TM business - Upgraded car compensation operating system - Enhanced competitiveness in medicine reinsurance special policy
#4 • Built a dedicated sales channel	2017	#1
#3 • Established a sales channel strategy	2016	
#2 • Established a TM channel	2015	
#1 • Improved insurance compensation syste	2014	

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.

Financial 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 15.747 trillion for direct premiums, up 7.1% from the prior year, and a net income of KRW 776.9 billion, up 54.7% 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 (standalone)

Category	Unit	2020	2021	Change	G/R(%)
Direct written premium	KRW million	14,069,876	15,074,668	1,004,792	7.1
Retained premium	KRW million	13,035,372	13,977,657	942,285	7.2
Accrued premium	KRW million	12,670,470	13,772,285	1,101,815	8.7
Loss	KRW million	10,626,128	11,304,383	678,255	6.4
(Loss rate)	%	83.9	82.1	(1.8)	
Net operating expenses	KRW million	2,634,777	2,706,143	71,366	2.7
(Expense rate)	%	20.8	19.6	(1.1)	
Operating profit (insurance)	KRW million	(590,436)	(238,240)	352,196	(59.7)
Operating profit (investment)	KRW million	1,273,754	1,303,940	30,186	2.4
Total operating profit	KRW million	683,318	1,065,700	382,382	56.0
Non-operating/special profit and loss	KRW million	(4,831)	(1,081)	3,750	(77.6)
Net income	KRW million	502,204	776,879	274,675	54.7
(Profit rate)	%	5.4	7.7	2.3%	

Condensed Balance Sheet (standalone)

Category	Unit	2020	2021	Change	G/R(%)
AUM	KRW million	38,935,825	41,649,515	2,713,690	7.0
(AUM rate)	%	82.6	81.4	(1.3)	
Non-AUM	KRW million	3,621,804	3,822,165	200,361	5.5
Special account assets	KRW million	4,566,701	5,716,368	1,149,667	25.2
Total debt	KRW million	41,060,251	44,939,395	3,879,144	9.4
Capital	KRW million	35,400	35,400	0	0.0
Total capital	KRW million	6,064,080	6,248,653	184,573	3.0
Total assets	KRW million	47,124,331	51,188,048	4,063,717	8.6

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

Category	Unit	2019	2020	2021
Income before tax	KRW million	505,057	678,487	1,064,618
Statutory tax	KRW million	132,366	176,282	287,740
Statutory tax rate	%	26.21	25.98	27.03
Amount of tax paid	KRW million	62,427	156,554	251,974
Tax rate applied	%	12.36	23.07	23.67

Corporate Tax Payments

Category	Unit	Direct premium written	Net income before tax	Tax paid	Domestic tax reduction due to overseas tax payments (KRW)
Domestic	KRW million	14,724,507	1,033,801	250,294	-
Overseas	KRW million	350,161	30,817	1,680	1,468,471,375
U.S. Branch	KRW million	289,111	26,484	251	251,225,242
Guam	KRW million	61,050	4,970	1,429	1,217,246,133

Economic Performance Distribution

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 528.5 billion	KRW 311.6 billion	KRW 210.2 billion	KRW 6.9412 trillion	KRW 7.73 billion	53,142 hours

ESG Performance

DB Insurance

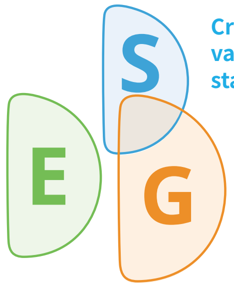
ESG Implementation Strategy

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-bystage implementation strategies that align with this roadmap.

VISION A GLOBAL INSURANCE FINANCIAL GROUP WHICH PURSUES A HAPPY SOCIETY WITH CUSTOMERS

GOAL ESG MANAGEMENT SYSTEM DESIGNED TO BUILD A SUSTAINABLE SOCIETY

DIRECTIONS



Creating social values for stakeholders

Company-wide environmental management system

Global-standard governance

STRATEGY

01 Expansion of asset management in green finance / environmental industry

02 Improving products / services in consideration of the environment

03 Fulfilling social responsibilities related to the main business

04 Promoting stakeholder communication

05 Enhancing the transparency and independence of the BOD

06 Integrated ESG management system

Mid- to long-term ESG Management Roadmap

STAGE 1

Foundation for company-wide ESG management

- Analyze major domestic and overseas issues and trends
- Carry out short-term improvement tasks

STAGE 2

Advanced stakeholder-oriented ESG management

- Make timely responses to ESG regulation/policy trends
- Promote ESG achievements centered on stakeholder communication

STAGE 3

Differentiated ESG management system

- Increase corporate value by internalizing ESG management activities

DB Insurance’s Value Creation Activities and Performance for Customers

Customers who purchase DB Insurance’s financial products and use services are the reason and purpose of DB Insurance’s existence. DB Insurance is doing its best to provide products and services that can relieve customers’ anxiety about the future. In addition, we work to realize customer satisfaction through continuous innovation. The company analyzes all management activities from the customer’s point of view, organizes them around the customer, and strives to improve customer value through continuous improvement.

Customers Communication Channels | Consumer evaluation group, Customer VOC, Know your customers

- External customer satisfaction surveys (KCSI, KS-SQI, NCSI)
- DB Insurance’s customer satisfaction survey (DCSI)

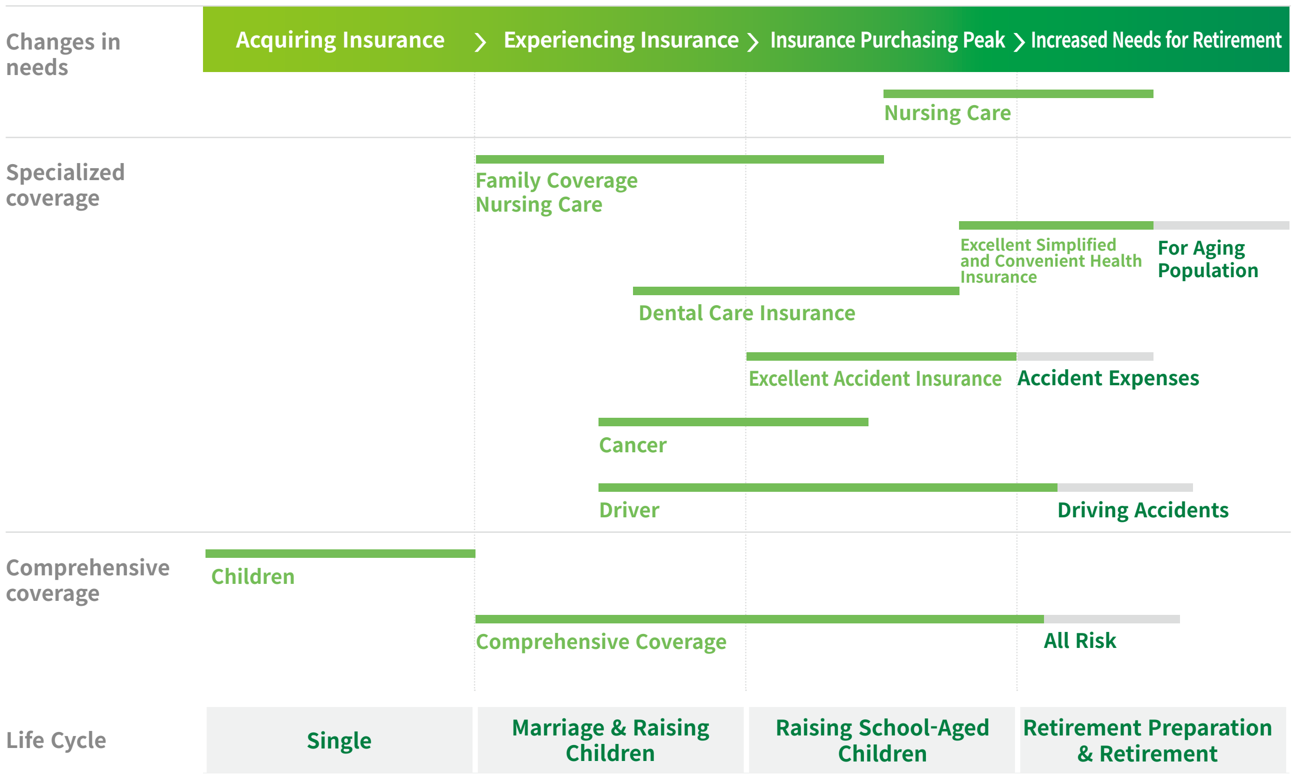
2021 KEY FIGURES

Customer Acceptance Rate	Complete Sale Ratio	Response to VOC within 1 Hour
69.0%	99.5%	86.0%

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 Matching According to the Customer Life Cycle



New Technology and IT Infrastructure	Competition	Customer	Regulation and Policies
• Identifying new sales channels through IT technology • Accumulating and sharing customer data (Big Data), and strengthening analyses • Intensifying competition among similar financial products due to increased capacity to collect customer data	• Increased market entry by various types of new competitor • Intensifying competition within the industry for the same customer base	• Complex/diversified customer needs • Increased needs for personalized products and services • Increased customer needs for one-stop shopping	• Abolishment of life/non-life insurance barriers and permission for cross recruitment • Proliferation of overall competition among financial industry sectors due to deregulation for economic revitalization

Analysis of changes in the external environment, and provision of differentiated customer value based on customer needs

Product and Service Development

To flexibly respond to internal and external environmental changes that can cause a 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.

Product Development Process

Strengthening competitiveness through products granting the exclusive right of use[1)]

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

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 6,544 consumer disputes and complaints were reviewed by the Committee in 2021, achieving a customer acceptance rate of 69.0%. 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

Establishing a preemptive control system for incomplete sales
- Sophisticated operation of complete sales monitoring
- Reinforcement of on-site inspection activities for complete sales
- Improved monitoring on call quality of TM contracts
- AI-based complete sales monitoring system
- AI-based call quality monitoring system

Utilization rate of e-monitoring on complete sales

Securing a competitive advantage in MOT service in MOT service
- Differentiate monitoring activities for service quality
- Expand and strengthen consumer participating activities
- Constantly improve quality of customer guide material
- Operate integrated CS monitoring system
- Operate customer guide material review system

Adoption rate of proposals offered by the consumer on a satisfactory level of CS Monitoring

Advancement of customer complaint handling capacity
- Operate Consumer Protection Office
- Preemptively reinforce activities to prevent complaints
- Operate review system led by Consumer Rights Protection Committee
- Operate complaint/VOC response system

VOC recurrence rate during complaint handling period

Spreading consumer-centered corporate culture
- Enhance employees' and sales workforce's CS competencies
- Build a consensus on the importance of consumer protection across the company
- Refine CS evaluation system and improve feedback function
- Operate Promy Campus On-Line CS Learning System
- Operate CCM evaluation computerized inquiry system

CCM campaign participation rate

Consumer-centered management ↓ Enhanced performance management

Accelerating consumer-Centered management by upgrading the company's Consumer protection system

Build a Preemptive Incomplete Sales Control System

Roadmap for Complete Sales

Build a preemptive incomplete sales control system

1. Introduction (2007~2011)
- Create a complete sales organization
- Establish a monitoring process
- Revise sanction criteria for incomplete sales

2. Expansion (2011~2013)
- Expand year-round inspections by the General Insurance Association of Korea (GIAK)
- Strengthen sanction criteria for incomplete sales
- Reflect incomplete sales ratio (on-site inspection) in sales managers' MBO

3. Stabilization (2013~2016)
- Changes in the monitoring process
- TM speech analysis system developed
- On-site inspection for complete sales via GA channels

4. Rebound (2016~present)
- Build a real-time system for complete sales monitoring
- Outsource call monitoring to external vendors
- Introduce roboteller counsellors to Happy Calls, establish monitoring irrespective of time
- Establish a complete sales system through which an AI Autobot conducts preemptive screening for TM contract reviews

Refined Operation of Complete Sales Monitoring

DB Insurance has strengthened the complete sales monitoring process by confirming that customers receive sufficient explanations 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 onsite 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.

Sales completion rate

2019	99.3 %
2020	99.5 %
2021	99.5 %

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

"Certified for Eight Consecutive Times" and Honored with "President's Commendation" in Consumer-Centered Management (CCM)

DB Insurance won the Presidential Commendation at the "2021 Consumer-Centered Management (CCM) Excellent Company Award and Certificate Ceremony" held at the Shilla Hotel on Dec. 3, 2021. CCM is a system that has businesses evaluated by the Korea Consumer Agency (KCA) every two years and certified by the Korea Fair Trade Commission (KFTC) as to whether all business activities of a company are structured and continuously improved from a consumer's point of view and in a consumer-centered manner. After receiving CCMS certification for the first time in the industry in 2008, DB Insurance became the first in the non-life insurance industry to be certified eight times in a row on Dec. 3, 2021. In 2020, as a company certified for the seventh time in a row, DB Insurance was honored with the "CCM Hall of Fame Award".

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 2021, a total of 289 people served on consumer evaluation panels where 802 (79.4%) of 1,010 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.

Adoption rate of improvement proposals offered by the consumer evaluation group (cumulative)

2019	78.4 %
2020	79.6 %
2021	79.4 %

Continuous quality improvement of customer guide material

Customer guide materials, 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. Advertising regulations were tightened with the enforcement of the "Act on the Protection of Financial Consumers" on Mar. 25, 2021. In order to prevent consumers from misunderstanding financial products and to ensure clarity and fairness in their description, the company has established and is operating detailed standards and procedures for advertisement production and internal deliberation. By distributing training materials on the advertisement production guidelines and compliance requirements, we also provided training to all employees and sales partners, and conducted monthly inspections to ensure continuous feedback and address any issues.

Consumer Evaluation Group

Enhancement of Customer Demand Handling Capability

Operation of a Consumer Protection Division

DB Insurance is responding effectively and efficiently to various VOCs (voices of customers) through the introduction and operation of the Consumer Protection Office. The head of the Consumer Protection Office works to promptly and accurately handle customer complaints in the event of a VOC at the sales site and solve the problem from the consumer's point of view. The introduction of the Consumer Protection Office has significantly reduced the number of grievances re-entering VOCs as they are unaddressed.

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.

Establishment of Consumer-oriented Corporate Culture

Enhancing CS competencies of employees and sales workforce

DB Insurance is operating the CCM index to establish a CCM culture and get all its employees to internalize the CCM mindset. The CCM index is a system that allows employees to watch CS training anytime and anywhere through PC or mobile and accumulate their own scores, similar to the credit bank system. The CCM index provides not only CS training, but also diverse-ranging content such as vlogs that benchmark other industries, and consensus VOCs where customers can hear vivid VOCs. In 2021, the company operated the CCM Conference for CS coaches nationwide in a metaverse method, providing training for not only 150 CCM coaches but also CCM managers of subsidiaries at the virtual DB Insurance training center. In addition, we operate various CS education programs including online CS learning for all employees, 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

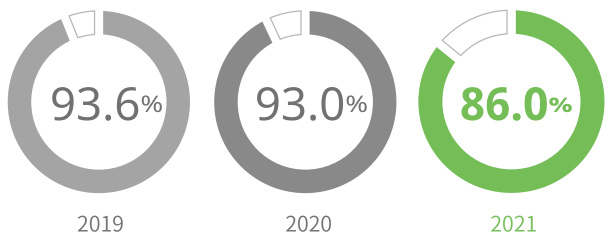
As a part of our efforts to prevent customer complaints, we share key complaints through our portal system to raise employees' interest in VOC. Meanwhile, we also run the "Consensus! VOC" program, where we share issues, implications, and improvements that arise during the VOC handling process. In addition, 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 KFTC's CCM certification 8 times in a row and honored with President's Commendation.

Refine the CS Evaluation System and Strengthen Feedback

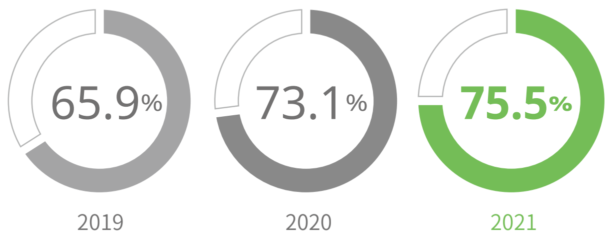
In order to establish a customer-centered corporate culture, we are actively motivating our employees to provide high-quality customer service. This is achieved by strengthening the CCM MBO and the monthly/quarterly CCM quality awards, and by awarding employee prizes at our semi-annual management strategy 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. Besides, the company is promoting the internalization of CCM by the employees at the points of contact through the semi-annual awards for excellent employees as financial consumers as presented by the CEO, and the awards for outstanding employees in the CCM index as organized by the CCO once a quarter.

VOC Management

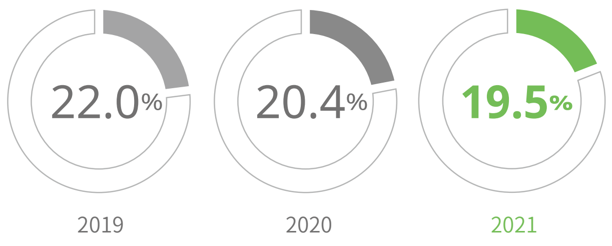
Response within 1 hour



Completion within 24 hours



Recurring VOC



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

As part of the Family Love Campaign, DB Insurance has been running the "Family Love Photo Studio" in the Family Month every year since 2018, where people can capture precious memories with their families in photos.

Public marketing activities creating social values

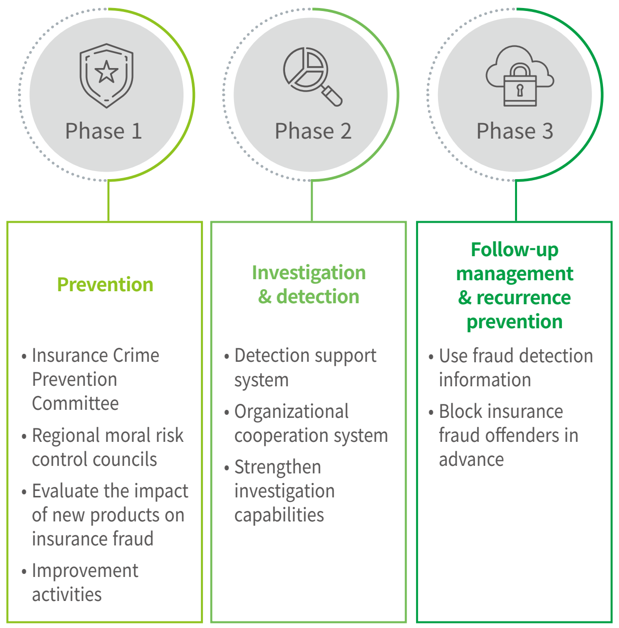
In 2019, "DB Insurance Transportation and Environment Challenge" was launched, a program that aims to discover and assist social venture companies possessing innovative technologies for solving social problems in the sectors of transportation and environment. It is the first mid- to long-term social contribution project in the insurance industry that supports public-interest startups. For those selected social ventures, business subsidies and one-on-one accelerating assistance for training key entrepreneurial competencies in legal, tax, accounting, and marketing areas will be offered.

Prevention of Insurance Fraud

Preventing Insurance Fraud

In order to circumvent insurance frauds, DB Insurance conducts field inspections targeting nineteen business groups, and conducts activities to control moral risk in sales organizations such as detecting insurance fraud-related solicitors and unauthorized alteration of contracts. From the insurance product development stage, the company conducts insurance fraud impact assessments on new products. Through the operation of the Suspect Customer Management and Improvement Council, the company controlled the inflow of insurance fraudsters into new contracts and reestablished control standards. By holding the "Moral Risk Control Council" at the head office and regional offices every month, the company is building a cooperative system to share and respond to insurance fraud issues among regional sales and compensation divisions. In order to strengthen the system that responds by putting collateral against long-term insurance moral risks the company has established the "Task Force to Respond 6 Major Moral Risks" and tightened the screening standards, and is taking strong responses to clients such as clawback and calling in investigations. Finally, DB Insurance has established a regular management system that can recognize risks early, by developing the Risk Index, a new outlier detection index that takes into account accident types and regional characteristics.

Insurance Fraud Controlling Process



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 SIU[1] 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 FSS in 2020 and the Excellence Award and the Participation Award in 2021, earning recognition for our outstanding investigative skills.

1) SIU (Special Investigation Unit) : A special team that investigates Insurance frauds

Business Case

Establish an Insurance Fraud Prevention / Early Recognition System by Developing 'Risk Index'

DB Insurance recognized the need to take an approach that sets itself apart from the existing monitoring based on profit and loss, loss ratio, and accident rate by identifying moral issues in specific regions and specific collateral. Accordingly, the company has developed its own risk index and is currently operating it. Based on the results of actual inspections of targets extracted from the database, we have been successful in effectively discovering suspected cases of insurance fraud. Moving forward, DB Insurance will further enhance its risk index.

System improvement to support insurance fraud detection

To support activities that detect insurance fraud, we rearranged our Insurance Fraud Detection System (IFDS)[1] in 2019 and created an integrated data-based compensation system that manages the entire process, from receiving accident reports to settling compensation. 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 staff. It also greatly reduced human errors by compensation staff. In addition, it made it possible to easily comprehend information during accident investigations by making it possible to look up indicators of abnormal symptoms, such as in hospitals and auto repair services.

In addition, since 2016, we have been making efforts to protect the personal safety of our compensation staff by utilizing a safety support system. Starting in 2021, we are committing our utmost efforts to identify the problem customer to take preemptive measures and seek criminal liability when necessary by establishing the 'Manual for Responding to Problem Consumers in Compensation Process.' In order to more effectively support the investigation of compensation staff, the company has promoted a project to establish an investigation support system and is carrying out a network analysis project to support the detection of public insurance frauds since 2020. The system will be developed in 2022 and used for insurance fraud investigations.

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.

Amount of insurance fraud detected[2]

2019	KRW 38.3 billion
2020	KRW 44.6 billion
2021	KRW 45.7 billion

Index			Unit	2019	2020	2021
Complete sales rate			%	99.8	99.4	99.5
Sanctions made through internal inspection of incomplete sales	On-site inspection (Individuals)	Sales suspension	Person	769	688	423
		Warning		1,161	963	836
	On-site inspection (TM)	Sales suspension		34	20	31
		Warning		334	224	28
CS monitoring score[3]			Point	96.1	95.2	99.5
Customer satisfaction survey DCSI[4]			Point	75.8	77.3	78.2

1) IFDS : Insurance Fraud Detection System
2) Adjustment of the detected amount due to establishment of industry-wide calculation standards
3) Internal customer satisfaction survey of customers with service experience
4) DB Insurance customer satisfaction survey (preliminary survey by KS-SQI)

IT / Information Security

Strategy for IT Support

Just In Time! With Business!

Focus IT capabilities to **respond quickly** and **in a timely manner** to the rapidly changing business environment

Improving system operation stability | Bolstering the company's IT competitiveness

Strategic Directions	Integrating rapid response in core tasks	Upgrading infrastructure to promptly apply new technology	Upgrading human competencies for IT
Major Tasks	**Concentrating on implementing improvement tasks to respond to failures** - (Prevention) Reinforcement of pre-test, step-by-step opening, abnormal symptom control, and performance abnormality detection - (Response) Recognition of errors & concentration of on-site guidance speed, specific response scenarios for different situations **Establishment of standard process for each project stage** - Clarification of R&R and major milestones by organization - Early confirmation of work requirements to reduce lead time - Thorough follow-up performance management (evaluation of participation rate and utilization) **Successful execution of major company-wide projects** - IFRS17 (New Business Management), Call System App, 3 steps in UI integration, CM website, platforms connected to everyday life, HR system reconstruction, etc.	**Upgrading the legacy JDK and iLog** - Upgrading Java engine and acceptance review solution **Establishing an environment for introducing a private cloud** - Unix → Linux conversion (U2L 3rd) * Review of public cloud application in 2023 **Establishment of the strategy for company-wide application of the standard browser** - Establishment and application of HTML5 (web document standard) conversion strategy in response to IE11 browser EOS **Replacing N/W, storage and EOS solutions** - N/W: external network router, etc. - Storage: outdated storage, etc.	**Stable operation of IT development manpower** - Thorough management to prevent personnel turnover - Diversification of recruitment channels **Acquiring new technology operation capabilities** - Participation in external professional training (SAP, C#, VB.net, etc.) - SM-led AI applied to big data operation **Improving PMO performance capabilities** - Standardization of management plan by stage - Rapid response to issues and expansion of collaborative communication **Expansion of leadership training for IT professionals** - Leadership enhancement to establish a culture of leading work performance

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. DB Insurance shortened the investment decision lead time by 16.2 days compared to the previous year by promoting simplification to improve IT project management efficiency. In addition, the company saved about KRW 590 million by carrying out the second stage of conversion to U2L[5] and replacing of outdated storage equipment for efficient operation of IT assets. In 2022, we are actively carrying out activities to enhance system stability and IT competitiveness by promoting infrastructure advancement for the rapid application of new technologies.

5) U2L (Unix to Linux) : System transition from Unix to Linux

Strengthening business site-IT partnership

DB Insurance is also continuing its efforts to increase field support activities to secure IT competitiveness by channel. To this end, the company is continuously carrying out IT projects that increase the ability to respond to IT issues and perform tasks. Furthermore, we are expanding communication between IT-related collaboration departments to efficiently respond to changes in the internal and external environment. In 2021, we also applied Prime Agent electronic business cards and AI OCR to verify vaccination certificates in the personnel system as customized IT services for the field, performing field support activities to cope with our rapidly changing society.

Digital-centered Customer Value Maximization

Improvement of IT service quality

The company-wide IT system of DB Insurance is strengthening the integrated management system such as field work support and internal system efficiency based on business processes. The company is continuously addressing vulnerabilities to increase operational efficiency, further improving data quality, and supports the stable operation by optimizing the performance of infrastructure and applications operating in the entire process. In 2021, we improved the system performance to provide prompt services, such as improving the long-term contract change process, shortening the time to load reserves when revising long-term products, and improving the memory/processing performance of the image viewer. In addition, the company reduced the time taken to provide support by 613 minutes compared to the previous year by improving the response to failures to ensure continuity of work in the field. As an improvement activity to practice ESG management, DB Insurance implemented a company-wide printout efficiency and PC-OFF campaign when leaving work. Going forward, we will continue to promote system performance improvement activities in order to earn the trust from our customers and employees.

Establishment of a Digital Working Environment

To settle the telecommuting system that became necessary due to the spread of COVID-19, DB Insurance is providing an optimal telecommuting environment by increasing the virtual PC capacity and installing equipment. By introducing a video conferencing system and holding business strategy meetings in the first and second half of 2021, the company contributed to the wide practice of non-face-to-face meetings. To boost future digital competitiveness, the company is actively pursuing company-wide digital strategic tasks such as the integration of portal UI used at sales sites, My Data business, and the expansion of smart contact centers.

Enhancing the efficiency of IT project cost

KRW **5.57** billion

Open API[1)] Platform

We established an open API platform and an integrated open API monitoring system in early 2020 as part of our effort to increase cooperation with the InsureTech business. This platform enabled the supply of products and services to new partners as well as electronic linkage with the IT systems of existing and new affiliates. Accordingly, we anticipate greater 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) 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.

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

Product development using an 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, 36,000 contracts, and 36,000 contracts in 2019, 2020, and 2021 respectively

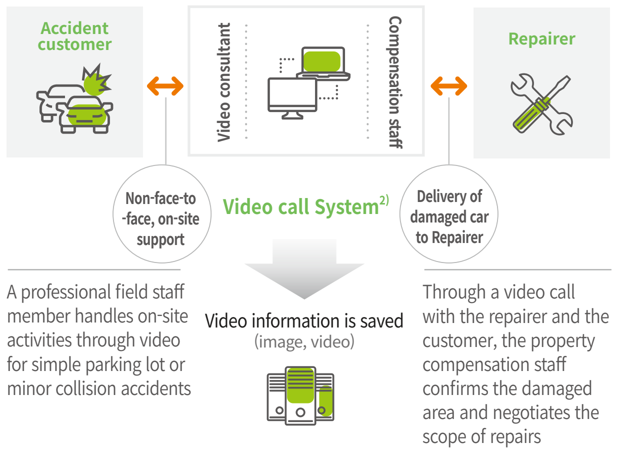
As for design information, which is essential for fire insurance design, DB Insurance supports simple design through the building ledger open API. Through the service, users can design easily by automatically loading data related to buildings by simply entering the address they want to subscribe from.

Fire Insurance	• Compensation for property damage caused by fire • Easy design supported with building ledger information • Easy design provided for 2,883 cases in Q4 2021 and 2,655 cases in Q1 2022

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, ordinary accidents or requests from customers who seek field staff support at the scene of a car accident. It is receiving high praise since it not only provides faster customer service but has also significantly improved the work efficiency of the field staff.

DB-V System Flow

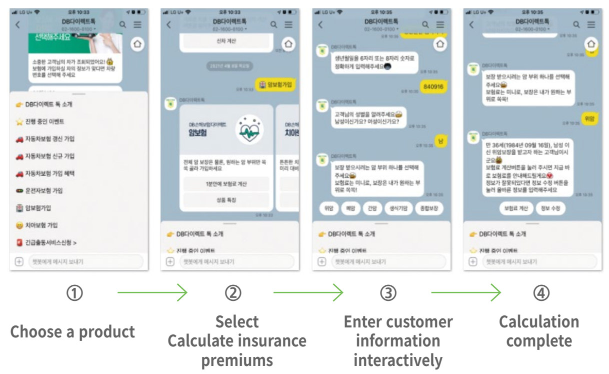


2) Also called "soft phone", it uses the same video call method as a mobile phone connected to the VoLTE high-definition video call network. The user may take the video call without going through a separate procedure

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



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 3-6% 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.

Privacy Protection

Management System for Information Protection

DB Insurance operates a strict company-wide information security management system, including real-time integrated security control operation, information security-related audits of the IT environment, and website inspection and evaluation conducted by independent experts at least once a year. In addition, the company regularly verifies the adequacy of customer information protection such as the inspection of the consignee entrusted with personal (credit) information and recruitment agencies, on-site inspection of how the subscription design consent form is requested, and monitoring of excessive inquiries of customer information. We also report the inspection details to the Board of Directors once a year. Furthermore, we operate the Information Protection Committee, composed of 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, the company has also purchased ‘Private Information Liability Insurance’ and ‘E-financial Transaction Liability Insurance’ to cover its third-party liabilities related to company-wide information protection.

Reinforcing information leakage prevention system

Since 2014, DB Insurance has acquired certifications in Information Security Management System (ISMS), thus 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. Furthermore, through the customer information management system as entrusted to an external service, we conduct security checks on the company that is entrusted with the data handling. From 2013 to 2021, there was not a single violation related to the leakage of customer information.

Internalization of awareness on information protection

We help all employees internalize awareness of information security and carry out relevant training on a regular basis, by setting the employee behavioral guidelines for personal information protection. In 2021, we provided twelve training courses focusing on laws such as the Personal Information Protection Act, Credit Information Use and Protection Act, and Financial Security Act, as well as the Understanding the Information Security Scheme course, which were completed by all employees. Furthermore, we implemented information security training for businesses we entrusted with IT services and insurance solicitors. In order to resume its work in a quick and timely manner in case of emergencies such as data breaches, failures, and disasters, the company provides training to properly respond to intrusions such as server hacking, DDoS attack, and malware mail response recovery and disaster recovery training. In addition, the business continuity plan (BCP) simulation is held every year.

Information protection training personnel

2019	4,841 people
2020	4,785 people
2021	4,817 people

Strengthening customer information protection and monitoring abnormal signs

We 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 agents to address any weak points. Going forward, we will focus on preventing compliance issues. Thus, we constantly overhaul the access control as to customer information and provide training on precautions regarding personal information that insurance solicitors must know in their sales activities.

Expanding Socially Responsible 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 subscriptions 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.

Simplified Notification

Health insurance that can be purchased by the elderly and those with illnesses through simplification of questionnaires

Target Elderly, those with illnesses

Product name Excellent Simplified and Convenient Health Insurance

Accidents

Injury insurance that covers risks in daily life, such as injury/ monetary damage/ liability

Target Elderly Product name Excellent Accident Insurance

Nursing Care

Insurance that covers nursing care costs in the event that nursing is necessary

Target Elderly, those with illnesses

Product name Convenient Family Love Care Insurance

Medical Indemnity

- Medical indemnity insurance for the elderly
- Medical indemnity insurance with simplified questionnaires

Target Elderly, those with illnesses

Product name • 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 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 3 - 12% 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 2021, 653,000 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.

Performance of Insurance Products Designed to Create Social Value

(Unit : case, KRW million)

Product		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)	21,055	9,221.7
	2Q Super Simplified Health Insurance	For vulnerable groups in insurance "blind spots" (the elderly and infirm)	14,270	6,687.0
	Reasonable and Easy Health Insurance	For vulnerable groups in insurance "blind spots" (the elderly and infirm)	40,764	16,205.0
	Simple Medical Indemnity Insurance	For vulnerable groups in insurance "blind spots" (the elderly and infirm)	59,944	19,205.6
	Easy Family Love Alzheimer- Nursing Insurance	For vulnerable groups in insurance "blind spots" (the elderly and infirm)	10,044	7,733.5
	Old age Medical Indemnity insurance	For vulnerable groups in insurance "blind spots" (the elderly)	726	175.8
	Motorcycle Driver Insurance	Motorcycle drivers	21,015	4,336.2
	Good and Easy health insurance	For vulnerable groups in insurance "blind spots" (the elderly and infirm)	145,027	84,314.2
	Excellent and Easy health insurance	For vulnerable groups in insurance "blind spots" (the elderly and infirm)	115,674	56,704.3
Car insurance	Special contract for Promy Heart (preferential benefits for low income people)	For low-income families/children	2,660	2,012
	Special contract for Traffic safety education (preferential benefits for the aged)	For vulnerable groups in insurance "blind spots" (the elderly)	1,309	1,239
	Gomduri Car Insurance	For vulnerable groups in insurance "blind spot" (the disabled)	177	160

DB Insurance's Activities and Performance in Value Creation for Shareholders and Investors

Shareholders are individuals or groups who purchase stocks issued by DB Insurance or supply capital in pursuit of profit. In the past, shareholders expected capital gains in investing in stocks, but current-era shareholders further pay attention to changes in corporate value made by senior management's decision-making. Therefore, more are participating in shareholder action and shareholder activity by actively expressing their opinions, requesting company information, and actively involving in general meetings of shareholders. We believe that the purpose of shareholder activities is to align the interests of shareholders and the management, secure investment returns in the mid- to long term, and contribute to the continuous growth of investment target companies and improvement of corporate value. Accordingly, DB Insurance is listening to the voices of shareholders and working diligently to prepare institutional mechanisms to protect shareholder rights and interests.

Shareholders Communication Channels | IR (Investor Relations) activities · Company briefing sessions

- Business disclosure (electronic disclosure system and DB Insurance website)

2021 KEY FIGURES

Compliance Index	BOD Attendance Rate	Ethical Management Pledge Participation
96.4 points	100%	100%

Ethical Management

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

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.

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.

2021 Ethical Management Consultations and Reports

Category		No. of Cases
Client Complaints	Services (products)	34
	Corruption	-
	Complaints from suppliers	-
	Misc. (e.g., personal data)	-
Action	Disciplinary Actions	-

Participation in Pledges for Ethical Practice

Compliance training in 2021

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

Major internal control activities in 2021

Category	Number of implementations	Main contents
Constant monitoring	37	Monthly monitoring on key indicators of sales, head office, and insurance compensation divisions
(Periodic) Inspection	13	Inspection of major policy handling departments
Self-inspection at business sites	8	Inspection by dispatched supervisors, self-inspection by branches

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 have been 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 Sonsa, 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.

Compliance Implementation and Assessment

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 2021 evaluation, the company's compliance index recorded 96.4 points, on a par with the previous year.

- Bona fide sales
- Complete sales

Process Compliance

Compliance risk assessment

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 2021, the number of these notices was increased by 500, and a total of 5,500 notices were sent out to 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.

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 385 in 2022 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

385 cases
(As of 1st half of 2021)

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	2019	2020	2021
HQ Inquiries	613	674	727
Sales	1,602	1,653	1,977
Compensation	83	80	87
Total	2,298	2,407	2,791

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 2021, we evaluated 518 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 could 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.

Annual Reviews & Monitoring Sessions in 2021

58 times

Departments Reviewed

200 departments

Measures Taken

37 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 the identification of customers, reporting of suspicious transactions and large cash transactions based on the RBA risk assessment. As a result, 945 suspicious transactions and 2 large cash transactions were reported to the Korea Financial Intelligence Unit in 2021. 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

On June 30, 2021, the "Act on Supervision of Financial Conglomerates" came into force to establish a legal basis for supervision of financial conglomerates with the goal of sound management of financial conglomerates. Accordingly, the DB Group was designated as a financial conglomerate. DB Insurance is a representative financial company of the financial conglomerate group, and operates a department dedicated to risk management. The company has established the "Financial Conglomerate Risk Management Policy" and the "Financial Conglomerate Risk Management Standards" to efficiently manage risks for the financial conglomerate as a whole, and operates the "Financial Conglomerate Risk Management Council" composed of risk management managers from major financial affiliates. The Financial Conglomerate Risk Management Council is operated to conduct systematic risk management, such as reviewing major risk management issues. DB Insurance will continue to upgrade our risk management system by faithfully fulfilling our role as the representative financial company.

DB Financial Conglomerate Risk Management Council

Council Chairperson	Council Members
DB Insurance	DB Life
	DB Financial Investment
	DB Asset Management
	DB Savings Bank
	DB Capital

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 2021. 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.

BOD

Audit committee

[Audit sector] Internal Audit Division (Audit)
- Responds to financial authority's comprehensive audits based on Risk Assessment and Application System (RAAS[1])
- Reviews adequacy of crisis analysis and conformity verification — makes timely improvement and oversees potential risk factors including legal violations, consumer rights, and interests

Risk Management Committee
- Supervises on risk items and establishes policies
- Directs overall risk management — setting risk tolerance limits, effective supervision on risks that are likely to occur in business operations, establishing policies, etc.
- Consideration of non-financial factors related to ESG and their reflection in evaluation items

Risk Management Working Committee

[Insurance and ALM sector]
Insurance risk management sub division (Insurance RM)
- Manages and implements detailed risk-related items
- Manages risk tolerance limit and reports on the results thereof
- Implements and reports on the committee's resolutions

Insurance risk | opertational risk | Interest rate risk

[Investment sector]
Asset risk management sub division (Asset RM)
- Manages and implements detailed tasks
- Controls risk tolerance limit and reports on the results thereof
- Implements and reports on the committee's resolutions

Market risk | Credit risk

1) RAAS : Risk Assessment and Application 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 RBC[2] 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 2021, the company upgraded the system by reflecting relevant system changes, and thoroughly prepared for the introduction of the new solvency system by checking the system construction that is underway.

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
Non-financial Risks	Business Management	• Risks arising from strategic aspects of management, e.g. delays in maintenance of necessary management systems and failure to make decisions
	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 2021, the RBC ratio was 203%.

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 IFRS 17 (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 IFRS 17 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

The "Act on Supervision of Financial Conglomerates" was created and came into effect on June 30, 2021. DB Insurance, the representative financial company of the DB Financial Conglomerate, has an integrated risk management system and boasts a level of equity that can secure the financial soundness of the DB Financial Conglomerate. By managing the capital adequacy ratio through regular inspections and disclosing major issues among others, the company is striving to strengthen its risk management capabilities for the financial conglomerate.

Corporate 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.

Operation of the BOD

Category	Unit	2019	2020	2021
No. of meetings held	Time	7	10	9
No. of agendas submitted	Case	17	25	23
Attendance rate[1]	%	97.2	100	100

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

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.

Profile of BOD members

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)	12 years 9 months	Finance (Non-life insurance)	- Head of New Business Division, DB Insurance - Head of Individual Business Division, DB Insurance - (Current) Vice Chairman of DB Insurance	41 years
Jeongho Choi	Senior independent director	1954	Male	1 years	2019.3.15 (2022.3.25)	3 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	36 years
Jeongsook Moon	Independent director	1955	Female	1 years	2021.3.26 (2022.3.25)	1 year	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	36 years
Chaewoong Jeong	Independent director	1953	Male	1 years	2022.3.25 Newly appointed	-	Insurance and financial services (financial services)	- Director in the Office of Public Relations Ambassador, Ministry of Finance and Economy - Director General of the Bureau of Planning and Administration, Financial Supervisory Commission - Chairman of Korea Insurance Development Institute	42 years
Jongpyo Jeong	Independent director	1962	Male	3 years	2021.3.26 Newly appointed	1 year	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: 9.10 times, as of the end of 2021)

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

CEO, Independent Directors, and Audit Committee members

Executive Candidate Nomination Committee (candidate recommendation)

↓

BOD (candidate selection)

↓

General meeting of shareholders* (director appointment)

↓

Disclosure (the result of appointment)

Recommendation of BOD candidates

E.g., Executive Director recommendation → BOD (candidate selection)

* Separately appoints one or more Audit Committee members

Operation of Candidate Pools

(Unit : person)

Category	No. of members
CEO candidate pool	10
Independent director candidate pool	88

Operation of the Independent Director Candidate Pool

(Unit : person)

Category	Public office	Finance	Academia	Legal	IT	Total
Total	19	24	27	10	8	88
Female	2	5	12	9	5	33
Male	17	19	15	1	3	55

Independence Criteria for Independent Directors

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

BOD Activities

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.

Principles and Criteria for Diversity on the Board of Directors

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.

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.

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 Ratio[1)]

As of 2021

Category		Value
Total CEO remuneration		KRW 955 million
Annual compensation of employees (excluding CEO)	Median	KRW 73 million
	Mean	KRW 80 million
CEO/Employee compensation ratio	Median compensation ratio	13.1 times
	Mean compensation ratio	11.9 times

1) Compensation includes incentives (performance compensation)

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

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.

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: Jeongho Choi), and the majority of the BOD should be composed of independent directors
Audi Committee	Selects independent auditor, determines on accounting treatments and performs audit activities independently, investigates business and asset status, etc.	3 independent directors	Chaewoong Jeong (Independent director)	Should be composed of 3 or more directors, of which two thirds or more are independent direct ors, 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, an d 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	Chaewoong Jeong (Independent director)	Should be composed of 3 or more directors, of which the majority are independent directors, an d 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	Jeongsook Moon (Independent director)	Should be composed of 3 or more directors, of which the majority are independent directors, an d 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	Jeongho Choi (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, an d the chairperson should be the CEO

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 Operation System

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 2021

Classification	Shareholding ratio (%)		Remarks
Namho Kim	9.01	23.1	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	9.89	-	Pension fund

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

DB Insurance's Value Creation Activities and Performance for Local Communities

As a corporate citizen, DB Insurance is doing its best to help the communities where it conducts business fulfill healthy development. Communities as defined by DB Insurance refer to all individuals or groups that exchange direct or indirect influence in the areas where the company runs business. We not only participate in solving social and environmental problems that greatly affect their lives, but also carry out activities to create a variety of social and environmental values so that people can live happier and more prosperous lives. DB Insurance also continues to exchange and communicates with local communities through strategic social contribution activities, sports sponsorship, and public interest activities.

Community Communication Channels | Social contribution activities, sports sponsorship, public interest activities

2021 KEY FIGURES

- Contract Premiums of Environmental Liability Insurance: KRW **71.9** billion
- Revenue from Responsible Investment Management: KRW **91.5** billion
- Number of Yellow Carpets Installed: **100** pieces

Environmental Management

Environmental Management Principles and Strategies

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.

The 2050 Carbon Neutral Implementation System

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.

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.

Environmental Data

Index		Unit	2019	2020	2021
Energy consumption[1]	City gas	Nm^3	1,233,299	1,078,255	1,068,306
	Diesel	L	69,850	70,689	77,066
	Gasoline	L	88,838	80,047	57,394
	Electricity	MWh	48,361	48,214	48,923
GHG emissions[1]	Scope 1 : city gas, diesel, gasoline	$tonCO_2eq$	3,112	2,751	2,632
	Scope 2 : electricity	$tonCO_2eq$	22,546	22,477	22,808
	Scope 3 : business trip distance	$tonCO_2eq$	458	241	143
Waste management[2]	Landfill waste discharge	Ton	1,223	1,194	1,168
	Recyclable waste discharge	Ton	1,071	1,066	874
Water[3]	Water usage	m^3	401,261	405,991	350,614
Domestic business trip distances		km	4,485,730	2,369,347	1,409,216

1) Total of nine office buildings and rental offices owned by DB Insurance
2) Data management through waste disposal company
3) Water usage and water intake managed in the same way to clarify data management standards compared to the previous year

Expansion of Eco-Friendly Products

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

Damage Covered by Insurance

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

1 Legal damages

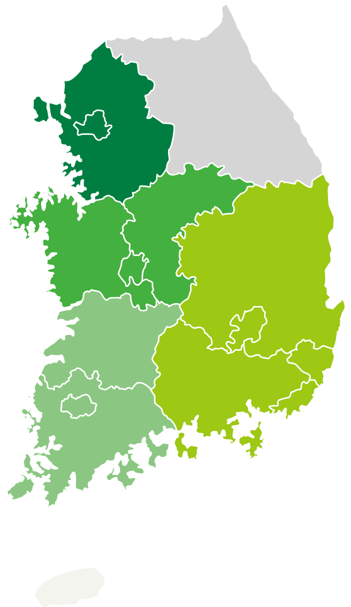
2 Cost of damage prevention (excluding pollution cleanup costs within the business site)

3 Cost of litigation, attorneys' fees, and cost of arbitration, settlement, or mediation

4 Deposit guarantee insurance premium

Status of Environmental Liability Insurance accounts by Region

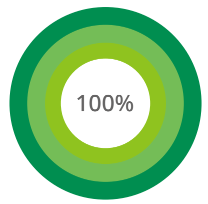
(Unit : case)



Region	2019	2020	2021
Metropolitan area	6,333 (46%)	6,319 (46%)	6,399 (44%)
Chungcheong area	1,522 (11%)	1,624 (11%)	1,631 (11%)
Yeongnam area	4,660 (34%)	4,705 (33%)	4,890 (33%)
Honam area	1,368 (10%)	1,430 (10%)	1,444 (10%)
Gangwon-do	235 (1.6%)	235 (1.6%)	238 (2%)

※ The percentage in brackets refers to the regional proportion accounting for the total national figure.

Contract Premiums of Environmental Liability Insurance



2019 Total : 14,118 100%
Total KRW 74.8 billion 100%

2020 Total : 14,313 100%
Total KRW 74.3 billion 100%

2021 Total : 14,602 100%
KRW 71.9 billion in total 100%

Performance of Eco-friendly Insurance Product

(Unit : case, KRW million)

Insurance		Type	Number of Contracts	Revenue (DPW)
Car insurance	Evergreen Special Coverage	Reducing carbon emissions	3,223,466	2,359,611
	Special contract for Mileage	Reducing carbon emissions	2,879,258	2,374,451
	Special contract for Safe Driving UBI	Reducing carbon emissions	652,647	443,612
	Special contract for Electric Vehicle	Reducing carbon emissions	53,570	47,195
	Special contract for Car Weekday	Reducing carbon emissions	6	5
General insurance	Environmental Liability Insurance	Eco-friendly	14,647	32,410
	Environmental Pollution Liability Insurance	Eco-friendly	6	337
	LNG power plants dedicated Insurance	Eco-friendly(low-carbon power)	1	3,228
	Promy Public Bicycle Total Insurance	Eco-friendly	28	737
	Offshore Wind Power Plants and Machinery Total Insurance	Eco-friendly	-	-
	Solar rental business liability insurance	Eco-friendly	-	172
	Solar Total Insurance	Eco-friendly	-	1,232

Compliance with the 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 3.9% in 2021, exceeding the company's asset yields.

Socially Responsible Investments

(Unit : KRW 100 million, %)

Category		2019	2020	2021
Renewable Energy	Scale of Operation	3,522	6,976	7,960
	Revenue	168	289	285
	Rate of Return	4.8	4.2	3.6
Green (eco-friendly) power generation	Scale of Operation	6,350	6,947	6,875
	Revenue	278	308	251
	Rate of Return	4.4	4.4	3.7
SOC	Scale of Operation	10,071	9,980	9,339
	Revenue	428	426	379
	Rate of Return	4.3	4.3	4.1
Total	Scale of Operation	19,943	23,903	24,174
	Revenue	874	1,023	915
	Rate of Return	4.4	4.3	3.8

ESG Investment Process

Establish an investment plan → Business unit screening → Analyze investment risks → ESG evaluation → Execute investment

Enhanced Disaster Response

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

Category	Target Facilities	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·email 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	Semi annual
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 is 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, we have established a location-based flood trace map system that has reflected the public data of flood trace information provided by the Korea Land and Geospatial Informatix Corporation in GIS and used it for underwriting and risk management of flood risk.

Seasonal Natural Disaster Prevention Guidance Activities

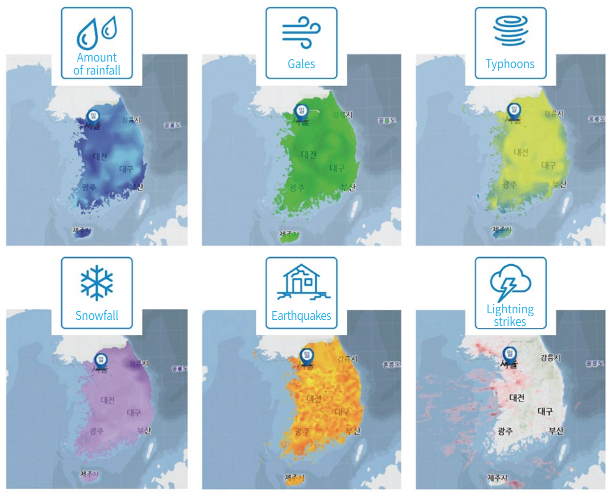
Disaster safety guide (Distributed to employees/on site)

Before summer	2021 summer we ather forecast an d risk management research data
During Summer	Guidance on typhoon routes and preparation measures, information on regions where heavy rain is expected and how to prevent damage
After summer	Sharing best response practices

Disaster Prevention Consulting service and customer guide

Before summer	Select high-risk groups of climate change (through Big Data analysis and collaboration with U/W, etc.)
During Summer	Expand disaster prevention consulting service (add new/renewed business sites)
After summer	Recurrence Prevention Consulting service (for business sites where disasters occurred)

Six major climate change risks

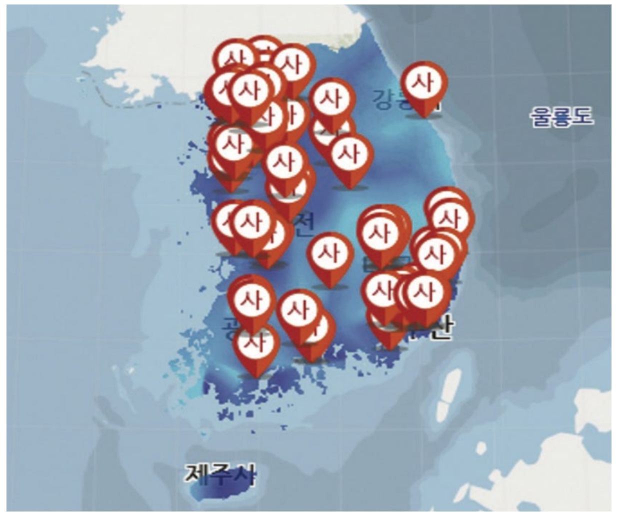


Example of applying natural disaster risk rating guideline

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

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

Risk Relationship between Insurance Accidents and Summer Rainfall



Social Contribution

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.

Social Contribution System

VISION — A Global Insurance Financial Group which Pursues a Happy Society with Customers

SLOGAN — A Promise to Protect Family Love

Business-based Social Contribution Programs

Carrying out social responsibility activities (e.g., for children, safety, finance, etc.) related to the main business
- Installing Yellow Carpets for children's traffic safety
- Hosting a global finance exploration program
- '1 company 1 school' financial education for youth

Sharing with Local Communities

Expanding tailored social contribution activities to create value for local stakeholders
- Promy "Family Love" Safety Education Festival
- Sponsored activities for hearing impaired schools
- Local social contribution activities in the Promy Basketball Team's hometown (Wonju City)

Expanding the Participation of Employees and Sales Partners

Raising awareness of the fulfillment of social responsibilities and conducting activities to promote social contribution
- Employees' volunteer activities through the "Promy Volunteer Corps"
- 'Sharing Love' volunteering activities centered on our sales family
- Global social contribution activities

Social Contribution Activities

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 2021, 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. However, considering the ongoing pandemic situation, we hosted an online festival in 2021.

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. In 2021, we implemented an online global startup contest, targeting participants from Seoul National University and other major Asian universities.

"One Company for One School' Financial Education for Youth

Since 2015, DB Insurance has established sisterhoods with elementary, middle, and high schools across the country and has been conducting 'One Company for One School Financial Education' for youths about leading a proper financial life. In 2021, the financial education program, which consists of school visits by external instructors and presentations of a financial musical, was conducted through sisterhoods with about seventy schools across the country.

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 : location)

Year	2016	2017	2018	2019	2020	2021	Total
Amount	35	168	134	126	180	100	743

Installation and repair of 743 yellow carpets in elementary schools across the country

With much support from DB Insurance, new yellow carpets were installed in 611 locations near elementary schools nationwide and 132 yellow carpets were repaired by 2021. In 2021, 35 new yellow pedestrian crossing parasols were installed, while non-face-to-face safety education contents were produced and distributed in consideration of the COVID-19 situation. A yellow carpet project report was published in the form of a manual and shared with stakeholders as well. 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 had installed yellow carpets and encouraged participation by holding photo events on social media. Going forward, together with TS Korea Transportation Safety Authority and 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 in 2022 as we constantly expand the installation of safety facilities that ensure the traffic safety of children while striving to improve drivers' awareness of children on the road.

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"

Yellow Carpet

Yellow Parasols

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 15 social ventures over the first, second and third projects that have achieved progress so far. These social ventures generated about 38 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 implemented 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.

2021 performance

Growth in sales

323%

New hires

8

Transportation and Environment Challenge Social Ventures' Conference

DB Insurance

Expanding Social Contribution Activities

Partnership Agreement on Financial Education for the Vulnerable

DB Insurance signed the Partnership Agreement on Financial Education with the Korea Retired Financial Association on Apr. 20 to protect the underprivileged. The Partnership Agreement on Financial Education for the protection of the underprivileged was promoted to protect the rights and interests of financial consumers and fulfill our social responsibilities as a corporate citizen. Through the agreement, DB Insurance continues to plan and carry out various educational programs such as education on prevention of financial accidents for seniors, basic financial education for North Korean defectors and multicultural families to settle in the South Korean life, and financial life support education for vulnerable groups such as single-parent families, boys and girls who are the heads of their families, and the disabled.

Support for Securing Housing Safety for Victims of Stalking

On July 12, DB Insurance signed a partnership agreement with the Gyeonggi Northern Police Agency and the Gyeonggi Northern Crime Victims Support Center to secure housing safety for victims of stalking in the northern Gyeonggi Province regions. According to the agreement, DB Insurance plans to provide free home security service (CCTV) for one year to two hundred socially disadvantaged people who are likely to be subjected to violent crimes, including victims of stalking.

Sponsorship for Crime Prevention and Victim Protection on Jeju Island

In supporting crime prevention projects to prevent damage to women, such as those who are eligible for safety measures for crime victims in Jeju, which has the highest crime rate among local governments in the country, DB Insurance signed the "Sponsorship Agreement for supporting Crime Prevention Projects" with the Jeju National Police Agency and Jeju Crime Victims Protection Center in January 2022. Through the annual donation of KRW 100 million, the company plans to further increase support to protect crime victims. We provide financial and legal support for victims of violent crime on Jeju Island, as well as support to cover the expenses related to the establishment of an "AI CCTV system" for victims of crime and female victims of crime.

Covering the Treatment of Rare and Incurable Diseases

DB Insurance donated KRW 30 million to the Korean Organization for Rare Diseases on May 6 to support children with rare and incurable diseases. The money delivered for their treatment was significant, as it was collected through the "donation through customer participation" in which DB Insurance's customers automatically participated in the donation when they used the insurance contract service through the mobile app and website from Dec. 17, 2020 to Jan. 31, 2021. DB Insurance has provided a total of KRW 340 million in donations for the treatment of 141 child patients suffering from rare incurable diseases and their families over the past eleven years. The company continues to support the Wonju DB Promy Basketball Team by inviting the families of the patients to its games.

Supporting Scholarships to Chungju Sacred Heart School

On June 3, DB Insurance held a ceremony to deliver a scholarship of KRW 20 million to students from poor families at Chungju Sacred Heart School in the presence of DB Insurance employees and Chungju Sacred Heart School faculty and baseball team. DB Insurance delivered a total of KRW 166 million in donations and scholarships on 25 occasions. The donations and scholarships provided in this way are used not only to support the baseball team's activities, but also to help students from poor families work toward their dreams and overcome challenges.

Value Creation Activities and Performance for Partners

Our partners that deliver products and services of DB Insurance to customers quickly and accurately are divided into sales partners who sell products and services and compensation partners who handle compensation over covered accidents. The biggest reason that DB Insurance, since its foundation in 1962, has been able to exceed 10 million in the number of its customers is the passion and dedication of its partners. DB Insurance provides all possible support to bolster the competitiveness of our partners, and continuously communicates with them to create greater value, based on shared growth and win-win cooperation strategies.

Partners Communication Channels | On-site PA communication channels/ Sales personnel TV

- DBRT (DB Round Table) · Seminar
- DP (DB Partner) meeting
- Partnership conference with partner repairers
- Medical advisory (specialist doctor) network

2021 KEY FIGURES

Number of Prime Agents	Number of Prime Agents honored with Blue Ribbon	Satisfaction of Sales Partners
17,764 people	531 people	65.3 points

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

Business Partners

Composition of Our Partners

Partners of DB Insurance are largely divided into sales partners, who sell the company's products and services, and compensation partners, who deal with compensation for covered accidents. Sales partners consist of 'exclusive channels' such as exclusive planners, called Prime Agents (PAs), insurance agencies, 'non-exclusive channels' such as corporate agents, called General Agencies (GAs), and cross-over planners entitled to sell life and general (non-life) insurance products. In particular, we are strategically diversifying 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 telemarketing (TM) channels. Compensation partners include hospitals, car repair shops, and damage appraisal firms, which ensure a smooth claim adjustment process for customers. At DB Insurance, we recognize our sales and compensation partners as core stakeholders and an important backbone of our business activities. As such, we are committed to creating value for win-win growth 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

Bolstering Partners' Competency

In order to enhance the professionalism of insurance planners and business managers, we have introduced differentiated training programs considering the characteristics of their work. The company conducts sales promotion training for planners based on the years of their employment and income. Through this, we are providing various curricula such as customer consulting education based on product trends and disease information. We have also implemented 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 Learning[1]' has been introduced, a program that combines online and offline learning by strengthening the advantages of online education and improving its 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 mobilebased 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

Employed for 3 or 4 months	**Smart Jump-up Course**	• Understanding actual medical expenses • Long-term / auto insurance design
Employed for 5 months	**Auto Master Course**	• Understanding auto insurance • Use of consulting tools • Auto insurance compensation actually processed
Employed for 6 months	**Long-term Compensation Work Course**	• Understanding the duty to notify • Cases of violation of the duty to notify • Understanding compensation settlement
Employed for 7 months	**Consulting Specialist Course**	• Coverage analysis, consulting card utilization • Understanding products from competitors • Disease information AP
Employed for 9 months	**BTS Seminar**	• The latest trends in non-life insurance • Analysis of life insurance products • Strategies for increasing the patient market share
Employed for 13 months	**BTS Seminar II**	• Analysis of collateral for core products • Consulting for lifelong medical expenses • Vision Club : Inspiring a sense of challenge

Programs Managed by Business Groups

M13 -
Productivity boost course for existing PAs
• Insurance market trends
• Consulting for the 3 major illnesses
• Customer analysis and T/A speech

M5-24
Step-Up Course
• Continuous activity management and offering of diverse activity issues

M1-4
Practical Training Course
• Learning about key products, customer management, and basic speech skills
• Field Training Course

M (month) 0
Basic Training Course
• Understanding the insurance business and products, PA ship (e.g., acquiring non-life insurance qualifications, customer identification)
• Basic Training Course

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 2021, a total of 3,316 (excellent certification) and 531 (blue ribbon) PAs of DB Insurance obtained excellent Certification[1] and Blue Ribbon[2] 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.

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), and specialized branch. Add to this, we 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 support the insurance planners more 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 cross-selling centers in insurance hotspots. Based on these support activities, we help our insurance planners more effectively manage their customers and provide optimal consulting services.

1	2	3
Standard Branch / TC (Total Consulting)	**Specialized Branch**	**Cross-selling Branch**
Exclusive PA channels, Nurturing PAs with excellent consulting skills	Supporting customer retention and work for CAs and aged PAs	Supporting work in managing cross-over channels

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-selling team leader course, branch leader 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 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, as well as realize digital transformation and innovation. In 2021, the company promoted a win-win partnership agreement ceremony to draw attention to the ESG issues from partner companies that serve as customer contact points, increase their response capabilities, and lay the foundation for a unified ESG response between the company and its partners. Since the launch of the DB V-system, we have extended our IT-based cooperation channels to provide new services stably and efficiently to customers, such as shortening the waiting time spent at partner repairers using the non-face-to-face function and increasing the use of a system that automatically pays for auto repairs based on mutual business trust. As of 2021, DB Insurance is providing prompt and fair services to customers by signing a damage appraisal service contract with twenty companies. Through the RM (Relationship Management) system, we support partner companies' education and services, and through activities such as holding a vision meeting, we strive to share our core values.

Data on Our Business Partners

Indicator		Unit	2019	2020	2021
Sales partners	Exclusive planner (PA)	Person	14,756	16,642	17,764
	Cross-over planner	Person	8,821	7,704	3,575
	Individual (non-corporate) agency	Unit	2,419	2,445	2,476
	General Agency (GA)	Unit	1,661	1,716	1,758
	Bancassurance (BA)	Unit	38	51	50
Claim adjustment partners	Emergency dispatch network for vehicle failure	Unit	481	480	482
	On-site dispatch network for car accidents	Unit	388	363	327
	Specialized repair network	Unit	334	334	307
	Accident investigator & damage appraiser	Unit	19	19	9
Franchisee satisfaction index (FSI)		Point	66.1	68.2	65.3
Emergency dispatch service satisfaction		Point	98.2	98.5	98.6
Number of cases handled per claim adjustment partner		Case	326	322	336

Value Creation Activities and Performance for Employees

Employees who provide certain work or services and receive a corresponding remuneration through an employment contract with DB Insurance are the center of the driving force behind the company's growth and development. DB Insurance is doing its best to create an environment where employees can concentrate on their work, and also provides job-oriented and work-oriented training programs to improve the necessary competencies. Moreover, various employee benefits are being offered to make the lives of all employees happier and more prosperous.

Executives and employees Communication Channels | Dream Big Square • Proposal System • Participation Yard

- Employee Satisfaction Survey (ESI)
- Monthly business performance briefing (Promy TV)

2021 KEY FIGURES

Work Immersion Score	Ratio of Women in Workforce	New Employees
82.2 points	57.4%	278 people

Human Rights Management

DB Insurance is implementing various human rights protection programs to protect the human rights of all employees. Education for prevention of sexual harassment, improvement of awareness of persons with disabilities, and prevention of harassment in the workplace among others is mandatory, and the completion rate of employee training is 100%. Operating a 24/7 reporting system through social media channels enables rapid response in case of human rights violations.

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

STEP. 1 Analyze Potential Risks and Impacts
- Identify potential risk factors in terms of DB Insurance's management and the insurance industry
- Carry out an impact analysis based on financial factors, non-financial factors, and incidence frequencies

STEP. 2 Identify Assessment Factors and Subjects
- Identify human rights assessment factors in view of the internal/external environment, and vulnerable groups in terms of human rights
- Identify the subjects of human rights assessments across the entire value chain, including subsidiaries, etc.

STEP. 3 Legal Review and Self-Inspection
- Conduct an internal legal review
- Conduct a self-inspection (fact-finding survey, etc.) based on public disclosure materials, including business reports, media analyses, etc.

STEP. 4 Implement Feedback and Improvement Activities
- Share self-inspection results and improvements
- Recommend improvement activities in line with the prio rity of the findings, and iden tify support items

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 2021, DB Insurance's female employee ratio was 57.9%, accounting for 2,666 out of a total of 4,605 employees (excluding executives).

Identifying and Supporting Vulnerable Groups

DB Insurance conducted 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 as vulnerable groups whose human rights are at high risk. Those groups include call center personnel who regularly communicate with customers via phone, and sales and compensation partners, who sell and provide products and services to customers face-to-face. DB Insurance offers a counseling channel to support our customer center personnel and sales / claim adjustment partners.

Issues	Improvement activities and Remedies in 2021
Reinforcement of statutory working time management system	• Establishment of an employee support system that includes checkup leave, promotion of annual leave, flexible working system, and mental health services (through psychologist counseling)
Reinforcement of the gender equality system	• Operating women workforce development programs to foster female managers • Developing and training an interview panel that includes female employees
Expansion of the scope of customerfacing employee subject to protection	• Providing protection for all employees who interact with customers - Education on 'Problem consumer response manual' - Establishment and implementation of a consumer response system through big data analysis - Psychological counseling office and dedicated masseuses - Implementation of a message for incoming callers designed to protect customer service staff (at call centers)

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".

VISION	A Global Insurance Financial Group which Pursues a Happy Society with Customers
Core Value System	3 Spirits, 3 Attitudes CEO Management Principles Key Drivers
HR Vision	Realizing the best workplace where the talented want to work

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 2021, DB Insurance's temporary (contract) employees account for 2.07% of our entire workforce (94 out of 4,532; excluding senior executives).

Dream Big as an Organization Culture

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".

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.

Diversity : Programs to encourage self-development

Respect : WLB survey and business-site visit

Engagement : Management through the smart scheduler

Action : Monitored the status of practice items (119 after-work gatherings, improvement of meeting/reporting culture, etc)

Motivation : Introduced a coaching system for team members

Background : "DB stretching in all directions" campaign
Teamwork

Innovation : Diversified communication channels (anonymous reporting channel)
Pursuit of novelty

Growth : Expanded contribution activities for employees and customers

Corporate Culture Council

DB Insurance operates a Corporate Culture Council that collects complaints from its worksites to reflect them into management activities and runs a workshop led by opinion leaders composed of junior boarders in each business division every first and second half of the year. Given the COVID-19 situation, the council members who were selected in February 2021 conducted small-scale face-to-face and online gatherings of opinions from individuals in consideration of the COVID-19 situation, starting with the (offline) launch ceremony in March. Among the opinions collected, those items that are deemed applicable at our worksites are implemented after discussion.

※ 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 2021 : 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	2021
Rate of Industrial Accidents	%	0.02	0.02	0.02
Welfare and benefit expenses per person	KRW million	16.4	17.1	16.7
Employee Engagement Index (EEI)	Point	82.5	82.7	82.2

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 2021 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 2021, 38 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 2021.

Key Family-friendly Management Programs

Program	Details
Children's school expenses	• Kindergarten : KRW 100,000 a month for 2 years • High school : Actual expenses related to entrance fee, tuition, and PTA membership covered up to KRW 1 million per quarter • 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 55 vacation facilities across Korea that can accommodate up to 825 persons
Company resorts	• A total of 231 units nationwide (202 accounts in 2020)
Health checkup for spouse	• Support for health checkup for the spouse of a married employee

Talent Development

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 2021 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	CCM Week	Operation of CS activities, guidelines, and programs for internal/external customers Company-wide sharing of corporate culture related matters through Dream Big Times, DB people, etc.
	Dream Big Plaza	A site exclusively for employees for sharing and participating in GWP and club activities by department, Core Values, social contribution activities, corporate culture improvement activities, and various personal hobbies (DB People Story)
	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 jobrelated 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

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.

The Dream Big Talent Development System

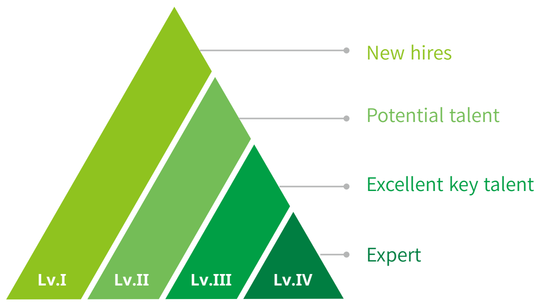
Dream Big HR Development Scheme

HR development to foster talent with expert knowledge, techniques, and work experience in the field

Self-Development Plan (SDP)		Career Development Plan (CDP)	
Verify specialized work for each department → identify GAP → establish an annual development plan		Select individual career goal → profile position → check work experience	
Securing expertise	Developing top talents	Establishing departmental HR development systems	Developing job capabilities
For internal employees		Career development guide	Training systems by division
• 1 person, 1 qualification • Study Group • Professional qualifications	• DB Biz School - Innovation Design - Data Expert	• Mission and R&R • Job profile • Necessary competencies	• Individual/ GA sales • Claim adjustments and new business • Corporate client sales

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.



Strengthening expertise for each job tier/duty

Education system by tier for job duties of general and support

Common job competencies ← Group DVP
← Job tier/Promoted employee ← Entry

Educational system by business area/division

Strengthening job expertise

Reward · Asset · Individual · New business · Corporation, etc.

- Support employees' acquisition of insurance qualifications
- Support employees' acquisition of qualifications including actuary, underwriter, and overseas professional qualifications

In-house qualifications

12 mandatory qualifications for each job duties including Insurance Act/long-term insurance/car insurance

← Expert · Excellent key talent · Potential talent · New hires

Cultivating key experts

Cultivating excellent talent

- Group DNA/CNA
- KAIST AIC course
- KAIST Digital Finance Specialist Course
- Yonsei University DTIP course
- Strategic/Operational Leadership
- Job theme course
- Outside training course
- Self-led learning (Learning points, etc.)

Cultivating global talent

Long-term overseas training (UK/USA/Actuary, etc.) – Intensive language course for Global Motivation (long-term training program)

Dream Big Biz School

Innovation Design, Data Expert

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 the Branch Leader Training Course. 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 Branch Leader Training Course 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.

Performance Evaluations and Compensation

Performance Evaluation System

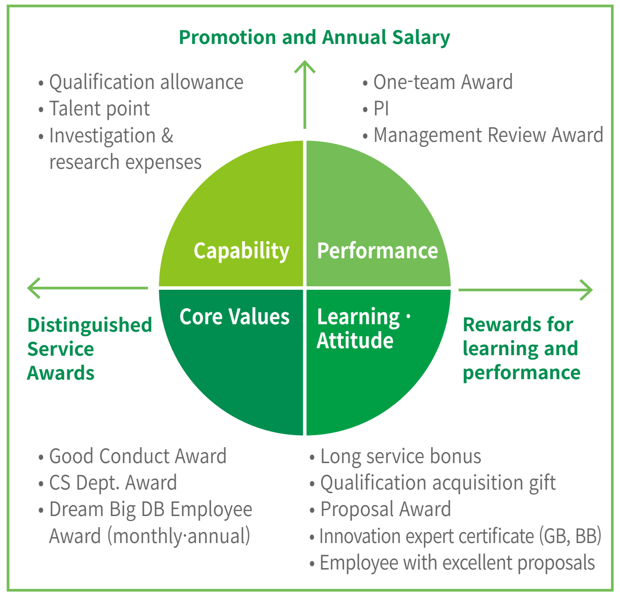
DB Insurance has established and is operating a performance-based system that encourages employees to establish and evaluate their own goals and thereby clarifies performance responsibility and authority. Through the goal agreement system, the quarterly evaluation system, and the coaching system including self-development and career development plans, the company inspires employees to have a clear sense of direction and the will to achieve their goals. Furthermore, the company operates a system that can subdivide feedback and performance measurement to achieve goals on a quarterly basis and link organizational and individual goals. The company officially guarantees objections in the final performance evaluation, and strives to ensure a fair and objective evaluation.

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 2021, out of a total of 40 appeals, evaluations were adjusted in 11 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 • Employee Challengers (with support for exercise, diet, etc.) • 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 • Checkup leave (one-day paid)
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) • Encouraging employees to enjoy entertainment and cultural performances (recognized as part of self-development) • Volunteer activities for social contribution
Family-friendly program	• 90 days of paid maternity leave • Operation of Promy I-Sarang Daycare Center as a childcare facility for employees in the Dongja-dong office building in 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 (55 rooms in total used by 825 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 housing purchase and security deposit, microloans, and loans for occasions deserving 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 four 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.

Occupational health and safety management systems (ISO 45001) Certification

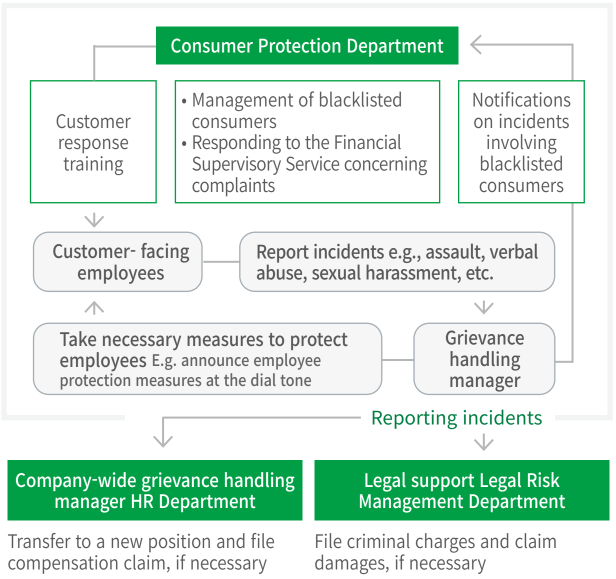
In order to lay the foundation for the prevention of major industrial accidents and civil disasters and help the Risk Management Research Center continue to work safely during on-site risk management activities, DB Insurance acquired ISO 45001[1] certification in 2022 to secure health and safety, effectively boosting the reliability of our management system.

1) ISO 45001 : International Standard for Occupational health and safety management systems

Safety & Health Decision-making Process

Protective measures for customer-facing employees

Since 2020, we have expanded the applicability of the Customer-facing Employee Protection System, which previously covered only those employees who worked 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 division to actively respond to assault, verbal abuse, and sexual harassment in our customer service process.



Employee Data

Indicator			Unit	2019	2020	2021
Employee status	Executives		Person	46	46	55
	Employees		Person	4,545	4,567	4,605
	Total		Person	4,591	4,613	4,660
	Senior managers/ junior managers	Male	Person	696	711	720
		Female	Person	33	44	49
	Assistant managers	Male	Person	488	565	607
		Female	Person	64	77	75
	Junior assistant managers/staff members	Male	Person	542	477	424
		Female	Person	1,163	1,217	1,278
	Specialists/ consultants	Male	Person	237	194	188
		Female	Person	1,322	1,282	1,264
	Total		Person	4,545	4,567	4,605
Recruitment status	College graduates		Person	54	23	60
	Experienced employees		Person	272	166	175
	Female office employees		Person	49	35	43
	Total		Person	375	224	278
Female employee recruitment status	Total employees		Person	375	224	278
	Female employees		Person	269	144	175
	Female high school graduates		Person	106	50	53
Overseas local hires			Person	58	62	64
Transition to permanent positions			Person	20	16	75
Hours of training	Total training hours		hour	317,528	285,375.2	278,670
	Training hours per person		hour	69.2	61.4	60.7
Training expenses	Total training expenses		KRW million	4,933	3,371	2,348
	Training expenses per person		KRW million	1.07	0.73	0.51
Key training outcomes	No. of employees who have obtained qualifications		Person	529	445	437
	Employees with insurance qualifications		Person	1,203	1,267	1,348
	Insurance qualification ratio		%	36.9	38.7	40.6
Employees participating in study groups			Person	1,265	1,017	1,194
ESI satisfaction for employee education and training			Point	82.0	81.9	81.7
No. of employees engaged in self-assessments & creating self-development plans			Person	2,192	1,910	1,668
Per capital productivity			KRW 100 million	40.4	43.0	45.7
Welfare & benefit expenses	Total welfare & benefit expenses		KRW 100 million	529	562	559
	Welfare & benefit expenses per person		KRW million	16.4	17.1	16.7
Maternity leave usage status	No. of workers using leave before and after childbirth		Person	83	74	103
	No. of childcare leave users		Person	117	116	103
No. of employees who return from maternity/ paternity leave	Male		%	100.0	90.0	85.7
	Female		%	79.8	89.6	90.2
Turnover rate			%	3.5	3.9	3.5
Rate of performance evaluation			%	95.5	94.3	92.8

2) Employees establish annual self-development plans by checking their required competencies and analyzing competency level gaps.

Appendix

Materiality Assessment

We conducted a materiality test to identify issues to be reported mainly through DB Insurance's 2022 Integrated Sustainability Report, from among various sustainability management issues. The design of the materiality assessment was based on the methods and standards presented by GRI Standards, a guideline for global sustainability reports. To create a balanced pool of sustainability management issues, we comprehensively considered the level of impact on DB Insurance's management activities, relevance to business performance, and stakeholder interest among others.

Process for Selecting the Key Sustainability Issues

Stage		Activity
Stage 1	Configuring a pool of sustainability issues	Creating a pool of 20 issues from international standards related to sustainability management and ESG, media analysis based on 2021 press releases, and industry trends, and benchmarking surveys
Stage 2	Identifying relevant departments and collecting opinions	Confirmation of adequacy of the pool of a total of 20 sustainability mana gement issues divided into the environmental (E), social (S), and govern ance (G) categories
Stage 3	Performing materiality assessme nt (analysis of results)	Measurement of influence and relevance for each sustainability manage ment issue to determine materiality
Stage 4	Selecting key sustainability issues	Ranking of 20 sustainability management issues for the selection and fin alization of core issues

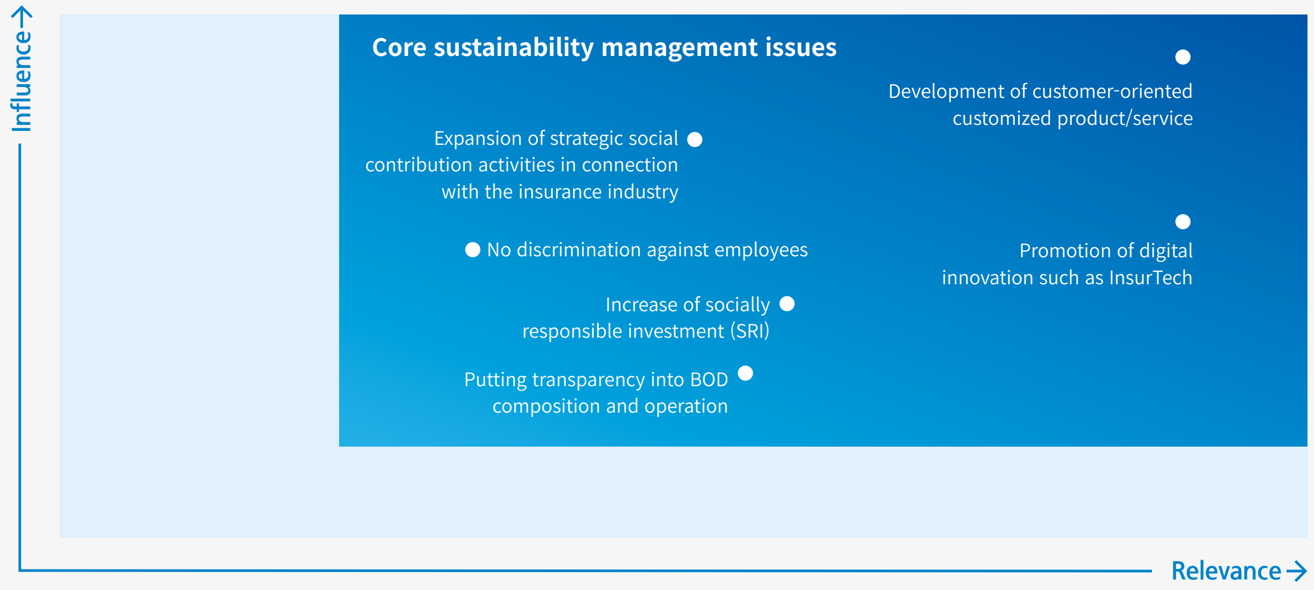
Overview of the Pool of Sustainability Management Issues

A pool of 20 sustainability management issues was formed from global sustainability management standards such as ISO 26000, UN SDGs, and SASB, media analysis, and benchmarking research.

No.	Sustainability Management Issues	No.	Sustainability Management Issues
1	Customer-oriented customized product/service developmen	2	Promotion of digital innovation such as InsurTech
3	Expansion of socially responsible investment (SRI)	4	Expansion of strategic social contribution activities in connection with the insurance industry
5	Putting transparency into BOD composition and operation	6	No discrimination against employees
7	Upgrading the environmental management strategy, policy, and system	8	Providing accurate information related to products and services
9	Upgrading the company-wide integrated risk management system	10	Expanding the foundation for future growth
11	Providing accurate information related to products and services	12	Activating customer communication
13	Climate change response and environmental performance management	14	Financial consumers' personal information management
15	Implementation of training programs to enhance employee competency	16	Inspection on and improvement of labor and human rights
17	Policy / regulation / social change monitoring and preemptive response	18	Efforts to strengthen ethical management and prevent corruption
19	Development of eco-friendly products for environmental preservation	20	Efforts to combat insurance fraud

Materiality Assessment Results

In order to understand the materiality of the twenty sustainability management issues, the assessment was designed in a way that measures the influence on the management activities of DB Insurance and the relevance with its business operations. By analyzing the relationship between DB Insurance's financial performance such as sales, operating profit, and the brand image, and the level of interest that various stakeholders showed in various sustainability management issues, we have selected six core sustainability management issues.



Overview of the Pool of Core Sustainability Management Issues

The core sustainability management issues that have had a significant impact on the management activities of DB Insurance and are highly related to its business activities are "Customer-oriented customized product/service development", "Promotion of digital innovation such as InsurTech", "Expansion of socially responsible investment (SRI)", "Expansion of strategic social contribution activities in connection with the insurance industry", "Putting transparency into BOD composition and operation", and "No discrimination against employees".

Stakeholder Boundaries by Core Issue

Classification	GRI Standards Topic	Stakeholders					Page
Core Issues		Shareholders/ Investors	Customers	Partners	Employees	Local Communities	
Customer-oriented customized product/service development	GRI 417 Marketing & Labeling	○	○		○		38~39
Promotion of digital innovation such as InsurTech	Non-GRI	○	○	○	○		25~28
Expansion of socially responsible investment (SRI)	GRI 203 Indirect Economic Effect	○					50~52 69~72
Expansion of strategic social contribution activities in connection with the insurance industry	GRI 413 Local Communities					○	73~76
Putting transparency into BOD composition and operation	GRI 102 Governance	○			○		61~63
No discrimination against employees	GRI 405 Diversity & Equal Opportunity				○		83~84

TCFD-based Climate Change Response Report

To effectively respond to climate change, a global environmental issue, DB Insurance is carrying out various activities for adaptation and mitigation based on its climate change response strategies. In order to systematically report its climate change response activities and performance, the company reports details based on the recommendations of TCFD, a global climate change disclosure framework.

Category	Principles	DB Insurance's Activities and Performance
Governance	Describe the BOD's oversight of climate-related risks and opportunities.	The Board of Directors, which is the highest decision-making body of DB Insurance, and the ESG Committee, under its umbrella, deliberates and decides on issues related to climate change.
	Describe management's role in assessing and managing climate-related risks and opportunities.	DB Insurance actively responds to climate change issues through the ESG Committee under the BOD. The committee makes decisions on environmental management policy establishment, environmental KPI management, environmental product and service development, carbon neutrality plan establishment, and environmental risk management system establishment.
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate change not only causes global warming and the heat island phenomenon, but also causes natural disasters, which can lead to financial losses, and is expected to have a negative impact on the loss ratio forecast for existing insurance products. However, we believe that it will also present new business opportunities, such as the development of environmental insurance products due to climate change.
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Climate change has a significant impact on DB Insurance's business performance as well as its financial position in the form of disinvestment in fossil fuel-based power plants that accelerate climate change, and expansion of investment in new and renewable energy.
	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 announced a plan to GHG emissions by 24.4% compared to 2017 in 2030 with the aim of being carbon neutral by 2050. Based on this, DB Insurance has set a mid- to long-term goal of reducing carbon emissions by 25% by 2030.
Risk management	Describe the organization's processes for identifying and assessing climate-related risks.	DB Insurance systematically manages the climate change agenda in the company-wide risk management system. In accordance with the Principles for Sustainable Insurance (PSI) of the United Nations Environment Program Financial Initiative (UNEP FI), the company recognizes climate change issues as key factors that affect the stability of financial products and is considering them for business operation. Through opportunity and risk analysis, climate change is reflected in the short-term as well as mid- to long-term strategies, and is then reported to the Board of Directors and the ESG Committee. In addition, risks and opportunities related to environmental regulations, changes in consumer behavior towards eco-friendly products, and the company's reputation for eco-friendly activities are monitored when product development and investment decisions are made.
	Describe the organization's processes for managing climate-related risks.	
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	In order to accurately evaluate business risks and opportunities caused by climate change, DB Insurance has established and systematically managed indices focusing on greenhouse gas emissions and energy consumption.
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	DB Insurance demonstrates transparency in disclosing greenhouse gases (Scope 1, Scope 2, Scope 3) emitted from business activities through the annual Integrated Sustainability Report.
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	DB Insurance's greenhouse gas reduction goal, which is designed to contribute to climate change mitigation, was established based on the national greenhouse gas reduction goal, and the specific figures are disclosed through the Integrated Sustainability Report.

Consolidated Financial Statements

Consolidated Statement of Financial Position

DB Insurance Co., Ltd., and Its Subsidiaries

As of Dec. 31, 2021 at the end of the 55th (current) period
As of Dec. 31, 2020 at the end of the 54th (previous) period
As of Dec. 31, 2019 at the end of the 53rd (before last) period
(Unit : KRW)

Category	55th (Current) Period	54th (Previous) Period	53rd (Before Previous) Period
Assets			
1. Cash and deposit	818,534,002,313	677,852,714,853	830,764,561,941
2. Financial assets at fair value through profit or loss;	1,246,370,371,106	1,694,517,622,757	1,501,358,235,644
3. Available-for-sale financial assets	19,624,038,222,795	23,438,188,670,625	23,306,572,234,773
4. Held-to-maturity financial assets	8,550,223,110,350	2,027,277,611,241	1,583,653,497,198
5. Loans and receivables	21,370,029,473,968	20,011,187,403,793	18,082,079,619,797
6. Hedging derivative assets	38,534,809,348	620,490,991,293	191,386,711,876
7. Shares invested in associates	343,698,839,154	294,720,399,718	266,417,815,529
8. Tangible assets	457,117,841,232	425,257,208,304	424,709,863,129
9. Real estate as investment	1,185,026,092,060	1,263,868,683,598	1,301,395,220,600
10. Intangible assets	213,386,597,351	165,742,654,046	173,952,894,610
11. Reinsured assets	1,005,568,212,719	756,189,568,707	690,280,490,210
12. Other assets	2,332,285,641,562	2,216,691,903,220	2,049,742,495,170
13. Deferred tax assets	55,465,506,190	34,549,204,569	29,163,831,558
14. Current tax assets	19,647,705,268	14,277,325,805	27,948,406,743
15. Special account assets	7,491,676,148,256	6,413,609,498,382	5,320,609,467,957
Total assets	64,751,602,573,672	60,054,421,460,911	55,780,035,346,735
Liabilities			
1. Insurance contract liabilities	45,973,062,161,950	43,501,936,408,575	41,206,275,224,210
2. Contractor's share adjustment	1,327,694,809	5,240,925,368	3,914,437,757
3. Financial liabilities at fair value through profit or loss	10,591,468,604	5,909,154,011	4,471,608,814
4. Hedging derivatives liabilities	408,496,620,909	111,695,140,384	91,242,722,861
5. Defined benefit liability	6,185,428,701	22,981,001,313	30,183,368,481
6. Other liabilities	3,239,005,223,888	2,679,318,051,866	2,266,751,916,006
7. Deferred tax liability	548,118,357,618	664,010,627,872	633,445,636,528
8. Current tax liability	155,940,276,682	94,061,259,721	-
9. Special account debt	7,676,406,676,290	6,474,369,513,505	5,401,791,588,846
Total liabilities	58,019,133,909,451	53,559,522,082,615	49,638,076,503,503
Capital			
1. Capital	35,400,000,000	35,400,000,000	35,400,000,000
2. Capital surplus	84,884,742,115	84,884,742,115	37,912,781,518
3. Capital adjustment	(152,492,009,860)	(152,492,009,860)	(29,655,475,800)
4. Accumulated other comprehensive income	728,450,888,489	1,227,862,925,174	1,132,111,761,903
5. Retained earnings	5,944,889,555,398	5,209,577,144,607	4,767,742,382,192
(Accumulated amount of bad debt reserve)	(87,981,961,679)	(80,062,488,875)	(82,670,664,559)
(Accumulated amount of emergency risk reserve)	(1,130,757,453,749)	(1,023,646,135,736)	(932,220,238,263)
(Estimated amount of bad debt reserve)	(12,461,668,450)	(7,919,472,804)	2,608,175,684
(Estimated amount of emergency risk reserve)	(118,062,146,881)	(107,111,318,013)	(91,425,897,473)
Controlling shareholder	6,641,133,176,142	6,405,232,802,036	5,943,511,449,813
Non-controlling interest	91,335,488,079	89,666,576,260	198,447,393,419
Total equity	6,732,468,664,221	6,494,899,378,296	6,141,958,843,232
Total liabilities and equity	64,751,602,573,672	60,054,421,460,911	55,780,035,346,735

Note: The financial statements are from before the approval of the 55th Regular General Meeting of Shareholders. In the future, if an agenda related to approval of the financial statements is rejected or the financial statements are revised at the Regular General Meeting of Shareholders, then the details and reasons will be reflected in the correction report.

Consolidated Statement of Comprehensive Income

From Jan. 1, 2021 to Dec. 31, 2021 for the 55th (current) period
From Jan. 1, 2020 to Dec. 31, 2020 for the 54th (previous) period
From Jan. 1, 2019 to Dec. 31, 2019 for the 53rd (before previous) period
(Unit : KRW)

DB Insurance Co., Ltd., and Its Subsidiaries

Category	55th (Current) Period	54th (Previous) Period	53rd (Before Previous) Period
Operating Income	20,880,588,628,891	20,110,608,226,449	18,676,127,539,094
1. Premium income	16,389,460,151,534	15,456,134,292,643	14,398,431,205,010
2. Reinsurance income	651,221,730,116	709,047,875,554	629,249,632,265
3. Indemnity profit	3,078,285,351	16,767,289,047	16,835,534,404
4. Interest income	1,399,168,827,560	1,314,290,869,921	1,317,559,978,903
5. Income from investment in financial products	665,500,324,690	1,437,149,183,500	1,047,634,819,690
6. Foreign exchange transaction profit	978,676,501,187	447,359,614,158	548,671,180,803
7. Fee income	9,190,645,078	6,936,573,211	10,050,392,316
8. Dividend income	271,366,223,227	210,804,361,684	197,263,460,704
9. Other income	349,363,436,001	357,334,684,760	372,457,626,038
10. Special account income	163,562,504,147	154,783,481,971	137,973,708,961
Operating Expenses	19,772,187,289,536	19,388,348,225,823	18,171,323,286,981
1. The amount of transfer of insurance contract liabilities	2,259,700,559,400	2,233,670,429,242	2,366,171,587,818
2. Insurance cost	7,260,187,673,549	6,742,539,356,819	6,266,404,699,552
3. Refund cost	3,672,736,869,090	3,768,510,289,062	3,523,330,560,400
4. Dividend cost	5,229,372,902	6,481,802,045	8,038,765,484
5. Damage investigation fee	153,237,397,889	144,584,397,195	144,453,086,963
6. Reinsurance cost	998,883,450,521	1,025,024,054,401	904,422,225,181
7. Business expenses	1,812,754,164,830	1,694,875,383,731	1,598,993,901,941
8. New contract amortization cost	1,300,993,994,073	1,385,837,699,775	1,348,186,374,730
9. Interest expense	78,984,780,227	55,013,765,115	47,788,284,729
10. Financial instruments investment expenses	1,390,001,756,139	922,194,898,034	1,138,381,095,738
11. Bad debt expenses	16,400,801,410	12,129,430,703	17,566,145,967
12. Foreign exchange transaction loss	153,980,248,599	753,516,591,362	176,465,185,737
13. Property management fee	112,512,778,446	108,032,272,577	104,304,138,561
14. Real estate management fee	17,575,512,826	18,062,083,192	17,163,844,728
15. Other expenses	375,445,425,488	363,092,290,599	371,679,680,491
16. Special account expenses	163,562,504,147	154,783,481,971	137,973,708,961
Operating profit	1,108,401,339,355	722,260,000,626	504,804,252,113
Non-operating income	83,103,427,119	57,038,457,718	38,294,966,897
Non-operating expenses	15,985,707,566	37,020,908,582	25,591,799,780
Net income before tax	1,175,519,058,908	742,277,549,762	517,507,419,230
Corporate tax expense	302,598,935,095	187,780,666,639	140,425,573,229
Net Income	872,920,123,813	554,496,883,123	377,081,846,001
Net income from controlling shares	869,522,640,144	552,280,771,480	373,603,249,878
Net income from non-controlling shares	3,397,483,669	2,216,111,643	3,478,596,123
Other comprehensive income	(499,815,206,089)	87,590,068,428	606,635,582,284
1. Items that are subsequently reclassified to profit or loss			
Gains (losses) on valuation of available-for-sale financial assets	(611,991,383,413)	115,262,514,491	602,704,862,521
Gains (losses) on valuation of held-to-maturity financial assets	179,928,638,289	(504,557,015)	(16,623,261,170)
Changes in equity in associates in other comprehensive income	17,797,590,087	6,530,057,445	11,913,123,389
Gain (loss) on valuation of derivatives for hedging purposes	(75,581,256,603)	3,966,286,105	(22,294,156,182)
Overseas business translation profit (loss)	77,706,052,153	(53,605,661,616)	2,832,079,137
Other comprehensive profit (loss) in special accounts	(79,799,269,848)	9,466,040,682	27,481,761,266
2. Items not subsequently reclassified as net income			
The facilitating factor of a defined benefit liability	(7,174,179,156)	4,286,623,333	1,069,305,179
Property, plant, and equipment revaluation surplus	(701,397,598)	2,188,765,003	(448,131,856)
Total comprehensive income	373,104,917,724	642,086,951,551	983,717,428,285
Total comprehensive income from controlling shares	370,110,603,459	648,031,934,751	973,425,038,971
Total comprehensive income (loss) from non-controlling shares	2,994,314,265	(5,944,983,200)	10,292,389,314
Basic and diluted earnings per share from controlling shares	14,482	9,063	5,902

Note: The financial statements before the approval of the 55th Regular General Meeting of Shareholders. In the future, if an agenda related to approval of the financial statements is rejected or the financial statements are revised at the Regular General Meeting of Shareholders, the details and reasons will be reflected in the correction report.

Consolidated Statement of Changes in Equity

From Jan. 1, 2021 to Dec. 31, 2021 for the 55th (current) period
From Jan. 1, 2020 to Dec. 31, 2020 for the 54th (previous) period
From Jan. 1, 2019 to Dec. 31, 2019 for the 53rd (before previous) period
(Unit : KRW)

DB Insurance Co., Ltd., and Its Subsidiaries

Category	Controlling Shares						Non-Controlling Shares	Total Capital
	Capital	Capital Surplus	Capital Adjustment	Accumulated Other Comprehensive Income	Retained Earnings	Total		
Jan. 1, 2019 (Beginning of the period before previous)	35,400,000,000	37,912,781,518	(29,655,475,800)	532,289,972,810	4,520,361,048,989	5,096,308,327,517	194,505,527,430	5,290,813,854,947
Total comprehensive income:								
Net Income					373,603,249,878	373,603,249,878	3,478,596,124	377,081,846,002
Available-for-sale financial asset valuation gains				591,919,142,515		591,919,142,515	10,785,720,006	602,704,862,521
Loss on valuation of held-to-maturity financial assets				(12,909,047,967)		(12,909,047,967)	(3,714,213,203)	(16,623,261,170)
Changes in equity in associates in other comprehensive income				11,913,123,389		11,913,123,389	-	11,913,123,389
Loss on valuation of hedging derivatives				(22,276,978,178)		(22,276,978,178)	(17,178,004)	(22,294,156,182)
Overseas business translation profit				2,832,079,137		2,832,079,137	-	2,832,079,137
Special account and other comprehensive income				27,481,761,266		27,481,761,266	-	27,481,761,266
Remeasurement triggering elements 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	373,603,249,878	973,425,038,971	10,292,389,315	983,717,428,286
Transactions with shareholders directly reflected in equity:								
Annual dividend					(126,221,916,675)	(126,221,916,675)	(6,350,523,325)	(132,572,440,000)
Dec. 31, 2019 (end of the previous period)	35,400,000,000	37,912,781,518	(29,655,475,800)	1,132,111,761,903	4,767,742,382,192	5,943,511,449,813	198,447,393,420	6,141,958,843,233
Jan. 1, 2020 (beginning of the previous period)	35,400,000,000	37,912,781,518	(29,655,475,800)	1,132,111,761,903	4,767,742,382,192	5,943,511,449,813	198,447,393,420	6,141,958,843,233
Total comprehensive income:								
Net Income					552,280,771,480	552,280,771,480	2,216,111,643	554,496,883,123
Gain on valuation of available-for-sale financial assets				114,959,757,488		114,959,757,488	302,757,003	115,262,514,491
Loss on valuation of held-to-maturity financial assets				(478,250,772)		(478,250,772)	(26,306,243)	(504,557,015)
Changes in equity in associates in other comprehensive income				6,530,057,445		6,530,057,445		6,530,057,445
Gain (loss) on valuation of hedging derivatives				4,041,749,430		4,041,749,430	(75,463,325)	3,966,286,105
Overseas business translation loss				(53,605,661,616)		(53,605,661,616)		(53,605,661,616)
Special account and other comprehensive income				9,466,040,682		9,466,040,682		9,466,040,682
Remeasurement triggering elements of defined benefit liability				4,287,718,587		4,287,718,587	(1,095,254)	4,286,623,333
Property, plant and equipment revaluation surplus				2,188,765,003		2,188,765,003		2,188,765,003
Total comprehensive income				87,390,176,247	552,280,771,480	639,670,947,727	2,416,003,824	642,086,951,551
Transactions with shareholders directly reflected in equity:								
Acquisition of treasury stock			(122,836,534,060)			(122,836,534,060)		(122,836,534,060)
Acquisition of non-controlling shares		46,971,960,597		8,360,987,024	(8,360,987,024)	46,971,960,597	(150,878,053,025)	(103,906,092,428)
Issuance of new capital securities							39,839,480,000	39,839,480,000
Annual dividend					(102,085,022,041)	(102,085,022,041)	(158,247,959)	(102,243,270,000)
Dec. 31, 2020 (end of the previous year)	35,400,000,000	84,884,742,115	(152,492,009,860)	1,227,862,925,174	5,209,577,144,607	6,405,232,802,036	89,666,576,260	6,494,899,378,296
Jan. 1, 2021 (beginning of the year)	35,400,000,000	84,884,742,115	(152,492,009,860)	1,227,862,925,174	5,209,577,144,607	6,405,232,802,036	89,666,576,260	6,494,899,378,296
Total comprehensive income:								
Net income					869,522,640,144	869,522,640,144	3,397,483,669	872,920,123,813
Loss on valuation of available-for-sale financial assets				(611,657,799,747)		(611,657,799,747)	(333,583,666)	(611,991,383,413)
Gains (losses) on valuation of held-to-maturity financial assets				179,968,767,269		179,968,767,269	(40,128,980)	179,928,638,289
Changes in equity in associates in other comprehensive income				17,797,590,087		17,797,590,087		17,797,590,087
Gain (loss) on valuation of hedging derivatives				(75,561,253,238)		(75,561,253,238)	(20,003,365)	(75,581,256,603)
Overseas business translation loss				77,706,052,153		77,706,052,153		77,706,052,153
Special account and other comprehensive income				(79,799,269,848)		(79,799,269,848)		(79,799,269,848)
Remeasurement triggering elements of defined benefit liability				(7,164,725,763)		(7,164,725,763)	(9,453,393)	(7,174,179,156)
Property, plant and equipment revaluation surplus				(701,397,598)		701,397,598		(701,397,598)
Total comprehensive income				(499,412,036,685)	869,522,640,144	370,110,603,459	2,994,314,265	373,104,917,724
Transactions with shareholders directly reflected in equity:								
Annual dividend					(134,210,229,353)	(134,210,229,353)	1,325,402,446	(135,535,631,799)
Dec. 31, 2021 (end of the current period)	35,400,000,000	84,884,742,115	(152,492,009,860)	728,450,888,489	5,944,889,555,398	6,641,133,176,142	91,335,488,079	6,732,468,664,221

Note: The financial statements are based on information that was true before the approval of the 55th Regular General Meeting of Shareholders. In the future, if an agenda related to approval of the financial statements is rejected or the financial statements are revised at the Regular General Meeting of Shareholders, then the details and reasons will be reflected in the correction report.

Consolidated Statement of Cash Flows

From Jan. 1, 2021 to Dec. 31, 2021 for the 55th (current) period
From Jan. 1, 2020 to Dec. 31, 2020 for the 54th (previous) period
From Jan. 1, 2019 to Dec. 31, 2019 for the 53rd (before previous) period
(Unit: KRW)

DB Insurance Co., Ltd., and Its Subsidiaries

Category	55th (Current) Period		54th (Previous) Period		53rd (Before Previous) Period	
Cash flow from operating activities		2,276,255,431,3262		1,242,392,724,588		2,196,303,202,457
1. Net income before tax	1,175,519,058,908		742,277,549,762		517,507,419,230	
2. Adjustment of revenue and expenses	2,057,847,890,348		2,246,739,364,908		2,257,617,498,500	
3. Changes in assets and liabilities	(2,262,964,638,625)		(3,158,717,103,117)		(1,816,374,417,664)	
4. Interest received	1,286,011,683,716		1,310,415,059,742		1,232,201,842,870	
5. Interest paid	(52,498,912,734)		(40,633,297,420)		(36,423,191,131)	
6. Dividends received	275,941,802,445		215,124,381,768		200,981,671,862	
7. Corporate tax payment	(203,601,452,732)		(72,813,231,055)		(159,207,621,210)	
Cash flow from investment activities		(2,626,079,514,885)		(824,871,199,438)		(2,328,769,328,997)
1. Cash inflow	7,626,799,285,910		11,124,825,164,186		9,343,448,911,744	
Disposition of available-for-sale financial assets	6,927,995,763,954		9,914,054,207,164		8,583,538,840,045	
Redemption of held-to-maturity financial assets	199,694,719,894		116,662,661,720		22,894,949,112	
Settlement of hedging derivatives	235,290,505,992		7,059,256,335		-	
Reduction of the rental deposit	6,455,707,052		8,384,750,193		13,532,545,471	
Disposition of investment property	93,942,028,026		37,433,531,717		33,685,131,817	
Disposal of tangible assets	161,150,128		115,719,571		431,355,178	
Disposal of intangible assets	38,500,000		440,000,000		-	
Consolidation range change, etc.	163,220,910,864		1,040,675,037,486		689,366,090,121	
2. Cash outflow	(10,252,878,800,795)		(11,949,696,363,624)		(11,672,218,240,741)	
Acquisition of available-for-sale financial assets	(8,714,283,395,717)		(11,035,127,419,468)		(10,518,174,140,978)	
Acquisition of held-to-maturity financial assets	(1,162,247,249,766)		(655,606,953,209)		(604,781,354,145)	
Settlement of hedging derivatives	(315,279,788,243)		(167,120,758,661)		(509,544,230,782)	
Increase in rental deposit	(7,022,882,644)		(5,754,070,199)		(7,390,403,993)	
Real estate acquisition through investment	(11,083,226,870)		(36,797,392,740)		(198,246,967)	
Acquisition of tangible assets	(16,134,379,452)		(21,997,885,753)		(18,025,167,905)	
Acquisition of intangible assets	(21,364,312,303)		(27,291,883,594)		(14,104,695,971)	
Increase in advance payment	(5,463,565,800)		-		-	
Cash flow from financing activities		400,757,698,424		(296,240,101,588)		(116,447,499,811)
1. Cash inflow	583,584,960,641		73,510,255,992		58,651,495,706	
Issuance of new capital securities	-		39,839,480,000		-	
Net increase in borrowings	581,128,723,213		30,952,142,972		57,196,690,846	
Increase in rental deposit	2,456,237,428		2,718,633,020		1,454,804,860	
2. Cash outflow	(182,827,262,217)		(369,750,357,580)		(175,098,995,517)	
Acquisition of treasury stock	-		(122,836,534,060)		-	
Decrease in rental deposit	(2,196,415,067)		(2,710,144,832)		(5,186,743,400)	
Payment of dividends	(135,535,631,799)		(102,243,270,000)		(132,572,440,000)	
Payment of lease payments	(45,095,215,351)		(38,054,316,260)		(37,339,812,117)	
Acquisition of non-controlling shares	-		(103,906,092,428)		-	
Increase (decrease) in cash and cash equivalents		50,933,614,865		121,281,423,562		(248,913,626,351)
Exchange rate fluctuations		30,648,847,417		(24,934,837,925)		(570,259,845)
Beginning-of-the-period cash and cash equivalents		521,263,410,378		424,916,824,741		674,400,710,937
End-of-the-period cash and cash equivalents		602,845,872,660		521,263,410,378		424,916,824,741

Note: The financial statements are based on information that was true before the approval of the 55th Regular General Meeting of Shareholders. In the future, if an agenda related to approval of the financial statements is rejected or the financial statements are revised at the Regular General Meeting of Shareholders, then the details and reasons will be reflected in the correction report.

Business Status Report of the CEO and Internal Accounting Manager

Dear shareholders, Board of Directors, and Audit Committee of DB Insurance Co., Ltd.,

The CEO and the Internal Accounting Manager evaluated the design and operation of our internal accounting management system for the fiscal year ending on the same date as of Dec. 31, 2021.

Responsibility for the design and operation of the internal accounting management system rests with the company's senior management, including the CEO and the Internal Accounting Manager.

The CEO and the Internal Accounting Manager have evaluated whether the company's internal accounting management system is effectively designed and operated to prevent and detect errors or fraudulent acts that may cause distortion of financial statements for the preparation and disclosure of reliable financial statements.

The CEO and the Internal Accounting Manager used the "Conceptual Framework for Internal Accounting Control System Design and Operation" announced by the Internal Accounting Control System Steering Committee as a reference standard for the design and operation of the internal accounting management system. In evaluating the design and operation of the internal accounting management system, they used the "Best Practices for Evaluation and Reporting of the Internal Accounting Control System" announced by the Internal Accounting Control System Steering Committee as the evaluation criteria.

The evaluation of the internal accounting management system operation by the CEO and the Internal Accounting Manager has found that as of Dec. 31, 2021, our internal accounting management system is effectively designed and operated from the point of view of materiality based on the "Conceptual Framework for Design and Operation of Internal Accounting Control System."

The CEO and the Internal Accounting Manager have confirmed that the report details were not falsely stated or indicated, and anything that should be stated or indicated was not omitted. In addition, the CEO and the Internal Accounting Manager confirmed that the report did not contain or display any content that could cause serious misunderstandings. In addition, we personally checked and reviewed it with due care.

Feb. 23, 2022

CEO **Jeongnam Kim**

Internal Accounting Manager **Seunghyeong Nam**

Independent Auditor's Audit Report

Dear shareholders and Board of Directors of DB Insurance Co., Ltd.,

Auditor's Opinion

We have audited the consolidated financial statements of DB Insurance Co., Ltd. and its subsidiaries (the "Consolidated Company"). These consolidated financial statements consist of the Consolidated Statement of Financial Position as of Dec. 31, 2021 and Dec. 31, 2020, the Consolidated Statements of Comprehensive Income for both reporting periods ending on the same dates, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and the Notes to the Consolidated Financial Statements, including summaries of significant accounting policies. In our opinion, the attached Consolidated Financial Statements of the Consolidated Company present the consolidated financial performance and consolidated cash flows for both reporting periods, ending at the same time as the consolidated financial position as of Dec. 31, 2021 and Dec. 31, 2020, fairly in the light of materiality in accordance with the Korean International Financial Reporting Standards.

Basis of Audit Opinion

We conducted our audits in accordance with the Auditing Standards of the Republic of Korea. Our responsibilities under these standards are described in the Auditor's Responsibilities for Auditing the Consolidated Financial Statements section of this audit report. We are independent from the Consolidated Company in accordance with the ethical requirements of the Republic of Korea in regard to the audit of the consolidated financial statements and have fulfilled other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have collected is sufficient and appropriate as a basis for our audit opinion.

Emphasis

Users of this audit report need to pay attention to Note 37-6 as a matter that does not affect the audit opinion. As explained in Note 37-6, various prevention and control measures, including travel restrictions, are being implemented around the world to prevent the spread of COVID-19. It has far-reaching implications for the global economy, and its duration and intensity are difficult to predict. The Consolidated Company has prepared the consolidated financial statements by reasonably estimating the impact of COVID-19 on the financial statements for the reporting period ending on Dec. 31, 2021. However, it is difficult to predict the ultimate impact of the spread of COVID-19 on the financial position, financial performance, and cash flow of the Consolidated Company as of the audit report date.

Key Audit Matters

The key audit matters are the most significant from the current consolidated financial statements according to our expert judgment. These matters were addressed in forming our opinion from the perspective of our audit of the consolidated financial statements as a whole, and we do not provide a separate opinion on these matters.

Premium Reserve among Insurance Contract Liabilities

As mentioned in Note 2-20 (Insurance Contract Liability) to the consolidated financial statements, the Consolidated Company has accumulated premium reserves in accordance with the Insurance Business Supervision Regulations and related laws. These reserves are used to pay insurance money, refunds, and dividends in the future to policyholders or beneficiaries in relation to the insurance contracts held.
As mentioned in Note 31 (Details of Insurance Contract Liabilities) to the consolidated financial statements, the carrying amount of premium reserve as of the end of the reporting period was KRW 38.5 trillion, of which 66.4% is KRW 58 trillion for total liabilities and 83.8% is KRW 45.9 trillion for insurance contract liabilities. Premium reserve is a category that includes significant judgment by management since it is calculated as the present value of future cash flows during the estimated insurance period according to the basic rate at the time of settlement used by the insurance company for each product. In this regard, we have determined that a significant amount of the auditor's attention was necessary and decided that it is a key audit matter.

As of the end of the reporting period, the main audit procedures we performed on the premium reserve of KRW 38.5 trillion recorded in the consolidated financial statements are as follows.

- Understand the Consolidated Company's accounting policies related to the calculation of premium reserve and check whether the calculation method complies with the Insurance Business Supervision Regulations and its enforcement regulations
- Check whether there are any changes to the supervisory laws and internal calculation rules applied when calculating the premium reserve and whether the changes are properly reflected.
- Check whether the calculated basic information, such as methodologies, assumptions, and input variables, is applied in accordance with the supervisory regulations and the internal calculation regulations for products with a high proportion of holdings by collateral.
- Check whether any contracts subject to accumulation are omitted by comparing the contract information held in the operating system of the Consolidated Company and the contract information held in the premium reserve calculation result.
- Check whether the total amount of premium reserve in the final reserve closing file and the settlement information match

Management and Governance Responsibilities for the Consolidated Financial Statements

The senior management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Korean International Financial Reporting Standards. It also handles internal controls that it determines are necessary to prepare the consolidated financial statements so that they are free from material misstatement due to fraud or error. The senior management assesses the Consolidated Company's ability to continue as a going concern when preparing the consolidated financial statements, and for disclosing going concern related matters, where applicable. Unless the senior management intends to liquidate or cease business operations, it is also responsible for the use of the going concern principle. The governing body is responsible for monitoring the financial reporting procedures of the Consolidated Company.

Auditor's Responsibilities for Auditing the Consolidated Financial Statements

Our objective is to secure a reasonable assurance about whether the consolidated financial statements of the Consolidated Company as a whole are free from material misstatement due to fraud or an error, and issue an audit report containing our opinion. Reasonable assurance implies a high level of assurance, but it does not guarantee that an audit conducted in accordance with auditing standards will always discover material misstatements. Misrepresentation may result from fraud or an error. A misstatement is considered material if it can be reasonably expected, individually or collectively, to affect users' economic decisions based on the consolidated financial statements. As part of the audit in accordance with the audit standards, we exercise professional judgment and maintain professional skepticism throughout the entire audit process. In addition, we do the following:

- We identify and evaluate the risks of material misstatement in the consolidated financial statements due to fraud or an error, and design and perform the audit procedures to address those risks. In addition, we collect a sufficient and appropriate audit evidence as the basis for our audit opinion. Because fraud can involve collusion, falsification, intentional omissions, misrepresentation, or the breach of internal controls, the risk of failing to discover material misstatements due to fraud outweighs the risk of an error.
- We understand the necessity of internal controls related to auditing in order to design audit procedures that are appropriate for the situation. However, it is not intended to express an opinion on the effectiveness of internal controls.
- We evaluate the appropriateness of the accounting policies applied by the senior management to prepare the consolidated financial statements and the reasonableness of accounting estimates and the related disclosures both derived by the senior management.

- Based on the appropriateness of the going concern principle used by the senior management and the audit evidence collected, we make conclusions regarding events that could give rise to significant questions about the company's ability to continue as a going concern and about whether material uncertainties related to circumstances exist. If we conclude that material uncertainties exist, then we are required to draw attention to the audit report regarding the relevant disclosures in the consolidated financial statements. If these disclosures are inappropriate, then we are also required to change our opinion. Our conclusions are based on the audit evidence collected up to the date of the audit report, but future events or circumstances could cause the Consolidated Company to cease its existence as a going concern.
- We evaluate the overall presentation, structure, and content of the consolidated financial statements, including disclosures, and evaluate whether the consolidated financial statements, present transactions, and events underlying the consolidated financial statements are conducted and handled in a fair manner.
- In order to express an opinion on the consolidated financial statements, we obtain sufficient and appropriate audit evidence relating to the company's financial information or business activities within the group. We are responsible for the direction, supervision, and performance of the group's audit and are fully responsible for the audit opinion.

We communicate with the governing body about significant audit findings, such as the planned scope and timing of the audit, and significant inadequacies in internal control identified during the audit, among other matters.

In addition, we provide a statement to the governing body that we will comply with the ethical requirements related to our independence and communicate with the governing body all relationships and other matters and, where applicable, relevant institutional safeguards, that we believe are relevant to our independence.

Of the matters communicated to the governing body, we determine the most significant matters in the audit of the current consolidated financial statements as key audit matters. Unless the law excludes public disclosure of such matters, or even though it is an extremely rare circumstance, unless we conclude that we should not communicate the matter in the audit report because it is reasonably expected that the negative consequences of our description in the audit report will exceed the public benefit from its communication, we describe these in our audit report. Seongyeon Hwang is the Executive Director of the audit on which this audit report is based.

CEO **Yonggeun Park**

EY Hanyoung Korea

111, Yeouigongwon-ro, Yeongdeungpo-gu, Seoul

Mar. 17, 2022

This audit report is valid as of the audit report date. Therefore, events or circumstances that may materially affect the attached consolidated financial state-ments may occur between the audit report date and the time this report is read, possibly causing this audit report to be revised as a result.

Third-party Assurance Statement

Independent Assurance Statement

To: The Stakeholders of DB Insurance Co., Ltd.

Introduction and objectives of work

BSI Group Korea (hereinafter "the Assurer") was asked to verify DB 2022 Integrated Sustainability Report (hereinafter "the Report"). This assurance statement applies only to the relevant information contained in the scope of the assurance. DB Insurance is solely responsible for all information and assertion contained in the report. The responsibility of the assurance is to provide independent assurance statement with expert opinions to DB Insurance by applying the verification methodology and to provide this information to all stakeholders of DB Insurance.

Assurance Standards and Levels

This assurance was based on the AA1000AS v3 (2020) Assurance Standard and confirmed that the report was prepared in accordance with the Core Option of GRI Standards, the international standards guidelines of sustainability reports. The assurance level was based on the Type 1 that confirmed compliance with the four principles of AA1000 AP (2018) in accordance with the AA1000 AS.

Scope of Assurance

The scope of assurance applied to this report is as follows;

- Based on the period from January 1st to December 31st 2021 included in the report, some activities include performance of 2022 first half.
- Major assertion included in the report such as sustainability management policies, strategies, objectives, business and performance
- Information related to material issues determined as a result of materiality assessment
- Appropriateness and consistency of processes and systems for data collection, analysis and review

The following contents were not included in the scope of assurance.

- Financial information
- Disclosures in the international standards and initiatives index excluding GRI
- Other related additional information such as the website presented in the report

Methodology

As part of its independent assurance, the assurer has used the methodology developed to collect relevant evidence to comply with the verification criteria and to reduce errors in the reporting, and has performed the following activities;

- To determine verification priorities, review of materiality issue analysis process and verification of the results
- System review for sustainability strategy process and implementation
- Review the evidence to support the material issues through interviews with senior managers with responsibility for them
- Verification of data generation, collection and reporting for each performance index

Assurance Opinion

On the basis of our methodology and the activities described above, it is our opinion that

- The information and data included in the report are accurate and reliable and the assurer cannot point out any substantial aspects of material with mistake or misstatement.
- The report is prepared according to the Core option of the GRI Standards.
- The assurance opinion on the four principles presented by the AA1000 AP (2018) is as follows.

AA1000 AP (2018)

Inclusivity: Stakeholder Engagement and Opinion

DB Insurance defined customers, employees, shareholder/investors, local communities and business partners as key stakeholder groups, and operates communication channels for each group for stakeholder engagement. DB Insurance conducted a survey on internal and external stakeholders and collected various opinions and expectations of stakeholders based on the response results, and reflected the derived material issues in decision-making on sustainability management.

Materiality: Identification and reporting of material sustainability topics
DB Insurance derived the issue pool of 20 Sustainability Management Issues through the risk assessment process and communication with stakeholders, based on the results of media research, benchmarking global advanced companies, analysis of major global initiatives related to sustainability, and opinions collected from communication channels of each stakeholder group. DB Insurance conducted a materiality assessment that comprehensively considered stakeholder interest and business impact, and selected the 6 core issues identified.

Responsiveness: Responding to material sustainability topics and related impacts
DB Insurance establishes and implements a response plan for each issue to appropriately respond to the derived each issue that reflects the expectations of stakeholders, and discloses detailed response activities and performance for them in the report.

Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders
DB Insurance implemented the process to identify and evaluate the impact on organizations and stakeholders related to important issues. DB Insurance make decisions on operations and management of impacts that could arise from each important issue by identifying and assessing the impacts, risks, and opportunities regarding selected important issues. And the results of impact, risk, and opportunity factors analysis on important issues were used for decision-making to respond to each issue, and the process was disclosed in the report.

Key areas for ongoing development

- It may be helpful to disclose the value-chain related to the proportion of ESG products in each business sector considering the financial industry characteristics, and to disclose the performance of ESG investment risk assessment processes.
- It may be helpful disclose key roles and responsibilities of ESG committees within governance structures and clarification of mid- to long-term plans for sustainability to advance the sustainability management system

Statement of independence and competence

The assurer is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services. No member of the assurance team has a business relationship with DB Insurance. The assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as AA1000AS assurer, have a lot of assurance experience, and understand the BSI Group's assurance standard methodology.

Evaluation against GRI 'In Accordance' Criteria

The assurer confirmed that this report is prepared in accordance with the GRI Standards Core Option and the disclosures related to the following Universal Standards and Topic-specific Standards Indicators based on the data provided by DB Insurance.

[Universal Standards]
Organization al Profile 102 1~13 / Strategy 102 14 ~15 / Ethics and Integrity 102 16 ~17 / Governance 102 18, 102 20~24, 102 26~38 Stakeholder Engagement 102 40~44 Reporting practice 102 45~5 6 / Management Approach 103 1~3

[Topic specific Standards]
- Economic: 201 1~3, 203 1~2, 205 2~3, 206 1, 207 1
- Environmental: 302 1~2, 302 4, 303 3, 3 03 5, 305 1~3, 305 5, 306 3~5
- Social: 401 1~3, 403 8, 404 1~3, 405 1, 406 1, 412 1~2, 413 1~2, 417 1, 418 1, 419 1

AA1000
Licensed Report
000-47/V3-KML7Q

29 August 2022

S. H. Lim / BSI Group Korea, Managing Director

GHG Assurance Statement

Third Party's Verification Statement on 「DB Insurance Co., Ltd's 2021 GHG inventory report」

Introduction

Korea Productivity Center Quality Assurance (hereinafter 'KPCQA') has been engaged by DB Insurance Co., Ltd (hereinafter the 'Company') to independently verify its 2021 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(m^2) × average scope 2 emissions per area(m^2) of domestic subsidiaries in 2021").
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 2021 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 tCO_2-eq/y in accordance with the requirements of the 'Greenhouse Gas and Energy Target Management Scheme'.

Reporting period		2021.1.1 ~ 2021.12.31
Total Annual Emissions (tCO_2-eq)	Total Emissions (Scope 1, 2, 3)	25,583
	Direct Emissions (Scope 1)	2,632
	Indirect Emissions (Scope 2)	22,808
	Other Indirect Emissions (Scope 3)	143

23 August, 2021

Korea Productivity Center Quality Assurance

CEO **Kyung Hui Oh**

오경희

GRI Standards Index

Universal Standards(GRI 100)

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	102-3	Location of headquarters	2	
	102-4	Location of operations	2, 30~31	
	102-5	Ownership and legal form	12, 65	
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	102-7	Scale of the organization	32, 91	
	102-8	Information on employees and other workers	91	
	102-9	Supply chain	78~81	
	102-10	Significant changes to the organization and its supply chain	-	No significant change
	102-11	Precautionary Principle or approach	54~60	
	102-12	External initiatives	76	
	102-13	Membership of associations	112	
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	102-15	Key impacts, risks, and opportunities	58~60	
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Social Performance (GRI 400)

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Financial Services Sector

Standard	Disclosure	Indicators	Page	Note
Product portfolio	FS7	Value of financial products and services that deliver a specific social benefit, by type	16, 52	
	FS8	Value of financial products and services that deliver a specific environmental benefit, by type	16, 70	

TCFD Index

Category	Principles	Page
Governance	a) Describe the BOD's oversight of climate-related risks and opportunities.	13, 64~65
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	69~72
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	70
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	67~68
Risk management	a) Describe the organization's processes for identifying and assessing climate-related risks.	67, 72
	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.	68
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	68
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	67

DB Insurance

Major Awards and Participants

Major Awards

DB Insurance ranked first in the category of long-term insurance at the 2022 KS-SQI for two consecutive years
Hosted by KSA

Received the Grand Prize in Financial Consumer Protection by the Korea Economic Daily
Hosted by Korea Economic Daily

DB Insurance received the Financial Consumer Protection Excellent Content Award
Hosted by Consumer News

DB Insurance acquired certification eight consecutive times and received the Presidential Citation at CCM
Organized by KFTC and evaluated by KCA

Received the Asia Today Financial Awards in the category of insurance
Received the Consumer Protection Excellent Award
Received the Asia Today Financial Awards

DB Insurance received the "Best Practice Award" in Korea Service Grand Prize
Hosted by KSA

DB Insurance received the Grand Prize in the category of non-life insurance at the "2021 National Brand Award (K-NBA)"
Co-hosted by JoongAng Ilbo
and New York Festival

DB Insurance received the "2021 Korea Leading Finance ESG Award" Received the Grand Prize in the category of non-life insurance
Organized by Money S

DB Insurance received the "Edaily Korea Financial Consumer Award"
Hosted by Edaily

Affiliated Organizations and Associations

National Quality Award Winners	Korea Personnel Improvement Association	Korea Management Association
General Insurance Association of Korea	Korea Listed Companies Association	Korea Enterprises Federation
Korea Fire Protection Association	Korea Academy Of Business Ethics	Financial Security Institute
CFO Association (Forum)	Korean Insurance Academic Society	Financial Information Protection Council

Major membership dues

(Unit : KRW million)

No.	Name	Amount
1	General Insurance Association of Korea	3,848
2	Korea Insurance Development Institute	2,142
3	Automobile Technology Research Center	1,796
4	Korea Insurance Research Institute	900
5	Korea Credit Information Services	740
	Total	9,426

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