DB Insurance

Together, Promise

INTEGRATED REPORT 2024

A global company striving a happy society with customers

About This Report

Overview of the 2024 Integrated Report

The 2024 Integrated Report is DB Insurance's 9th Integrated Report and 14th Sustainability Report. We disclose our management performance, financial outcomes, and non-financial activities and achievements annually through the Integrated Report.

Reporting Period

The reporting period is from January 1, 2023 to December 31, 2023. However, some significant activities and achievements from the first half of 2024 are also included. For key non-financial results, a three-year performance (2021–2023) is disclosed to identify trends over the years.

Reporting Scope and Boundaries

The primary reporting scope includes DB Insurance headquarters, domestic business divisions, and claims offices, excluding affiliated companies. It also includes introductions and some achievements of overseas branches and liaison offices. Non-financial data cover 100% of sales, and environmental performance indicators are reported based on DB Insurance's nine owned and leased office buildings.

Reporting Principles and Standards

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 and is governed by the GRI Financial Services Sector Supplement's principles.

In addition, as a member of the UN Global Compact, the report includes activities and achievements conforming to the 10 principles based on the Communication on Progress (COP) guidelines. Financial performance is prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS). Any changes from previous reports are separately indicated within the report.

Report Assurance

To ensure the reliability and fairness of the report details and data, this report has undergone verification procedures by the third-party agency, Korea Management Register (KMR). Refer to the "Third-Party Assurance Statement" for the assurance statement.

Company DB Insurance

Address 432 Teheran-ro, Gangnam-gu, Seoul, Republic of Korea

Department ESG Secretariat

Contact +82-2-3011-3138 / f1140076@dbins.co.kr

Website www.idbins.com

Contents

Introduction

CEO Message

Dear valued stakeholders,
We deeply appreciate your unwavering support and interest in DB Insurance.

Last year was a significant one, marked by steady growth despite the globally unstable economic landscape. We believe that our sustainable growth, even amid a recession akin to past financial crises and intense competition, is thanks to the persistent efforts of our employees and the warm support from our stakeholders, as we strive to be a "global insurance financial group striving a happy society with customers."

Continued global economic downturn this year is expected to increase uncertainty and deteriorate the real economy. The insurance industry, in particular, is likely to experience a drop in real growth rates due to low growth and population decline, alongside increased loss ratios and investment risks. In this environment, intensified competition to secure net profits is expected to pose significant challenges to the company's long-term profitability.

However, DB Insurance has successfully achieved its management goals each year through the united efforts of all its members, even in a challenging economic environment. We are confident that the combined potential and drive of our organization will set us apart from competitors, and with the strategic focus on securing structural profitability in all sectors, we will maintain sustainable growth this year.

Alongside this, DB Insurance will position itself as a global insurance financial group founded on ESG management focusing on sustainability. We will work to develop a climate crisis response framework for future disclosure requirements, generate social value oriented towards local communities, and establish a transparent governance structure. We will endorse and earnestly follow the UN Sustainable Development Goals (SDGs), the UN Environment Program Finance Initiative (UNEP FI) Principles for Sustainable Insurance, and the Task Force on Climate-Related Financial Disclosures (TCFD).

To all stakeholders of DB Insurance,
In the face of rapidly shifting market conditions and intense competition, all employees of DB Insurance will, as always, devote themselves to their work with the mindset that "success and failure stem from oneself" and continue sustainable growth.

We would like to extend our deepest gratitude once again for your unwavering support for DB Insurance, and we assure you that we will continue our partnership and growth with our stakeholders.

Thank you.

June 2024
DB Insurance Co., Ltd.
President & CEO
Jeong Jong-pyo

About DB Insurance

DB Insurance Co., Ltd. began as Korea's first public automobile insurance company in 1962, joined the Dongbu Group in 1983, and changed its name to Dongbu Fire & Marine Insurance Co., Ltd. in October 1995. We have grown into a leading comprehensive non-life insurance company in Korea with a management philosophy driven by customer satisfaction and sound financial stability. In November 2017, we rebranded as DB Insurance Co., Ltd. to pursue growth as a global insurance financial group. For more than 20 years, DB Insurance has upheld profitable management through a focus on profits, systematic loss ratio management, and industry-leading ROE/ROA. We continue to grow alongside society and achieve continuous development, fulfilling our social responsibilities as a desirable corporate citizen.

Company
DB Insurance Co., Ltd.

Headquarters
432 Teheran-ro, Gangnam-gu, Seoul, Republic of Korea

CEO
Jeong Jong-pyo

No. of Employees
4,625
(as of Dec. 31, 2023)

Date of Establishment
March 2, 1962

Website
www.idbins.com

About DB Insurance

Vision

Guided by the vision of "a global insurance financial group striving a happy society with customers," DB Insurance leads the way in adapting to the rapidly changing financial environment through systematic and robust management innovation. We pursue innovations in every management aspect—from personnel to channels and systems—securing an advanced service framework and achieving balanced growth in sales, profit, and assets, in an effort to lay a solid groundwork for sustainable growth. Moving forward, we will continue to provide the value customers seek and fulfill our social responsibilities as a sustainable enterprise to transform into a global insurance financial group that competes on the global stage beyond the domestic market.

An Excellent Global Company

A global
insurance financial company
striving a happy society with customers

Securing structural profitability across all aspects for the company's value growth

Customer Value

Expanding premium customers through innovation in digital-based channels

Profitability

Generating sustainable profits by strengthening core competencies

New Growth Engines

Diversifying the business portfolio oriented toward future growth

DB CI (Corporate Identify)

A graphic representation of the letters "DB"
Creative evolution of the tradition and spirit of "Dongbu" to suit the times

By applying the colors of the existing CI, orange and green, it continues the history and tradition of Dongbu while expressing the will and hope for the future through blue, which signifies the "East" and "youth." In addition, it conveys the meaning of "life" (green) created by the blend of "sun" (orange) and "water" (blue). The colors are given a gradient effect for three-dimensionality and dynamism.

About DB Insurance

Company Overview

As of December 2023

Total Assets	Pre-tax Profit	Sales Organization
KRW 49 trillion	KRW 2 trillion	22,756 employees (including cross AP)

Total Capital	Net Premiums Written	No. of Customers
KRW 9 trillion	KRW 17 trillion	11,508 thousand

Policies

- General Insurance
- Long-term Insurance
- Car Insurance

Services

- Emergency Dispatch Service
- On-site Dispatch Service
- Auto Care Service
- SOS Service
- Car Care Service
- PromyAI Health Care 365 Service
- Funeral Alliance Service
- Know Your Health (Disease Prediction) Service
- Risk Management Service
- Legal Support Service
- Retirement Planning Service

Exclusive Channels

- **PA (Prime Agent)**
  An exclusive agent who is allowed to only sell DB Insurance policies
- **Agency**
  An agency that is allowed to only sell DB Insurance policies through exclusive contracts

Non-exclusive Channels

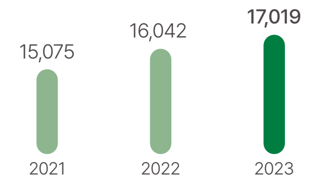
- **Cross Agent**
  A life insurance agent who primarily sells life insurance but is also allowed to handle general insurance policies
- **GA (General Agency)**
  An independent insurance agency that is allowed to sell insurance policies from all companies

Business Performance

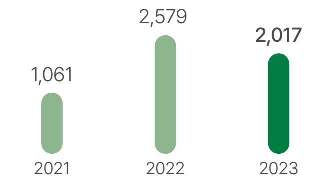
(Unit: KRW 1 billion)

HIGHLIGHTS

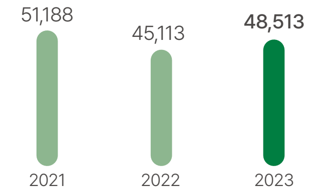
Direct Premiums Written



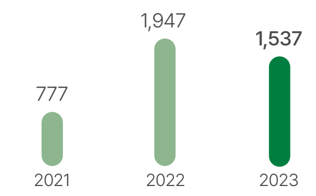
Operating Profit



Assets



Net Profit



(*) Figures for all three years are based on separate criteria: IFRS4,39 for 2021; IFRS17,39 for 2022; and IFRS17,9 for 2023

Credit Rating

A.M.Best (Overseas)		S&P Global Ratings (Overseas)	Korea Investors Service (Domestic)	
Financial Soundness	A+ (Stable)	A+ (Stable)	Claims Paying Ability Rating	AAA (Stable)
Debt Fulfillment	aa- (Stable)		Corporate Bond (Subordinate)	AA+ (Stable)

About DB Insurance

Global Network

Following its entry into the U.S. market, DB Insurance laid the groundwork for penetrating the Chinese market through strategic investment in Ancheng Property & Casualty Insurance in 2014. To emphasize the strategic importance of the Southeast Asian market, we acquired PTI in Vietnam in the following year, and we plan to acquire VNI and BSH in Vietnam cing toward becoming a top-tier global insurance company.

Our Global Network
As of January 2024

Overseas Branches

- 01 Guam
- 02 Hawaii
- 03 California
- 04 New York

Overseas Subsidiaries

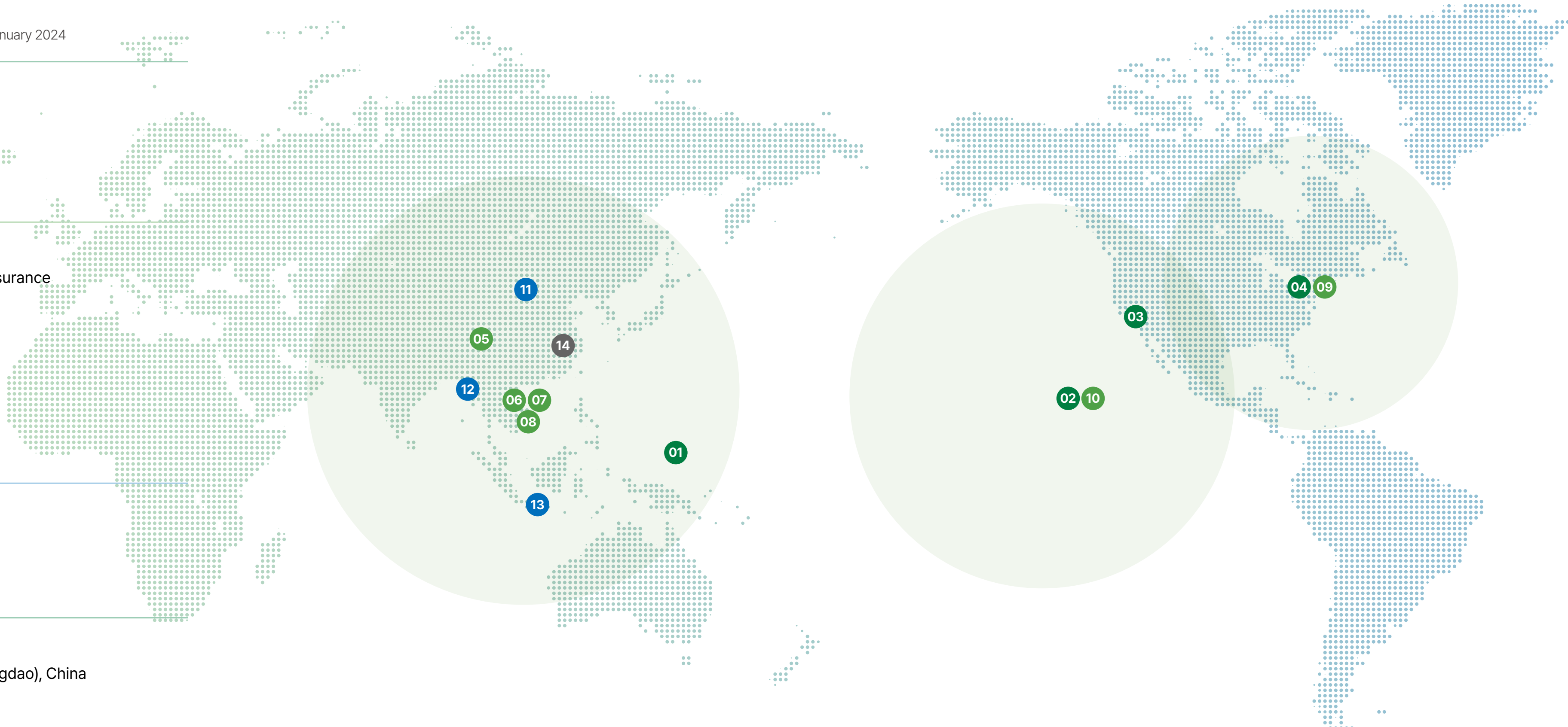
- 05 Ancheng Property & Casualty Insurance (Chongqing), China
- 06 PTI (Hanoi), Vietnam
- 07 VNI (Hanoi), Vietnam
- 08 BSH (Hanoi), Vietnam
- 09 DBAA Investment Corporation (New York), USA
- 10 John Mullen & Co. (Hawaii)

Overseas Offices

- 11 Beijing, Yangon, Jakarta
- 12 Yangon
- 13 Jakarta

Joint Venture Brokerage

- 14 Nuoya Insurance Brokerage (Qingdao), China



About DB Insurance

Our Future Growth Direction

Employees	**Direction** Establishment of a warm corporate culture of communication and unity **Plan** · We will reinforce the collaborative culture between our field operations and headquarters. · We will promote mutual understanding by enhancing communication between employees and across generations. · We will enhance working conditions to increase employees' motivation.
Customers	**Direction** Transformation of 60-year partner customers into lifelong customers **Plan** · We will improve our communication and interaction with customers. · We will strive to increase the company's visibility and reputation through numerous events. · We will create and widely share emblems that carry social value.
Partners	**Direction** Establishment of a foundation for becoming the top insurance financial group through mutual growth with partners **Plan** · We will foster a sense of belonging and strengthen cohesion within the company. · We will broaden communication channels and ensure genuine dialogue. · We will ensure active support for our partners' growth.

About DB Insurance

Corporate History

MAR 1962
Founded the Korea Auto Insurance Corporation

JUN 1963
Launched car liability insurance

MAR 1971
Completed the construction of the headquarters building

MAR 1973
Initial public offering (IPO)

MAY 1976
Launched Korea's first owner liability insurance

JAN 1981
Launched Korea's first online system in the non-life insurance industry

FEB 1983
Acquired management rights by Dongbu Group

OCT 1984
Acquired all non-life insurance business licenses

DEC 1991
Opened New York and Tokyo offices

OCT 1995
Changed name to Dongbu Insurance Co., Ltd.

AUG 1997
Recognized in the Guinness World Records for the first comprehensive car insurance

2002
Launched the "Promy" car insurance brand

2004
Declared "New Innovation Management"

2009
Surpassed KRW 10 trillion in total assets

2010
Announced the new slogan, Dynamic Dongbu

2012
Surpassed KRW 20 trillion in total assets

2015
Surpassed KRW 30 trillion in total assets

2017
Changed name to DB Insurance Co., Ltd.

2018
Acquired S&P Credit Rating A

2019
Surpassed KRW 40 trillion in total assets

2020
Surpassed 10 million customers

2021
Surpassed KRW 50 trillion in total assets and KRW 1 trillion in pre-tax profit

2022
Awarded 1st place in the long-term insurance sector of the Korean Standard Service Quality Index (KS-SQI) for two consecutive years

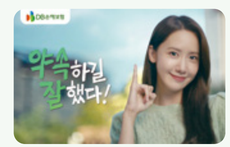
Launched the industry's first insurance fraud network analysis system "DB T-System"

2023
Upgraded A.M. Best Credit Rating to A+

Awarded 1st place in the long-term insurance sector of the KS-SQI for three consecutive years

2024
Upgraded S&P Credit Rating to A+

Became the majority shareholder of Vietnamese insurers VNI and BSH



About DB Insurance

DB Financial Network

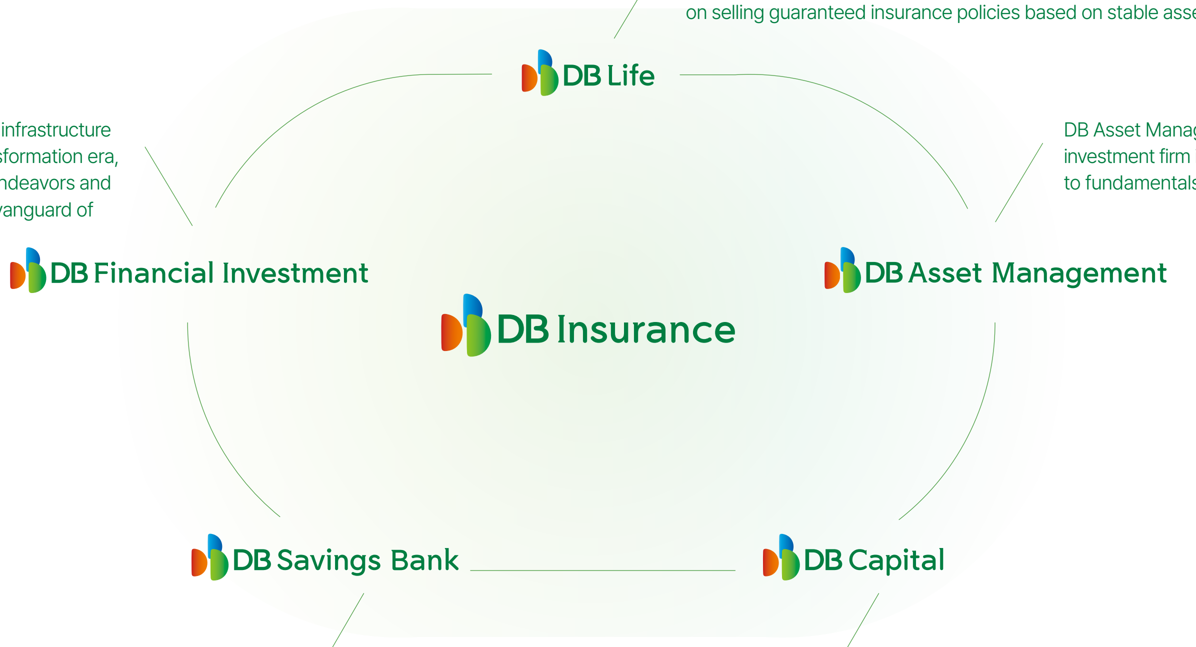
The DB Financial Network, as a comprehensive financial conglomerate, is committed to enhancing corporate value through responsible management of each affiliate, thereby pursuing continuous growth and development. Leveraging an advanced corporate governance system, we safeguard the interests of key stakeholders—including customers, investors, shareholders, partners, and employees—while strategically responding to the drastic changes in the management environment and market dynamics. The DB Financial Network is categorized into financial and non-financial affiliates from a governance perspective. The financial affiliates, oriented towards DB Insurance, are structured in a vertical hierarchy, devoid of cross-shareholding or circular shareholding links.

DB Insurance, as the leading entity of the DB Financial Network, operates dedicated departments for risk management and internal control under the Chief Risk Officer (CRO) and Chief Compliance Officer (CCO). To manage and control risks efficiently, we established the Financial Conglomerate Risk Management and Internal Control Standards and operate the Financial Conglomerate Risk Management/Internal Control Council, thereby enhancing the management system for the financial conglomerate.

DB Life Insurance is evolving into a robust company with growth and profitability based on the balanced development of each sales channel—including the financial planner sales channel, GA, new channels, and bancassurance—with an emphasis on selling guaranteed insurance policies based on stable asset management.

DB Financial Investment is vigorously advancing its infrastructure investments to adeptly respond to the digital transformation era, simultaneously enhancing its social contribution endeavors and refining its governance structures to ascend as a vanguard of sustainable management.

DB Asset Management aspires to rise as the premier long-term investment firm in Korea through asset management that adheres to fundamentals and efficient operations centered on teamwork.



DB Savings Bank continues to lead the industry, underpinned by unwavering financial stability and robust asset soundness, ensuring its continued growth.

DB Capital is strategically targeting stable growth by diversifying its operational portfolio and invigorating the investment finance sector.

About DB Insurance

DB Financial Conglomerate

In accordance with the Act on the Supervision of Financial Conglomerates, a group consisting of 16 affiliated financial companies, including DB Insurance, has been designated as a financial conglomerate. We have been selected as the leading financial company through consultation among the affiliates, responsible for establishing risk management and internal control policies for the financial conglomerate.

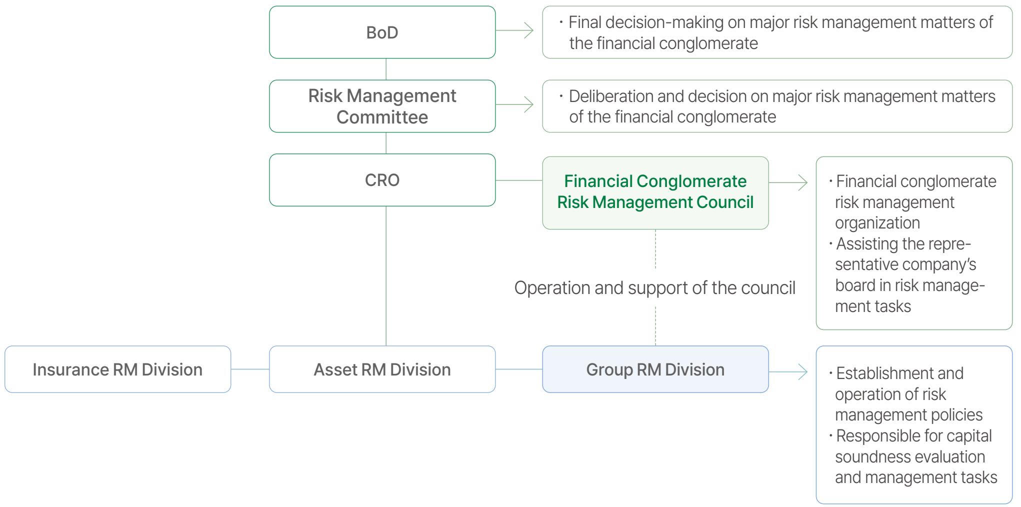
Operation of the BoD and Financial Conglomerate Risk Management Committee

The Board of Directors (BoD) and the Risk Management Committee are routinely furnished with reports concerning the financial health and governance frameworks of each affiliate by DB Insurance, the designated representative company, which also covers internal transactions and risk aggregations among the affiliates. Based on these reports, they engage in deliberations and formulate pivotal policies concerning risk management and internal control at the conglomerate level, aimed at averting the concurrent failures of affiliated entities (e.g. insurance, financial investment, credit) and preventing insolvency.

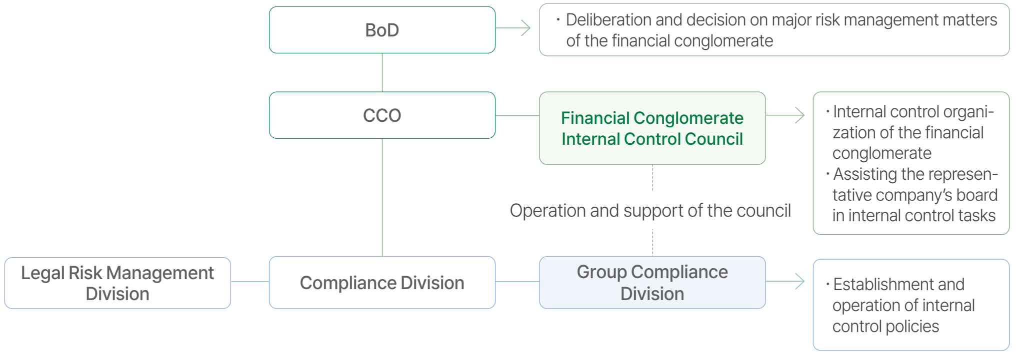
Operation of the Financial Conglomerate Risk Management/Internal Control Council

The Financial Conglomerate Risk Management Council and the Internal Control Council are responsible for the appointment of CROs and CCOs for prominent financial affiliates, encompassing DB Insurance, DB Life Insurance, DB Financial Investment, DB Asset Management, DB Savings Bank, and DB Capital. Prior to their deliberation and resolution by the Risk Management Committee, the Risk Management Council conducts preliminary reviews of significant risk issues at the conglomerate level and critical management matters within the financial group.

Financial Conglomerate Risk Management System



Financial Conglomerate Internal Control System



About DB Insurance

About DB Financial Group

DB Financial Investment

DB Financial Investment delineated three principal sustainability agendas: (1) catalyzing growth through the augmentation of venture capital; (2) engaging proactively in digital transformation; and (3) transitioning towards an ESG-carbon-neutral business model. The company consistently identifies and diligently executes detailed initiatives pertinent to each agenda.
Furthermore, the company fortifies its growth trajectory by acquiring professional risk management capabilities to bolster stable task execution and by amplifying its expertise through the recruitment of leading industry talents, thereby playing an indispensable role in enhancing the sustainability of the DB Financial Network.

2023 Management Performance

Propelled by the anticipation of Federal Reserve interest rate reductions due to subsiding inflation and predictions of a soft landing for the real economy, investor sentiment surged, culminating in a stock and bond market boom that surpassed expectations. In contrast, the real estate finance sector, a critical business division, encountered deteriorating conditions, influenced by the contraction of the pre-sale market, escalating funding and construction costs, a marked decline in new projects, and heightened provisions for existing initiatives. As a result, DB Financial Investment's consolidated annual pre-tax profit for the year 2023 amounted to KRW 15.7 billion.
Within the company's support functions, DB Financial Investment actively engaged in digital initiatives, notably developing the "Alpha Securities" mode, which features a significantly enhanced user interface and user experience, and establishing a comprehensive headquarters business information system. The company also conducted a thorough overhaul of its personnel system, orienting it towards the creation of long-term performance and the stable securing of top-tier talent. Despite anticipated interest rate cuts due to easing inflation in 2024, an early recovery of the real estate market is unlikely, hindered by factors like excessive private debt. Accordingly, DB Financial Investment plans to sustain its ability to generate continuous and stable management outcomes by reinforcing its company-wide private & investment banking (PIB)-linked business model.

Investments in New Technology and Venture Customers

(As of 2023, Unit: Cases, KRW 100 million)

Category	Fund	No. of Accounts	Evaluation Amount
KOSDAQ Venture	Brain KOSDAQ Venture, etc.	756	4,524
KONEX	Lounge Separate Tax KONEX High Yield Private Fund No. 5, etc.	44	280
ESG	Korea Investment e-Short-Term Bond ESG Securities Investment Trust (Bond), etc.	739	7,749
Industry 4.0	Multi-Asset Global Industry 4.0 Convertible Bond H (Fund), etc.	352	175
Total		1,891	12,728

Employee Status

(Unit: Persons)

Category		2021	2022	2023
Total employees		819	827	788
	Male	554	564	523
	Female	265	263	265
New hires & resignations	New hires (male/female)	96 (57/39)	95 (66/29)	40 (29/11)
	Resignations (male/female)	88 (56/32)	97 (67/30)	62 (51/11)
Executives & staff	Executives	15	14	9
	Employees	804	813	786
Employment type	Regular	662	671	677
	Non-regular	157	156	118
By age	Below 20 (male/female)	22 (1/21)	10 (0/10)	0
	20s–30s (male/female)	92 (39/53)	98 (34/64)	86 (71/15)
	30s–40s (male/female)	238 (137/101)	203 (117/86)	161 (99/62)
	40s–50s (male/female)	322 (247/75)	346 (260/86)	338 (230/108)
	Over 50 (male/female)	145 (130/15)	170 (153/17)	210 (186/24)

Total Assets	KRW 10 trillion
Total Capital	KRW 1 trillion
Liabilities	KRW 9 trillion
Operating Profit	KRW 1.2 trillion
Net Profit	KRW 12.5 trillion

2023 Sustainability Management Strategy Initiatives

Goal	Initiatives
Foster shared growth through venture capital	· Continuously led IPOs for promising venture companies - Bioinfra (Listed on Mar. 2, 2023) - Beautyskin (Listed on Jul. 24, 2023) - JNB (Listed on Nov. 24, 2023) - HBL Corporation (Listed on Jan. 4, 2024)
Actively respond to digitalization	· Launched the new MTS service "Alpha Securities" mode, focused on enhancing customer convenience · Established an open-API platform to enhance business partnerships and expand customer-tailored services with advisory firms and fintech companies · Implemented a smart work (collaborative solution)-linked groupware service to expand mobile-based work environments · Developed a cloud-based flexible infrastructure environment to respond dynamically to large events such as IPO subscriptions
Transition to ESG and carbon neutrality, and realize social value	· Established ESG management direction and execution · Obtained Family-friendly Company certification by the Ministry of Gender Equality and Family (valid until Nov. 30, 2025) · Conducted third-party verification of environmental information disclosure through the Environmental Information Disclosure System · Conducted environmental education and resource recycling campaigns · Promoted activities to save electricity

About DB Insurance

About DB Financial Group

DB Life

DB Life Insurance emphasizes a consumer/field-oriented approach in all its activities. The company remains entirely dedicated to becoming the “DB Life Insurance trusted by consumers” by gaining customer trust through integrity and ethical management, allowing consumers to confidently place their assets with the company.

2023 Management Performance

The year 2023 was characterized by high inflation, escalated interest rates, and soaring exchange rates, posing significant economic challenges. Despite these daunting conditions, DB Life Insurance realized balanced and commendable outcomes in terms of growth, profitability, and financial stability. The company attained a total consolidated asset tally of KRW 10.3 trillion, garnered insurance premium revenues of KRW 1.7 trillion from guaranteed insurance policies, and achieved a pre-tax profit of KRW 148.1 billion (as of 2023), thus marking a 24th consecutive year of profitability since 1999.

Key Management Activities in 2023

- **Strengthened channel competitiveness**
- **Laid a groundwork for sustainable growth by expanding contractual service margins in new contracts**
- **Systematized management of business volatility**
- **Accelerated digital transformation**
- **Enhanced consumer trust**
- **Fostered a challenging corporate culture and talent development**

Total Assets	KRW 10.3 trillion
Total Capital	KRW 1.8 trillion
Liabilities	KRW 8.5 trillion
Operating Profit	KRW 1.5 trillion
Net Profit	KRW 141 trillion

※ 2023 figures are based on IFRS17/9 standards.

2023 Sustainability Management Strategy Initiatives

Fields	Initiatives
Environmental (E)	· Continued investment in green bonds and other eco-friendly sectors · Launched eco-friendly campaigns for resource saving, nature conservation, and more · Published environmental protection content on social media
Social (S)	· Engaged in social contribution activities like voice donations, cookie-making, and blood donations · Operated a consumer panel system and implemented consumer-centric management practices, including financial education · Continuously developed products for the elderly and those with pre-existing conditions
Governance (G)	· Operated the BoD and its committees in accordance with the Act on Corporate Governance of Financial Companies · Disclosed ESG information (created an ESG page on the website, published an ESG-themed annual report, etc.) · Operated an ESG working council

About DB Insurance

About DB Financial Group

DB Capital

DB Capital is fully committed to forging a robust and sound enterprise by laying the groundwork for stable growth through strategic portfolio diversification.
Through the fortification of our risk management frameworks and the enhancement of our professional workforce, the company enhances the soundness of its assets and sustains a consistent profitability trend.
DB Capital remains dedicated to perpetuating sustainable management practices and contributing effectively to societal welfare.

Total Assets	KRW 0.5 trillion
Total Capital	KRW 0.17 trillion
Liabilities	KRW 0.33 trillion
Operating Profit	KRW 40 billion
Net Profit	KRW 1.6 billion

DB Savings Bank

DB Savings Bank targets balanced growth in both magnitude and profitability, setting a strategic course with a mid- to long-term perspective. The company concentrates on cultivating asset growth with a focus on profitability and establishing a robust profit foundation to maintain competitiveness in evolving market conditions. DB Savings Bank is committed to ongoing innovation and transformation as a means to contribute value to its shareholders, customers, and the broader society.

Total Assets	KRW 2.4 trillion
Total Capital	KRW 0.3 trillion
Liabilities	KRW 2.1 trillion
Operating Profit	KRW 155 billion
Net Profit	KRW 2 billion

DB Asset Management

DB Asset Management adheres to stringent risk management protocols and complies with internal control standards, striving to become the nation's leading long-term investment brand. The company also endeavors to stably enhance customer asset values through operations that are sustainable and transparent, anchored in ESG investment principles.

Total Assets	KRW 0.07 trillion
Total Capital	KRW 0.064 trillion
Liabilities	KRW 0.007 trillion
Operating Profit	KRW 19 billion
Net Profit	KRW 1.4 billion

Financial Overview

(Unit: KRW million)

Category	DB Financial Investment (Consolidated)			DB Life Insurance (*)			DB Capital			DB Savings Bank			DB Asset Management		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Total Assets	9,583,673	9,757,370	10,211,960	12,666,082	11,423,056	10,321,972	498,760	550,283	504,880	1,823,177	2,147,597	2,438,588	68,798	65,892	70,635
Liabilities	8,535,236	8,710,072	9,038,075	11,951,301	8,296,153	8,533,166	389,631	377,022	329,578	1,617,785	1,928,312	2,127,217	5,461	2,788	7,019
Capital	916,955	1,047,298	1,173,885	714,781	3,126,903	1,788,806	109,128	173,261	175,302	205,392	219,285	311,371	63,337	63,104	63,616
Operating Profit	1,410,732	1,223,166	1,206,986	2,283,760	1,451,840	1,504,692	33,516	40,269	40,272	80,169	113,276	155,012	25,545	19,029	19,272
Net Profit	126,818	10,770	12,526	39,062	119,844	141,695	11,737	14,481	1,674	14,609	21,212	2,010	6,377	967	1,412

About DB Insurance

Diverse Product Portfolio Based on Customer Life Cycle

DB Insurance devises an array of products with unique coverage tailored to the distinct stages of a customer's life cycle, ensuring adequate coverage for each stage. With a varied product portfolio, we proactively mitigate potential risks associated with each life stage to help our customers lead stable and prosperous lives.

Single and Family Formation Stage

- Singles
- Customers in the stage of forming a family
- Households without children
- Households with preschool-aged children

Medical Expense Insurance	• Coverage from co-payments under National Health Insurance to non-covered items
Excellent Happiness Plus Health Insurance	• Tailored coverage for major diseases, chronic conditions, and disabilities, including diagnosis fees, surgery fees, and hospitalization/ambulatory care allowances
Excellent Driver Accident Insurance	• Coverage for expenses such as criminal settlement fees due to car accidents and daily accident protection
Smart Annuity Insurance	Provides tax deductions and long-term retirement funds through tax-advantaged annuities

Family Growth Stage

- Customers with growing families
- Customers with adult children

I Love Plus Health Insurance	• Coverage from co-payments under National Health Insurance to non-covered items
Like Father, Like Son Full-Coverage Insurance	• Tailored coverage for major diseases, chronic conditions, and disabilities, including diagnosis fees, surgery fees, and hospitalization/ambulatory care allowances
I'm OK Cancer Insurance	• Coverage for expenses such as criminal settlement fees due to car accidents and daily accident protection
Custom Full-Coverage Living Insurance	• Coverage for property damage, personal injuries, and driving-related expenses
Excellent Dental Love Insurance	Coverage for various dental treatments divided into three stages

Retirement and Senior Stage

- Customers aged 60 and above
- Customers requiring retirement and senior management

Custom Health Insurance	• Available for patients with chronic conditions like those with high blood pressure and diabetes • Offers premium reductions for no claims, covering major diseases and accidents • Offers coverage for major diseases such as cancer and injuries like falls with just one insurance product
Simple Family Love Dementia Nursing Insurance	• Provides step-by-step dementia coverage according to the CDR scale • Guarantees diagnosis fees upon long-term care determination
Excellent 3.1.1 Simple Health Insurance	• Available for high-risk disease patients with no claims for one year • Offers support for cancer treatment, hospitalization, and surgeries

About DB Insurance

Value Creation Process

Six Major Capitals

Financial Capital	DB Insurance covers insurance claims, business costs, and investment capital with premium revenue generated from insurance product sales. We strategically invest to manage customer assets securely and generate high yields, while also identifying socially responsible investment opportunities.
Manufactured Capital	DB Insurance uses manufacturing assets like IT infrastructure and data centers to run its business. We developed thorough preparedness measures by setting up disaster and emergency response systems that ensure stable service provision.
Intellectual Capital	DB Insurance rapidly adapts its products and services to external changes such as low birth rates, an aging population, and extended periods of low growth. Leveraging customer research and big data, we segment our customers and design products focused on specific group needs to offer unique value.
Human Capital	The unique nature of the insurance industry makes talented individuals a crucial asset and competitive advantage from product development to sale. We nurture top experts for each job using a new training system, improving each employee's skills in a highly competitive setting to achieve peak management performance.
Social and Relationship Capital	DB Insurance strives to create a happy society with customers by offering products and services that meet their needs, thereby ensuring customer satisfaction. In addition, we fully participate in government policies considering the stringent regulations by the government and supervisory authorities on the non-life insurance industry.
Natural Capital	DB Insurance emits greenhouse gases (GHGs) from electricity, heating and cooling boilers, and data centers across nine domestic offices and 556 leased offices nationwide. We also systematically manage natural capital through environmental guidelines and certification of environmental management systems (ISO 14001).

Market Analysis

- Product Leaders Club (headquarters/field)
- Marketing Working Group (Channel Planning Department)
- Product Working Group (product managers)

Product and Service Development Creating unique value through the development of products and services that meet customer needs

Products	Long-term products, car products, general products
Services	Emergency Dispatch Service, On-Site Dispatch Service (11 services including battery charging, emergency towing, etc.), Auto Care Service (25 items including vehicle inspection, interior disinfection, deodorization, etc.), SOS Service (inspection on 12 items), 5 additional services from partner repair shops, Text Service for Hearing Impaired, PromyAI Health Care 365 Service, Family Health Care Service, Mental Plus Health Care Service, Rainbow Service, PromyPlus Membership, My Health Check-Up Service (disease prediction), My Insurance Check-Up Service, Funeral Partnership Service, Risk Management Service, Legal Support Service, Retirement Planning Service

Training System

- Structured courses by sales channel (BTC, FTC, Step Up, consulting experts, etc.)
- K-power programs such as MA course (content cloud)
- Monthly newsletters
- On-site training systems (information meetings, study sessions, etc.)

Product and Service Delivery Delivering the best customer experience through customer-focused specialized sales channels

Exclusive Channels	**PA (Prime Agent)** An exclusive agent who is allowed to only sell DB Insurance policies **Agency** An agency that is allowed to only sell DB Insurance policies through exclusive contracts
Non-exclusive Channels	**GA (General Agency)** An independent insurance agency that is allowed to sell insurance policies from all companies **Cross Agent** A life insurance agent who primarily sells life insurance but is also allowed to handle general insurance policies

Customer Value Analysis

- Field-driven target customer systems: self-targeting system, field request target customers, big data customer analysis system, etc.
- Headquarters-driven target customer systems: theme-based target customers, semi-annual active customers, hidden customers, etc.

Product and Service Sharing Sharing customer value through specialized support systems and a nationwide claims network to increase customer assets

Asset	Domestic and international investment financing operations Establishment of a dedicated long-term asset management organization
Claims	Incident reporting → loss investigation → loss assessment → compensation (long-term, car, or general) → satisfaction survey

ESG Strategy

Board's ESG Management Initiatives

To promote sustainable management, DB Insurance established the ESG Committee under the BoD in March 2021. This committee decides on issues related to the environment, society, and governance for sustainable management, and reports its activities and major decisions to the board. The ESG Committee, comprising the CEO and two directors, is chaired by an outside director. Under this ESG management framework, we are at the forefront of promoting ESG management in the insurance industry by identifying 2023 sustainability-related material issues (ESG Materiality) and approving the company's environmental management initiatives.
In addition, the ESG Secretariat, under the ESG Committee, acts as the coordinator, while the ESG Working Committee, composed of key department heads, assists in the smooth operation of the committee's duties.
The ESG Working Committee is split into three subcommittees: environmental, social, and governance. Each subcommittee identifies key issues and carries out detailed improvement tasks by analyzing internal and external conditions and understanding stakeholder concerns in the ESG domains. The identified issues and improvement tasks are fully integrated into the company's ESG management strategy and review through submissions to the ESG Committee.

ESG Management Operating System

ESG Committee Activities

In 2023, the ESG Committee held three meetings, during which they appointed the chairperson, reported on the publication of the 2023 Integrated Report, and deliberated and resolved major issues such as the 2024 Environmental Management Plan. They also deeply discussed the company's climate response plans (climate change scenario analysis, carbon emission estimation, net-zero strategy, etc.) in line with the global trend of reinforcing climate change response.

Assessment of the ESG Committee

DB Insurance conducts regular evaluations through board subcommittees to ensure that the ESG Committee properly fulfills its roles and responsibilities as required by laws and internal regulations, supporting its establishment as a decision-making body for matters delegated by relevant laws.
To achieve this, the BoD reviews the composition and operation status of the ESG Committee at the end of each fiscal year. The review includes assessing the committee's size and composition ratio, when to convene the committee meeting and convening procedures, agenda implementation rates, member attendance rates, the appropriateness of agenda proposals and deliberations, ethical and social responsibility considerations during decision-making, and the adequacy of provided data and information.

ESG Strategy

ESG Strategy

With the vision of "a global insurance financial group striving a happy society with customers," DB Insurance has set up a mid-to-long-term roadmap to implement an ESG management system centered on sustainability. Our ESG management strategy involves enhancing the overall environmental management framework (E), creating sustainable social value for stakeholders (S), and establishing a governance system that adheres to global standards (G), with specific strategies being pursued accordingly.

Vision

A global insurance financial company striving a happy society with customers

Goal

Establishing stakeholder-oriented ESG management for a sustainable society

Direction

- E: Enhancing environmental systems
- S: Creating sustainable social value
- G: Establishing advanced governance in line with global standards

Strategies

01 Establishing climate change response systems	03 Expanding ESG-linked corporate social responsibility (CSR)	05 Ensuring transparency in board operations
02 Securing green leadership	04 Strengthening stakeholder communication	06 Building an integrated ESG management system

Mid- to Long-Term Roadmap for ESG Management

Key Strategic Tasks	Direction: 2024~2025 Laying the Groundwork for Company-Wide ESG Management	Direction: 2025~2026 Elevating ESG Management	Direction: Post-2026 Establishing a Unique ESG Management System
E 1. Operating a financial carbon emissions management system 2. Establishing a climate risk management framework 3. Securing green leadership	· Advancing the financed emissions calculation model · Expanding the scope of climate risk scenario measurements	· Establishing quantitative climate risk targets · Developing management strategies for new agendas like biodiversity	· Completing climate change response systems and environmental management systems
S 1. Leading ESG-linked CSR 2. Strengthening stakeholder communication	· Quantitatively measuring social value (impact) · Diversifying disclosure channels	· Establishing quantitative social value (impact) targets · Expanding global initiatives	· Promoting inclusive management
G 1. Building an integrated ESG management system 2. Ensuring transparent board operations	· Strengthening the activities and independence of the ESG Committee	· Building an ESG disclosure information system	· Establishing internal control processes for ESG information disclosure · Developing executive compensation frameworks

Approach to Sustainability

2023 ESG Highlight

E

Climate Change Response Strategy

- Analyzed climate scenarios and measured the associated risks to develop climate change-related strategies and indicators
- Established a big data-based climate change risk analysis system and engaged in natural disaster prevention activities

Financing Coal Phase-Out

- Set mid- to long-term goals for achieving net zero by 2050 (40% reduction by 2030 compared to the 2018 level)
- Set carbon emission and energy consumption targets and managed the relevant indicators

Financed emissions initially measured
3,573,330
$tCO_2eq.$

Expanding Green Finance

- Developed eco-friendly insurance products (related premiums of KRW 5.2 trillion in 2023)
- Implemented responsible investment considering ESG factors

2023 Mutual Prosperity Finance
4.5%

S

Mutual Prosperity Finance

- Expanded insurance products for underserved populations
- Built a startup ecosystem through open innovation
- Expanded startup support programs

Category	2023 (Cumulative)
Startup incubation	21
Communication services (meetups)	257
Commercialization	26

Customer-Oriented Management

- Developed products tailored to customers' life cycles
- Enhanced digital-oriented customer accessibility and convenience
- Embedded a consumer-oriented corporate culture and expanded customer service capabilities

2023 persistency rate
100%
achieved

CSR

- Promoted programs for biodiversity conservation and startup support
- Provided financial education for vulnerable populations and youth
- Expanded other community contribution programs

Beneficiaries of financial education for vulnerable populations (as of 2023)
12,883
people

G

Expanding ESG Management Governance

- Regularly reviewed ESG Committee activities and operational status within the BoD
- Pursued responsible management, such as having the CEO concurrently serve as the Chairperson of the BoD
- Enhanced board transparency and fairness through the operation of a committee consisting of outside directors

Ethical Management

- Acquired certification for compliance management systems (ISO 19600) in 2017 (first in the insurance industry)
- Operated anti-money laundering systems and practiced voluntary compliance with fair trade

2023 compliance index
97.6
points

Risk Management

- Developed systems reflecting the new solvency regime (the Korean Insurance Capital Standard or K-ICS) and conducted risk assessments
- Established risk strategy limits and guidelines

K-ICS ratio
232%

Approach to Sustainability

Membership and Support Initiatives

Membership Associations and Organizations

National Quality Award Winners Council	Korea Business Council for Sustainable Development	Financial Security Institute
General Insurance Association of Korea	Korea Listed Companies Association	Korea Enterprises Federation
Korean Fire Protection Association	Korean Insurance Academic Society	The Federation of Korean Industries
Korean Insurance Academic Society	Financial Information Security Association	UNEP FI

Payment of Major Association Fees

(Unit: KRW million)

Order	Organization	Amount
1	General Insurance Association of Korea	5,022
2	Korea Insurance Development Institute	2,990
3	Korea Automobile Insurance Repair Research & Training Center	2,201
4	Korea Insurance Research Institute	1,105
5	Korea Credit Information Services	850
Total		12,168

External Evaluations and Awards

Major Awards

	Chairperson's Award of the Financial Services Commission at the Edaily Korea Financial Consumer Awards	Hosted by Edaily
	Selected as a leading company in financial consumer protection in Korea	Hosted by Korea Management Association
	First in the industry to be certified nine consecutive times in the customer-centric management industry	Hosted by the Fair Trade Commission
	Ranked first for three consecutive years in the 2023 KS-SQI Long-term Insurance category	Hosted by Korea Standards Association

Materiality Assessment

Double Materiality Assessment

The double materiality assessment comprises two distinct components: (a) impact materiality, which evaluates the influence of corporate endeavors on the environment, society, and economy; and (b) financial materiality, which assesses the economic implications of external environmental fluctuations on corporate valuation. Through a comprehensive consideration of these dual perspectives, enterprises can precisely grasp stakeholders' concerns, integrating them into managerial activities and strategic frameworks, thus enhancing business performance and amplifying the environmental and social value derived from corporate activities.
DB Insurance executes a materiality assessment each year, mirroring the interests of both internal and external stakeholders to pinpoint material issues, subsequently disclosed within the Integrated Report. For the 2024 Integrated Report, a rigorous double materiality assessment, adhering to the EU Sustainability Reporting Standards (ESRS) and Materiality Assessment Implementation Guidance, was undertaken, describing the principal material topics for DB Insurance.

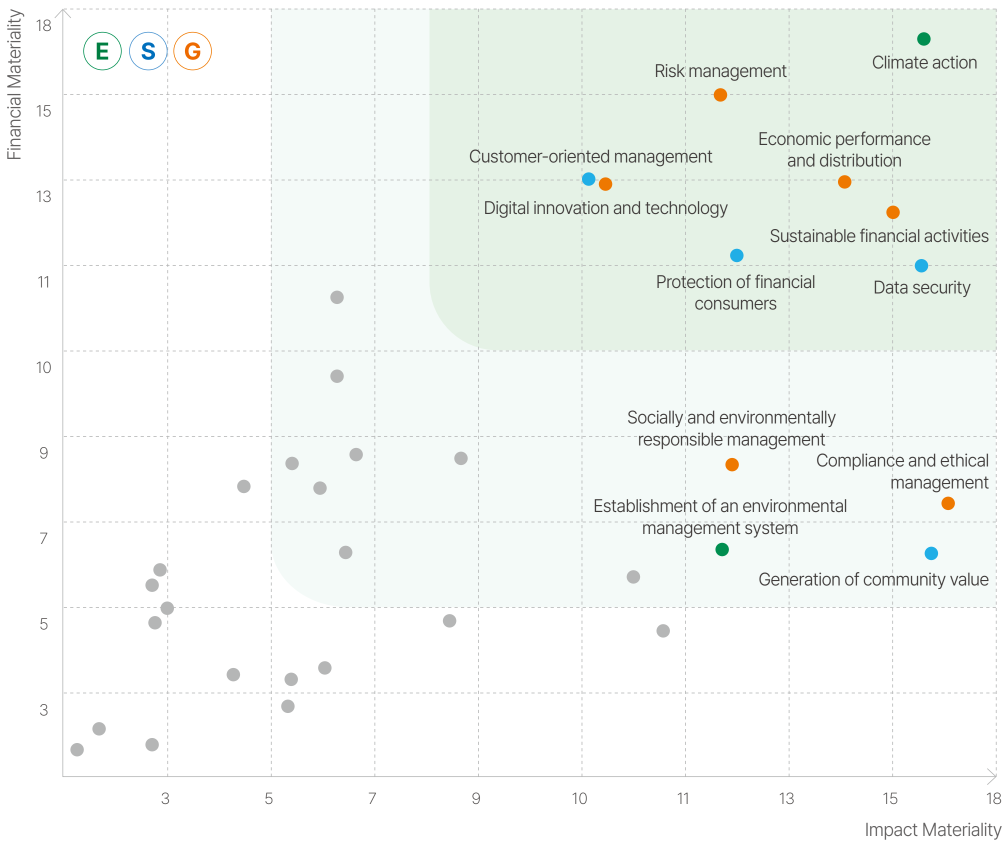
Double Materiality Assessment Process

Step 1	**Understanding the company's internal and external environment**	
	Understanding business activities and relationships	• Analyze basic information about the company's major products, services, business activities, and geographical locations • Identify stakeholders affected in the business relationship and across the entire value chain
	External environment analysis	• Analyze the current regulatory environment for the financial industry related to the company, including relevant laws and regulatory authorities • Conduct media analysis and industry benchmarking
Step 2	**Identifying impacts, risks, and opportunity (Creating an issue pool)**	
	International standards analysis	• Analyze key international disclosure standards such as GRI, ISSB, SASB, and ESRS
	Evaluation criteria analysis	• Analyze the evaluation standards and requirements of rating agencies such as MSCI, KCGS, and DJSI
	Report analysis for the previous year	• Review DB Insurance's sustainability reports from the past three years
	Industry analysis	• Analyze the materiality assessments of domestic non-life insurance companies: Samsung Fire & Marine Insurance, Hanwha Life Insurance, Hyundai Marine & Fire Insurance • Benchmark materiality assessments of international insurers: AXA, Allianz, Zurich Insurance
	Media analysis	• Analyze media articles related to DB Insurance: 734 articles • Expand to analyze media articles related to the insurance industry: 4,102 articles * Period: Jan. 1, 2023–Dec. 31, 2023
Step 3	**Double materiality assessment**	
	Impact materiality assessment	• Comprehensive evaluation of the overall impact of the issues - Considering their nature (positive/negative), attributes (actual/potential), scale, scope, likelihood, and recoverability 1) Evaluate the importance and impact of disclosure standards and evaluation criteria (GRI, KCGS, MSCI, ILO, etc.) 2) Analyze material issues in the industry (domestic and international) 3) Assess media exposure (DB Insurance and the overall insurance industry) 4) Evaluate the relevance of the issue to the company's strategy 5) Conduct stakeholder interest and importance surveys
	Financial materiality assessment	• Comprehensive evaluation of the overall impact of the issues - Considering their potential scale and likelihood 1) Analyze current industry regulations 2) Assess investor interest 3) Evaluate the importance and impact of global disclosure standards and evaluation criteria from a financial perspective
Step 4	**Selecting material issues**	
	Reporting and selecting material issues	• Select reporting and material issues based on their materiality from both impact and financial perspectives

Materiality Assessment

Materiality Matrix

DB Insurance conducted an analysis of internal conditions, regulatory environment, and media to establish an issue pool of 34 items. Accordingly, we selected 12 material issues including climate change response and customer-oriented management. Seven issues were identified in terms of impact materiality, including compliance and ethical management, and three issues were identified in terms of financial materiality, including risk management. Climate action and the generation and distribution of economic performance were highlighted as material issues in both impact and financial materiality.



Details of Material Issues

Below are the 12 material issues selected through the materiality assessment.

Significance of Impact: ●●● : High ●● : Medium ● : Low

Ranking (*)	ESG	Key issues	Environmental and Social Impact	Financial Impact	Page
1 (New)	Environmental	Climate action	●●●	●●●	40~47
2 (New)	Governance and economy	Economic performance and distribution	●●●	●●●	26~30
3 (New)	Governance and economy	Risk management	●●●	●●●	90~92
4 (▼1)	Governance and economy	Sustainable financial activities	●●●	●●	53~54
5 (New)	Social	Data security	●●●	●●	63~64
6 (▼)	Governance and economy	Compliance and ethical management	●●●	●●	87~89
7 (New)	Social	Protection of financial consumers	●●●	●●	60~62
8 (▼7)	Governance and economy	Digital innovation and technology	●●	●●●	33~36
9 (▼7)	Social	Customer-oriented management	●●	●●●	55~59
10 (▼7)	Social	Generation of community value	●●●	●●	80
15 (New)	Environmental	Establishment of an environmental management system[1]	●●●	●●	38~39
14 (New)	Governance and economy	Socially and environmentally responsible management (ESG expansion and internalization)[2]	●●●	●●	18~19

(*) Changes in ranking compared to the previous year
1) Despite being ranked 15th overall, it was selected as a material issue due to its significant environmental and social impact (above the threshold; ranked 7th in environmental and social impact priority).
2) Despite being ranked 14th overall, it was selected as a material issue due to its significant environmental and social impact (above the threshold; ranked 10th in environmental and social impact priority).

Changes in Material Issues in 2023

We have worked to enhance the completeness of the issue pool composition compared to the previous year and improve the evaluation consistency through diverse internal and external environmental and impact analyses. We have refined the materiality assessment process from the previous year to continuously manage and disclose DB Insurance's material issues and proactively address global disclosure regulations, thereby extending the scope of material issues. Climate action was added as a new material issue, ranking first, due to stronger climate disclosure regulations and increased climate change response activities.
Tighter regulations in the financial and insurance sectors and industry outlook analyses have brought forth new material issues such as risk management, economic performance creation and distribution, data security, and protection of financial consumers.

Stakeholder Communication Channels

DB Insurance engages in proactive communication with various stakeholders through tailored channels for each stakeholder group for efficient communication with a wide range of different stakeholders.

	Customers	Employees	Partners	Shareholders	Local Communities
Communication Channels	• Consumer Evaluation Panel • Customer VOC • Know Your Customer activities	• Dream Big Plaza • Suggestion system • Employee participation channel	• On-site PA communication channels • Sales Family TV	• Investor relations activities • Annual General Meeting and board meetings	• CSR activities • Sports sponsorship • Public interest activities
Communication Status	• External customer satisfaction surveys (KCSI, KS-SQI, NCSI) • DB Insurance customer satisfaction survey (DCSI)	• Employee satisfaction survey (ESI) • Monthly management performance briefings (PromyTV)	• DB Round Table (DBRT) and seminars • Meetings with DB Partners • Partnership conferences with maintenance partners • Medical advisory network (specialists)	• Management disclosures (electronic disclosure system and website) • Business briefings • Non-deal roadshows	• Volunteer activities (employee and planner participation in social contributions) • Financial education for vulnerable groups, support for rare and incurable diseases • Disaster insurance support for low-income groups • CCTV installation projects for the socially disadvantaged

Economy

Reinforcing Business Performance and Competitive Edge

Financial Performance

Due to the global economic downturn and financial market uncertainties, the domestic insurance market continues to face difficulties with rising loss ratios and increased investment risks, adversely affecting profitability. In a challenging environment marked by low growth and population decline, DB reported an 8.4% increase in direct premiums to KRW 20.881 trillion and a 4.4% rise in total profit margin to 10% in 2023.
Going forward, we plan to sustain our financial growth by pursuing ongoing management innovation to preemptively tackle rapid environmental changes and ensure structural profitability in all domains.

Category	Unit	2022	2023	Increase/Decrease	G/R(%)
Insurance operating profit	KRW million	2,004,682	1,550,008	(454,674)	(22.7)%
Investment operating profit	KRW million	574,672	466,755	(107,917)	(18.8)%
Total operating profit	KRW million	2,579,354	2,016,763	(562,591)	(21.8)%
Non-operating/special gains and losses	KRW million	-1,886	8,524	10,410	551.9%
Net profit	KRW million	1,946,943	1,536,746	(410,197)	(21.1)%
(Margin)	%	5.6	10.0	4.4	

Tax Compliance

DB Insurance rigorously adheres to the tax laws and related regulations in countries where it has overseas operations, ensuring the fulfillment of tax duties and other legal responsibilities. Furthermore, we develop global tax standards, principles, and policies for our domestic and international business sites to manage tax risks effectively. We conduct quarterly reviews by external auditors based on international accounting standards, as well as year-end financial audits. The results, corporate tax details, including deferred taxes and effective tax rates, are transparently disclosed through the electronic disclosure system (dart.fss.or.kr).

Corporate Tax Payments

Category	Unit	Direct Premiums Written	Pre-Tax Profit	Amount Paid as Tax	Domestic Tax Reduction Due to Overseas Tax Payment (KRW)
Domestic	KRW million	20,309,410	2,251,434	120,061	-
Overseas Region	KRW million	571,485	- 226,148	1,246	-
U.S. Branch	KRW million	498,540	-189,984	694	-
Guam	KRW million	72,945	-36,164	552	-

Economic Performance Distribution

DB Insurance not only pursues sustainable growth by creating economic performance but also faithfully fulfills its corporate social responsibilities by appropriately distributing this performance to various stakeholders, including customers, partners, shareholders, employees, and the community.

Stakeholders	Communication Channels	2021	2022	2023
Partners	Agency sales commissions	528,503	617,891	769,073
Employees	Salaries and welfare expenses	392,758	412,144	447,875
Shareholders	Dividends	210,152	276,200	318,230
Customers	Insurance payments[1]	7,634,060	8,704,668	9,611,714
Local communities	Social contribution amounts	7,730	8,317	8,605

1) Insurance payments for 2022 and 2023 are based on IFRS17 incurred claims.

Reinforcing Business Performance and Competitive Edge

Innovation Management System and Roadmap

DB Insurance drives company-wide innovation management to uncover new growth opportunities and improve management efficiency. The Innovation Committee, under the CEO's direction, develops enterprise-wide innovation plans and selects actionable tasks based on mid- to long-term management strategies while organizing dedicated teams to build capacity in talent development and task oversight. The designated innovation projects are systematically managed, incorporating continuous monitoring and feedback to boost effectiveness. The committee executes platform business models aimed at reinforcing digital transformation and work innovation, such as public MyData and generative AI, throughout 2024.

Embedding an Innovation Culture

DB Insurance is committed to embedding innovation management into the workplace, fostering an environment where employees can immerse themselves in their tasks. We host an annual in-house best practice presentation where the selected best practices are awarded. The CEO directly reviews and oversees company-wide innovation projects, and all executives drive innovation projects to enhance execution capability for innovation management. A hallmark of DB Insurance's innovation activities, initiated in 2016, is the departmental proposal activities. These evolved into field improvement task force activities in 2017 and were restructured in 2018 into "One-Team" activities through employee participation. One-Team activities are engaged by autonomous groups promoting work improvements regardless of department or team, with 807 teams participating between 2018 and 2023, and 176 teams actively involved in 2024.

Major Innovation Projects in 2023

Open Innovation Projects	• Adopted an unmanned work process for telemarketing permissions • Built a custom claim platform for group insurance to secure individual policyholder marketing opportunities • Identified flexible means for simultaneous long-term/car insurance enrollment from the customer perspective to secure marketing opportunities • Enhanced responsiveness through pre-scoring customer complaints
Customer Products	• Secured a structural profit base through the advanced underwriting of commercial vehicles • Upgraded the channel support system based on AI assistants
Channels	• Activated additional marketing for long-term pending customers • Improved regional productivity through enhanced management efficiency of GA branches • Upgraded the entire sales process to extend profitability based on contractual service margins • Increased sales by enhancing the expertise of corporate-grade sales
Claims	• Improved loss amounts through automated precision audits using electronic data interchange information • Innovated the handling structure of minor injury patients using digital transformation
Asset Management	• Managed risks to improve the negative margin of retirement pension accounts
Management Support	• Reduced risk through the innovation of disclosure work processes

Innovation Activity Achievements

DB Insurance has been acknowledged as a company with excellent quality in the domestic financial sector thanks to our systematic and continuous quality management innovations. We solidified our industry-leading position by winning the National Quality Award in 2015 and being the first in the insurance sector to receive the National Quality Masters for two consecutive years in 2016 and 2017.

Since 2017, we have annually won awards in the National Quality Management Convention, hosted by the National Institute of Technology and Standards and organized by the Korea Standards Association, in the excellent quality group category, receiving the National Quality Innovation Award and Iron Tower Order of Industrial Service Merit by 2023, along with 12 gold, 5 silver, and 4 bronze awards in the same category.

In particular, in 2023, we won awards across service, free format, social value creation, office indirect, and R&D categories, achieving the highest number of awards since entering the convention.

Year-by-Year National Quality Management Convention

- **2005** First in the financial industry to receive National Quality Management Award
- **2008** First in the financial industry to receive National Quality Innovation Award
- **2015** First in the financial industry to receive National Quality Award
- **2016** First in the financial industry to receive National Quality Master
- **2017** First in the financial industry to receive Gold in the excellent quality group category; National Quality Master
- **2018** 1 Bronze in the excellent quality group category
- **2019** 2 Gold and 1 Silver in the excellent quality group category
- **2020** Iron Tower Order of Industrial Service Merit, 3 Gold and 1 Silver in the excellent quality group category
- **2021** 2 Gold and 1 Bronze in the excellent quality group category
- **2022** 2 Gold and 2 Silver in the excellent quality group category
- **2023** National Quality Innovation Award, 2 Gold, 1 Silver, and 1 Bronze in the excellent quality group category

Reinforcing Business Performance and Competitive Edge

2024 Innovation Management System

Control Tower → Innovation Committee (Chairperson: CEO) — Task selection, task approval, and performance feedback

혁신 사무국 → Digital Innovation Division (MBB[1] 6명) — Innovation planning, task selection, implementation support, and performance verification (7 FEAs[2])

	Implementation Methods	Innovation Scope	Goal
Top Down	Company-wide innovation projects	Business structure innovation (business model)	Securing competitive edge (Dramatic level up)
	Executive innovation projects (design thinking)		
	Internal/external open innovation projects	Customer-oriented, product process innovation	Quality (Reducing variability)
Bottom Up	DB regulation sandbox	Unit work innovation	Efficiency (Improving work speed)
	Proposals and task forces	Comprehensive work improvement, hidden cost removal	Efficiency (Improving work)

1) MBB: Master Black Belt; Individuals who attained advanced innovation certification
2) FEA: Financial Effect Analyst

Transition to a High-Efficiency Business Structure

To enhance the focus and execution of our expansive long-term strategies, DB Insurance instituted the 2025 Long-Term Strategy, promoting a series of detailed strategic tasks.
In our quest to realize the 2025 Long-Term Strategy, during 2023, we executed projects aimed at bringing forth innovation in our business structure in the first wave and managed executive innovation projects in the second wave, all integrated with open innovation. Furthermore, we intensified our support for advanced digital technologies, including artificial intelligence (AI) and robotic process automation (RPA), to furnish immediate and accelerated assistance for issues and technical demands throughout project execution.
Our objective for 2024 is to fundamentally address and resolve chronic challenges. We identified 27 initiatives designed to enhance profitability, derived from 10 pivotal questions that encompass organizational, institutional, and work system perspectives. Accordingly, we interconnected these with executive innovation projects to bolster digital-based problem-solving capacities.

Innovation Management Roadmap

STEP 1
Scientific Innovation (until 2009)
- Introduction of Six Sigma
- Elimination of inefficiencies

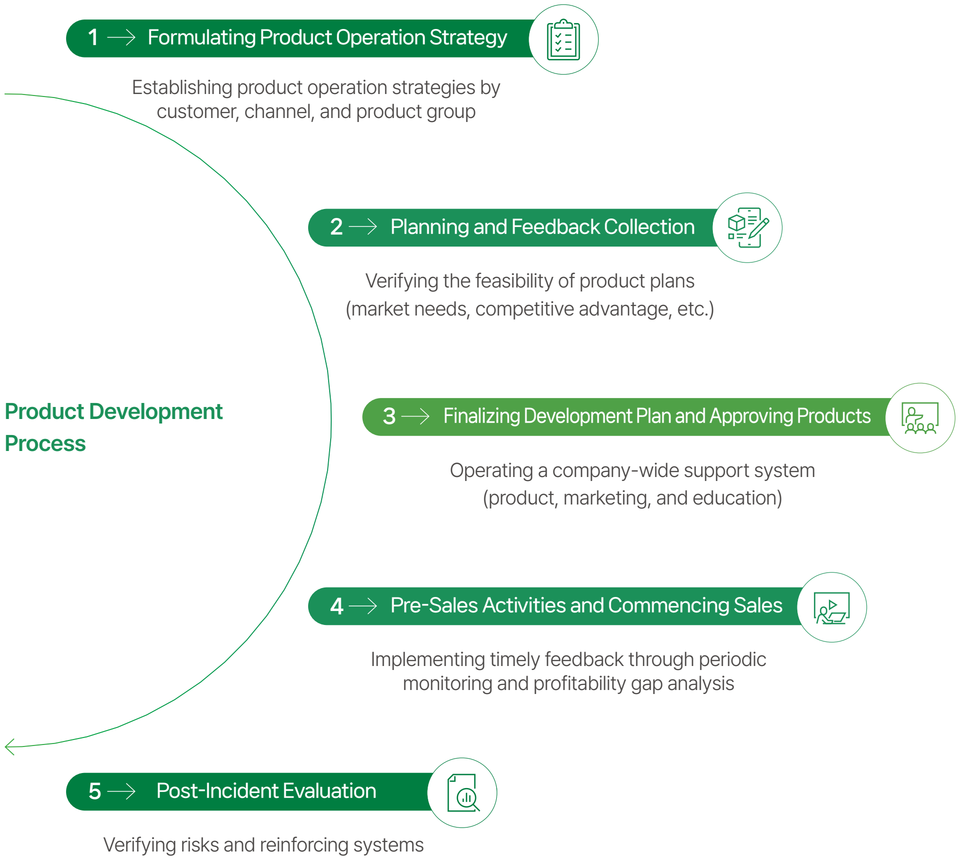
STEP 2
Strategic Innovation (2010–2017)
- Business structure innovation
- Expansion of new growth engines

STEP 3
Digital Innovation (2018–present)
- Application of new technologies to work processes
- Increased speed in problem-solving

Reinforcing Business Performance and Competitive Edge

Product and Service Development

DB Insurance flexibly adapts to fluctuations in both internal and external environments that might influence product composition, grounded in a structured product and service development process. The Product Development Review Committee and the Strategic Council, in particular, analyze the social and environmental impacts of new long-term insurance and car insurance products to create value for a wide range of different stakeholders.



Reinforcing Competitive Edge through Exclusive Use Right[1] Products

DB Insurance not only delivers unique value to its customers but also significantly bolsters its business competitive advantage by strategically diversifying its products to mirror customer needs and socio-environmental trends. The following are the products we launched by year: “Excellent Full-Coverage Insurance” and “Excellent Motorcycle Insurance” (2017), “Excellent Driver Insurance” (2018), “Excellent Happiness Plus Full-Coverage Insurance” (2019), “Risk Rates for Traffic Accident Support Fund for Less Than 6 Weeks” and “Risk Rates for Major Heart Inflammation Disease Diagnosis and Two Other Types” (2020), “Risk Rates for Bedsore Diagnosis and One Other Type” (2021), and “My Customized Simple Health Insurance” and “Risk Rates for Lawyer Appointment Fees Including Police Investigation” (2022). In 2023, we secured four exclusive use rights for the “Nursing Indemnity Insurance,” marking an industry first.
As a result, we have amassed a total of 32 exclusive use rights, thereby reaffirming our exceptional capabilities in product development and surpassing our own industry record for the most exclusive use rights held.

1) Exclusive use right: The General Insurance Association of Korea has instituted a system whereby companies that introduce innovative products with new features undergo a review process. If approved, these companies are granted exclusive rights to market their products for up to one year.

In preparation for a super-aged society, DB Insurance acquired four exclusive use rights to offer a pioneering product for both reimbursable and non-reimbursable long-term care benefits: Long-Term Care Actual Expense Insurance

DB Insurance secured four types of exclusive use rights for up to six months for the Long-Term Care Actual Expense Insurance launched in July 2023. The policy includes actual expense coverage for reimbursable care, non-reimbursable care, a tangible service exclusively for long-term care, and a coverage modification system.
The company introduced a dedicated long-term care product not covered under traditional medical expense insurance to support stable post-retirement life in a society with over 10 million elderly population. Although public systems for long-term care support are in place, the personal contributions required for reimbursable care (15–20%) and costs for non-reimbursable services continue to be a burden.
Therefore, DB Insurance offers actual expense coverage up to the policy limits for potential costs such as “reimbursable long-term care out-of-pocket expenses” and “non-reimbursable long-term care costs.” In addition, the company developed customized tangible services to enhance the quality of life for care recipients and introduced an industry-first system that allows for periodic coverage adjustments, thereby securing exclusive use rights. Going forward, DB Insurance will continue to develop market-leading products that incorporate consumer needs in line with current trends.

Reinforcing Business Performance and Competitive Edge

Value Creation through Innovation

DB Insurance enhances its asset management system and capabilities based on the new asset and liability management (ALM) framework, diversifying investment regions and targets to proactively respond to rapid changes in the domestic and international business environment. Based on these efforts, we are poised to effectively match the cash flows of insurance liabilities with assets to secure long-term funding for insurance payouts and achieve a stable secondary margin.

Enhancement of the Experts Operating System

DB Insurance identified core competencies in six roles and 13 areas essential for mid-to-long-term asset management to boost asset management performance. Additionally, we reinforced the operational system for asset management experts, including recruitment, development, and management. We foster hybrid talents with a high understanding of both insurance and investment through a specialized asset management training system, while also discovering and sharing new investment ideas through research seminars on various investment themes. Furthermore, we reinforce our global investment capabilities by incorporating and staffing overseas investment bases. In addition, we continue to provide opportunities to learn investment expertise and nurture experts through internships and educational programs with leading foreign insurance and asset management companies.

Expansion of the Global Network

DB Insurance continues to explore networking and partnership opportunities with global insurers and asset managers, by means such as signing an investment business agreement (MOU) with the top insurance company in North America. We are also expanding our co-investments in real estate, infrastructure assets, and foreign corporate bonds. Through this approach, we are not only expanding our channels for premium global investment deal sourcing but also acquiring sophisticated investment expertise.
The incorporation of the investment office in Manhattan, New York, has enhanced investment accessibility by leveraging a robust network with local financial institutions to provide high-quality global investment information. Furthermore, the New York subsidiary is enhancing both pre- and post-investment due diligence in the Americas, strengthening post-management of existing investment assets and contributing to the discovery of premium assets and asset managers. Continuing forward, we will persistently extend our overseas groundwork to bolster the accessibility to our global network and investment assets.

Enhancement of Responses to Changes in the Long-Term Investment Environment

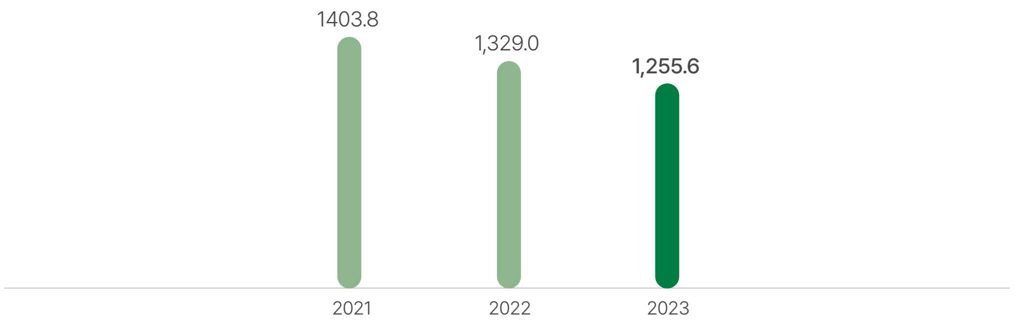
Even under the new accounting standards (IFRS17, IFRS9) and supervisory regime (K-ICS) introduced in 2023, DB Insurance is committed to maintaining stable capital and income volatility through sophisticated ALM-based asset management.
Our plans are focused on securing a stable scale of profits and losses. We will continuously increase the matching rate of asset and liability durations and reduce the proportion of investments in revenue securities and structured securities that amplify volatility in financial results. We also intend to concurrently exert improvement efforts through the purchase of high-interest long-term government bonds and opportunistic trading of low-yield bonds during favorable market conditions. We will proactively manage retained assets to maintain a stable level of asset soundness. At the same time, we intend to continuously pursue additional profits at an appropriate level through domestically and internationally validated high-quality alternative investments.

Sustaining a Competitive Edge in Investment Returns

DB Insurance reinforces its ALM-based asset management system through a multitude of efforts, including maintaining a proportion of interest-bearing assets secured by stable interest and dividend incomes at over 90%, and generating additional profits by leveraging market opportunities through equity management. Through these measures, we achieved an asset management profit of KRW 1,259.6 billion and an investment return rate of 3.0% in 2023.

Asset Management Performance

(Unit: KRW billion)



Enhancing Global Competitiveness

Americas

DB Insurance consistently expands its business scope in the Americas by offering a diverse range of products, including home fire insurance, car insurance, and package insurance (property and liability) to both corporations and individuals. In particular, the International Business Division has made significant efforts by directly entering the Californian market in 2021 to enhance its global business capabilities. Leveraging an integrated operational framework coupled with expedited decision-making protocols, DB Insurance is poised to foster the development of local experts, enhance operational efficiencies, and broaden its sales territories, thereby positioning itself to attain a competitive edge over local insurers in the Americas.

Status and Plans for Expanding Business Market in the Americas

DB Insurance rigorously advances its efforts to establish a durable and sustainable commercial foundation within the U.S. by penetrating previously unexplored regional markets. As we approach the year 2023, we plan to amplify our operational reach by pursuing the acquisition of business licenses throughout the entirety of the Americas. In addition, given the varying business climates and regulatory frameworks that characterize different regions, we intend to tailor our product composition in line with regional specificities and devise tailored operational tactics designed to foster stable and enduring business engagements in each region.

~2020	2021~2022	2023
Ventured into Ohio (2018), Indiana (2019), Texas (2020), and Pennsylvania (2020)	Newly acquired business licenses in five states: Arizona, Georgia, Alaska, New Jersey, and Massachusetts	Newly acquired a business license in Nevada and initiated a batch application for business licenses across the entire U.S.

Branches Operated within the U.S.[1)]

Category	Unit	Guam	Hawaii	California	New York	Americas Planning	Americas Support	Americas Compensation
Total no. of employees (local recruitment)	Persons	6 (3)	13 (11)	15 (13)	15 (13)	11 (7)	18 (5)	2 1 (18)
Size	USD million	53.7	108.9	179.6	76.3	-	-	-

1) As of the end of 2023, based on the Insurance Company Overseas Branch Performance Report announced by the Financial Supervisory Service

Hawaii

The Hawaii branch, recognized as a dominant insurance provider in the local community, has established a robust foundation for stable growth, predicated on profitability derived from its unique product competitive edge and the provision of swift customer services alongside strong affiliations with principal channels within the market. In addition, it is steadfast in its efforts to continuously elevate customer service standards to solidify its market dominance. In 2023, the branch is poised to broaden its business domain by venturing into the Alaskan market.

Guam

Established in 1984, the Guam branch has established robust partnerships with local agencies and its ability to offer swift customer services across a spectrum that includes personal insurance products like car and home fire insurance, as well as substantial commercial property insurance for large-scale lodging facilities such as condominiums and hotels, and shopping centers. As a result, the branch has cemented its status as the most trusted leader in the insurance sector within the region, including adjacent islands such as Saipan.

California

The California branch manages to conduct program businesses through significant MGAs[1)] while simultaneously undertaking direct sales operations through local agencies to increase both branch scale and profitability. Noteworthy milestones include the branch's entry into the California homeowners insurance market in 2020, and the initiation of full-scale operations in the Texas commercial car insurance market in 2021. The branch plans to penetrate the general insurance market in Arizona by 2024, thereby continuously extending the foundation for growth on the global stage.

1) MGA: Managing General Agent

New York

The New York branch vigorously pursues the diversification of both channels and product portfolios to ensure business stability. In line with these activities, the branch successfully laid a stable growth groundwork by offering package products that encompass property and liability insurance, full-scale homeowners insurance for individual clients, and making successful inroads into the commercial car insurance market. Further, it is currently gearing up to launch new ventures in New Jersey and Massachusetts by 2024. To seize opportunities for overseas investments and to manage preemptively existing assets, DB Advisory America, Ltd. was established in 2020 and subsequently registered in 2021 as an investment advisory firm with both the U.S. Securities and Exchange Commission and Korea's Financial Supervisory Service. This strategic move is aimed at enhancing profitability and optimizing the asset management efficiency of both the headquarters and its branches across the Americas.

Enhancing Global Competitiveness

Asia

DB Insurance works towards reinforcing its global competitiveness through close collaboration with its subsidiaries in China and Vietnam. By distributing our managerial expertise and corporate culture, we are enhancing our distinctive competitive edge in the local markets and laying a sustainable groundwork for sustained growth.

China

Considering the formidable entry barriers and uncertainties of the Chinese market, DB Insurance opted for market entry through the acquisition of shares or by forming joint ventures with local partners instead of independent ventures. This strategic approach began with the opening of an office in Beijing in 2006, followed by the acquisition of shares in a Qingdao insurance brokerage in 2011, and subsequently pursuing the acquisition of a stake in a local primary insurer in 2013. Such initiatives prove our efforts to expand our business endeavors within the Chinese market. In particular, we continue to extend our business foundation in China by engaging in joint insurance ventures and taking part in the management of a local primary insurer that holds sales rights across the entire region, thus enhancing our local business capabilities.

Summary of Business Development in China

2014
- Improved the compensation system

2015
- Established a telemarketing channel

2016
- Formulated channel strategies

2017
- Established an exclusive channel

2018
- Enhanced the competitiveness of general insurance and stabilized exclusive channels

2019
- Improved individual agent channel sales capabilities and established a CM business model

2020
- Improved profitability through efficiency enhancement
- Restructured business based on profitability

2021
- Established a non-car insurance specialized sales team
- Strengthened CM channel sales
- Strengthened car insurance underwriting and claims capabilities

2022
- Strengthened non-car insurance underwriting and expense management
- Strengthened car insurance underwriting and claims capabilities

2023
- Improved non-car insurance loss ratio
- Improved car insurance renewal rate

Vietnam

DB Insurance exerts multilateral efforts to establish itself as a leader in the market. This began with the acquisition of Vietnam Post-Telecommunication Joint-Stock Insurance Corporation (PTI) in 2015, which laid the groundwork for local operations and introduced the advanced Korean bancassurance system to the Vietnamese market for the first time. This was followed by the acquisition of additional Vietnamese insurers, VNI and BSH, in 2024, aiming to increase investment in the Vietnamese insurance market. By integrating DB Insurance's business capabilities into the newly acquired insurers (VNI and BSH), we plan to enhance their core competencies, such as product and digital capabilities, and to amplify local business competitive edge by expanding their channels. Going forward, we will continue to expand partnerships and enhance internal capabilities to lay a solid business groundwork in the Indochinese Peninsula.

Summary of Business Development in Vietnam

2018

New
- Enhanced the competitiveness of general insurance and stabilized exclusive channels
  - Enhanced the competitiveness of the telemarketing business
  - Advanced the operational system for automobile compensation
  - Enhanced the competitiveness of reinsurance

2019
- Established an investment risk management system

2020
- Formulated an ISP strategy and strengthened reinsurance risk management
- Strengthened insurance risk management and established sales support systems

2021
- Established insurance risk management systems
- Established sales education systems
- Improved business expense management structures

2024
- Acquired VNI and BSH

Digital Innovation and Technology

Digital Innovation

The digital transformation, anchored by big data, blockchain, cloud computing, AI, and the Internet of Things (IoT), is precipitating a profound metamorphosis within the insurance sector, and this is expected to induce consumer-centric innovation across the entire spectrum of the value chain. Accordingly, it is imperative to undertake preemptive and strategic measures aimed at invigorating insurtech across a myriad of domains, including but not limited to the development of insurance products and services, the facilitation of insurance sales, and expedited insurance claims. DB Insurance formulated a vision and a mid-to-long-term roadmap for digital transformation, with the aim of spearheading data-driven financial innovation amongst domestic insurers. In pursuit of this vision, we remain entirely committed to bolstering the competitiveness of the digital-based value chain, with a focus on five fundamental pillars of customers, channels, products, processes, and organizational culture, while exploring new business opportunities.

Digital Transformation Vision

Under the vision of ascending to Korea's No.1 digital insurer, DB Insurance endeavors to achieve a transformation into "digital insurance," which is based on the integration of novel digital technologies with traditional business paradigms. To this end, we formulated the 4C (Customer Centric, Innovative Corporate, Connected Ecosystem, and Sustainable Creativity) Digital Drivers as the cornerstone of our strategic direction. This framework guides the digital transformation across key domains such as customer relations, communication channels, product portfolios, process configuration, and organizational culture. In particular, we continue to harness the latest insurtech innovations to unlock new products and services, thereby enhancing operational efficiencies across all business sectors, as well as solidifying our stature as a preeminent digital insurer in the marketplace.

Korea's No. 1. Insurer

Innovation Through Digital

Digital Drivers - 4C

Customer Centric	Innovative Corporate	Connected Ecosystem	Sustainable Creativity
Innovating hyper-personalized customer experiences through data insights	Strengthening competitiveness through the internalization of digital innovation processes	Rising as an open platform through connection with digital channels	Creating a digital organizational culture that explores new business opportunities

Customers	Channels	Products	Processes	Organizational Culture
Analyzing customers using data analytics	Integratedly managing customer experience information from an omni-channel perspective	Developing AI-based products	Automating processes such as AI-based enrollment, underwriting, and claims payment	Operating collaborative organizations among digital, IT, and business
Providing unique customer experiences based on digitalization	Upgrading digital sales support systems	Developing personalized products and services based on digital technology	Strengthening AI-based data collection systems	Internalizing digital DNA
				Operating digital promotion organizations on a call basis

Core Areas of Digital Transformation

Mid- to Long-Term Roadmap for Digital Transformation

DB Insurance developed a three-stage mid- to long-term roadmap, which systematically orchestrates the strategic deployment of insurtech innovations extending through the year 2025 and beyond. The first stage, which concluded in 2022, was dedicated to the fortification of the digital-based value chain competitiveness, which was characterized by the advancement of projects on AI, big data, and open innovation. In the second stage, projected to extend until 2024, the focus shifts towards the augmentation of new digital financial businesses, which is set to be achieved through the exploration and expansion of new digital finance ventures within domains that integrate core business with digital technology, including data analytics and healthcare. Commencing in 2025, the third stage involves the construction of the integrated DB digital platform, engineered to facilitate a one-stop service encompassing insurance, investment, healthcare, and non-financial services, thereby elevating convenience for consumers.

Step 1

Strengthening value chain competitiveness

Process + Digital

- Improving work efficiency based on big data
- Automating tasks and eliminating simple tasks through the introduction of AI
- Expanding partnership businesses based on open APIs
- Establishing internal and external data platforms

Step 2

Strengthening digital financial business

Biz + Digital

- Digital insurer
- Data-based business
- Digital healthcare
- Open innovation
  - Fintech investment
  - In-house ventures
  - AI R&D
  - Establishment of big data centers

Step 3

Expanding disruptive innovation in digital business & facilitating platform transition (digital financial + non-financial services)

Financial + Technology

Insurance	• General insurance • Life insurance • Health insurance • Car insurance
Banking	• Individuals • small businesses • corporations
Asset Management	• Financial lease asset management • Investment trusts • Securities

Financial + Ecosystem

Financial Service	• Asset management platform • Loan management • Payment
Health-Care Service	• Healthcare platform • Offline medical services • Unmanned AI medical services
Auto Service	• Car purchase management platform (new/used cars) • Rental and auction • Auto loans
Real Estate Service	• Real estate insurance management • Real estate leasing business • Real estate investment and asset management
Smart City Service	• Smart city insurance

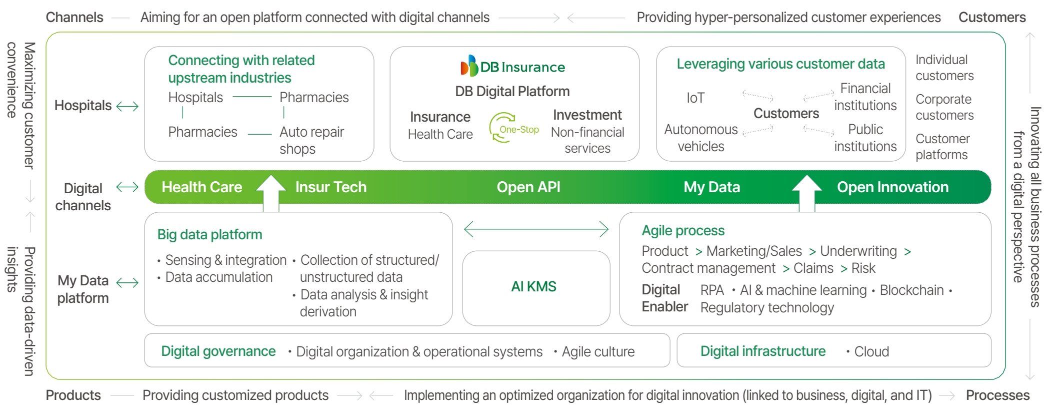
Digital Technology empowerment

Biometrics	• Face, Voice • Micro-Bio
Big Data	• Financial and health data platforms
AI(Robot)	• AI platform • Natural language processing and computer vision
Cloud	• Finance Cloud • Health Cloud
Open Innovation	• Open platform • Digital Office

Digital Innovation and Technology

Digital Innovation 2025 Plan

DB Insurance will enhance value chain competitiveness through systematic digital transformation integrating digital technologies, discover business domains that are linked with related upstream industries, and create opportunities to generate new value.



Operation of Digital Consensus Building Programs

DB Insurance strives to foster a consensus on digital innovation among all employees by operating internal programs comprising digital trends, technological changes, and application cases. The Dream Big Leader program shares a wealth of digital-related news internally through its weekly and monthly InsurTech newsletters, along with the Dream Big Times publication to help spread valuable digital technologies and tips across various workplace settings. We also boost our internal communication through the Promy Broadcast to enhance digital awareness and skill development among all employees. Looking ahead, we will continue to foster a digital consensus across the company, supporting a natural transition to digital practices in all areas of work.

Digital Consensus Content

Understanding Domestic and International Digital Trends	Understanding Digital Technologies	Understanding Practical Digital Application Cases
(digital industry and insurtech trends)	(expertise in new technologies such as machine learning, AI, and RPA)	(application cases of our company and competitors)

Consensus Channels

1. On-site dissemination by Dream Big Leaders
2. Dream Big Times
3. Promy Broadcast
4. Insurtech newsletters

Cultivating Insurtech Experts

In addition to fostering a digital culture throughout the company, DB Insurance enhances its ability to respond promptly to changes in the insurance market driven by advancements in information and communications technology (ICT) by developing insurtech experts skilled in responding to digital transformation. Our digital education program not only boosts employees' digital innovation capabilities but also enhances their creative and logical problem-solving skills.

Training System and Direction

DB Insurance operates diverse programs tailored to different competency levels, ranging from cultivating insurtech experts to expanding digital literacy

Digital Workforce Training System

• Fluency • Business • Problem Solving	Insurtech experts	• Digital expert instructor course • Attendance at domestic and international conferences • Digital mentoring
• Literacy • Tech • Talent	Eligible individuals for training	• AI platform expert course • Data expert course • External advanced course
	Training candidates and expanding insurtech eligibility company-wide	• Digital literacy course • Insurtech Academy

Cultivating Insurtech Experts (Company-Wide Mentors)	Intensive Cultivating of Data Analysts	Operating Programs for Expanding Digital Literacy
• Strengthening the expertise of dedicated personnel • Expanding external specialized entrusted education	• Operating the data expert course within Dream Big Business School	• Adding the digital literacy course to the common competency program: Standardizing digital tech competencies • Cultivating in-house digital expert instructors: Fostering and spreading a company-wide digital innovation mindset

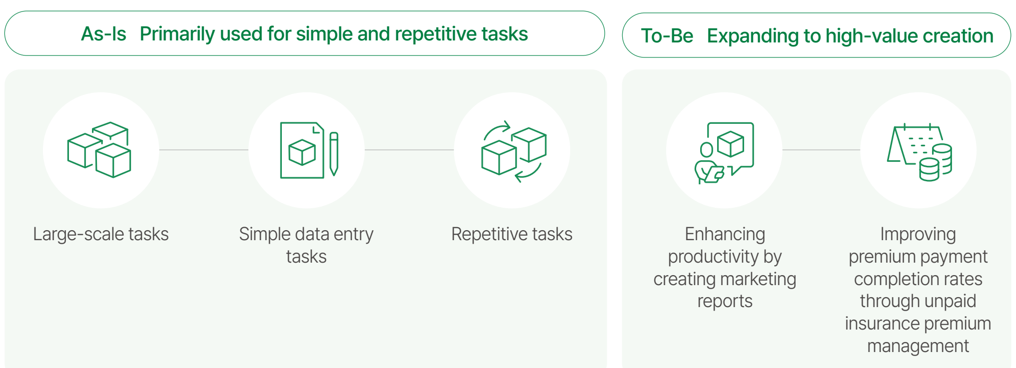
Digital Innovation and Technology

Achievements of RPA-Based Work Automation

DB Insurance established an RPA system to enable employees to move away from monotonous repetitive tasks and focus on high-value-added work. This system automates 112 repetitive tasks, including document preparation, data entry, external data collection, document inspection, and monitoring. It is estimated to save 50,000 work hours annually and generate financial benefits exceeding KRW 1 billion.

Moreover, RPA has been applied not just to repetitive tasks but also to high-value-added tasks, yielding significant results. For instance, RPA automatically generates marketing reports based on long-term insurance subscription data, enhancing productivity through personalized consulting. In addition, by combining the automated response system (ARS) with RPA, a new process for managing unpaid premiums was established to improve premium payment completion rates.

Financial Performance	Cost Savings	• Annual cost savings of over 50,000 hours through automation
	Value Creation	• Direct financial performance exceeding KRW 1 billion through improved productivity
Lead Time Reduction		• Increased processing speed and volume
Improvement in Work Accuracy		• Ensured accurate work results by eliminating human errors such as calculation mistakes
Increase in Employee Productivity		• Provided time to focus on core tasks by moving away from simple tasks
Reinforcement of Regulatory Compliance		• Enhanced security and privacy protection by performing only instructed tasks according to rules • Enabled monitoring by storing all execution details through digital process automation



Diagnosis of Company-Wide Digital Levels and Task Derivation

In 2023, DB Insurance conducted an assessment of its digital capabilities across the value chain and identified key areas for improvement through the implementation of new technologies. We pursued a true digital transformation by restructuring our work processes to realize significant improvements in both productivity and profitability. In 2024, we re-benchmarked practices from advanced digital firms worldwide, including financial institutions, and thoroughly refined our work processes. This led to the definition of six primary work domains and 15 strategic initiatives to enhance digital transformation rates, maximize revenue, and improve operational efficiency, striving to be Korea's No.1 digital insurer.

Improvement in Operational Efficiency based on AI

DB Insurance opened an AI-based pre-underwriting system in April 2023 in an effort to fundamentally change traditional work methods. The rise in underwriting cases, driven by an aging population and market growth of insurance policies that cover pre-existing diseases, has made it difficult to manage with basic task automation alone. Therefore, by shifting the perspective from "product coverage-centered" to "customer-centered," we have built a system where AI analyzes customer information and past experience data upon customer contact, and performs coverage analysis and disease underwriting in a one-stop process, rather than post-processing underwriting. Accordingly, we achieved high customer satisfaction, strengthened field marketing capabilities, and improved annual performance, yielding a triple benefit.

Automation of Consultation Tasks for Short-Term Driver Endorsements

Since 2021, an AI-based roboteller system has been in place to monitor complete sales, confirming customers receive full explanations and necessary documents during insurance contract signing. Robotellers effectively manage about 4,000 cases per day. Given these results, DB Insurance decided that robotellers could manage incoming calls for consultants, leading to the implementation of a service in December 2023 where robotellers directly interact with customers to automatically process "increased endorsement of short-term drivers," temporarily increasing coverage for car insurance policyholders.

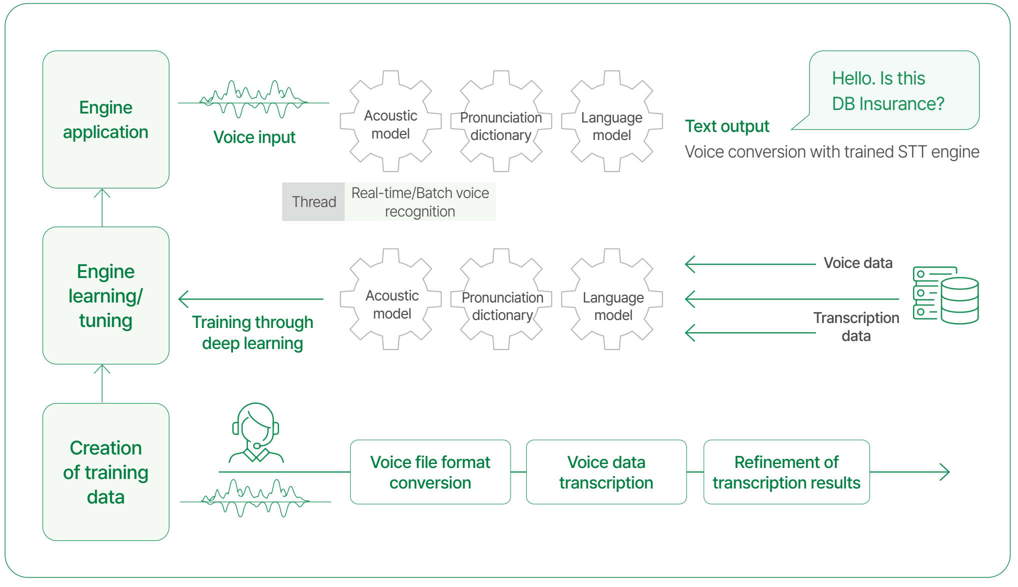
Digital Innovation and Technology

Advancement of Generative AI-Powered Chatbot Services

DB Insurance, having launched the first rule-based customer chatbot service in the industry in 2016, enhanced the service to an AI chatbot with NLP capabilities in January 2021. Since 2021, we have introduced chatbots in five business areas, adding three more fields in the following year. We currently provide services to answer questions in eight business-related fields, and we are set to introduce a new evolution in 2024. Quick reviews of the technology and application possibilities of generative AI, represented by ChatGPT, are ongoing in 2023, and we are working with various AI tech companies to explore the unlimited potential of chatbot services.

Establishment of an STT System

Speech-to-text (STT) technology, used to convert speech into text, depends on high-speed processing and accuracy, and without meeting both standards, the service cannot operate efficiently. DB Insurance implemented an AI-driven STT system that can convert 1,000 characters per minute with more than 80% accuracy.



Systematization of Decision-Making Processes based on Big Data

DB Insurance executes various improvement measures based on a long-term big data strategy incorporating new analysis technologies like machine learning. We executed a number of business improvement initiatives in 2018, leveraging the practical experience in big data analysis obtained from 2017 pilot projects. Moreover, we reinforced the framework for identifying, implementing, and managing company-wide big data projects in 2019 and established a big data platform in the following year. In 2023, we successfully expanded our big data platform, solidifying the basis for a decision-making system centered on big data.

Advancement of Customer-Specific Coverage Analysis Using Personalized Data

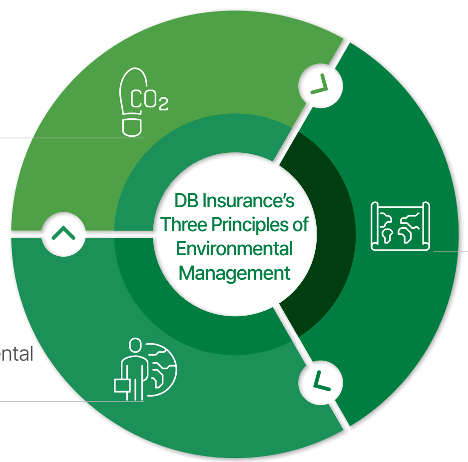
In insurance, "coverage analysis" is a system designed to evaluate the adequacy of premiums and the sufficiency of coverage in existing insurance products. The system recommends additional coverage to customers where needed. Most insurance firms do not account for personal traits in coverage analysis, relying on generic or average figures for consultations. However, DB Insurance is equipped with a system that offers tailored coverage suggestions based on specific customer attributes, including gender, age, alien status, marital status, job code, injury grade, and estimated income. As a result, the number of monthly coverage analyses performed increased by more than 25%.

Operation of a Model that Recommends Potential Customers for Credit Loans

DB Insurance runs a model using machine learning-based recommendation algorithms to analyze features such as estimated income, renewed premiums, and base premiums of past credit loan customers, as well as to identify prospective customers who are likely to need credit loans. Based on this system, the average response rate increased 1.6 to 1.8 times compared to general customers who were not modeled, resulting in enhanced productivity in sales activities.

Environment

Environmental Management System



Environmental Management Principles and Strategy

DB Insurance has defined three key principles for environmental management: "specialization in managing environmental risks," "minimization of our environmental footprint," and "expansion of green finance and environmental business," upon which it bases its long-term environmental strategy.
Furthermore, we established environmental management guidelines to encourage the sustainable use of resources and efficiently promote our long-term strategy. We recognize the potential environmental impacts on overall business activities and strive to support environmental management through continuous monitoring and review.

Environmental Management Implementation Plan

DB Insurance is dedicated to internalizing environmental management by setting and implementing plans for environmental management.

- Achieving carbon neutrality by reducing GHG emissions
- Obtaining ISO 14001 certification
- Establishing ESG investment processes and increasing investment in renewable and green energy
- Developing environmental liability insurance, mandatory insurance for facilities handling hazardous materials, to cover environmental pollution
- First private financial company in Korea to declare the first coal divestment
- Providing mobile notification services to reduce paper consumption, among others

PDCA-Based Environmental Management System

DB Insurance derives ideas for reducing environmental impacts from relevant departments through a system centered on the plan–do–check–action (PDCA) cycle, implements related activities, and formulates future strategies based on continuous performance management.

Plan
- Report to top management through the ESG Committee
- Set goals for reducing environmental impact through legal and regulatory monitoring and environmental impact risk assessment

Do
- Establish investment or operational manuals to improve management efficiency
- Set performance targets

Check
- Monitor the execution status against the goals for reducing environmental impact

Act
- Analyze performance and formulate future strategies
- Analyze causes and derive improvement measures in case of non-achievement

* PDCA: A business methodology designed to continuously enhance management activities by planning goals, executing strategies, evaluating results, and taking improvement actions in cycles.

ISO 14001 Certification

As part of its environmental management, DB Insurance obtained ISO 14001 certification, the international standard for environmental management systems from the International Organization for Standardization (ISO), in 2008 to ensure efficient management of environmental risks. We laid a foundation for eco-friendly management by establishing a proactive environmental management system. Additionally, we made efforts to enhance the environmental management framework by actively undertaking innovative tasks related to climate change risk management, including training environmental experts such as environmental management system auditors under ISO 14001.

Environmental Management System

Environmental Management Education Performance

DB Insurance conducts the following environmental management education for employees to enhance the expertise of relevant employees for sustainable environmental management.

2023 Environmental Management Education (1)

- Target: One ESG manager at DB Insurance
- Details: Information on carbon disclosure and CDP-related information
- Host: Korea Sustainability Investing Forum

2023 Environmental Management Education (2)

- Target: 13 employees from the ESG Secretariat and relevant departments
- Details: Carbon neutrality, climate technology, and K-taxonomy planning
- Lecturer: Lim Dae-woong, Korea Representative of UNEP FI

Evaluation and Compensation Related to Environmental Management

DB Insurance aligns its ESG management goals with the company's vision and strategy to motivate employees in environmental management, evaluating ESG-related executives (Head of Management Support Division and Head of Strategy and Innovation Division) based on the achievement of ESG initiatives[1] and ESG rating associated with their key performance indicators (KPIs). The compensation and performance-based bonuses of the respective executives are linked to the level of achievement.

1) Achievement of ESG initiatives: Management of carbon emissions, analysis of financial impacts from climate change scenarios, etc.

Energy Management

DB Insurance carries out environmental management efforts by setting and managing item-specific energy consumption goals to minimize GHG emissions per unit area. GHG emissions are measured for nine domestic buildings owned by the company and leased offices nationwide, and the emissions are estimated by applying the coefficients presented in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories by the Intergovernmental Panel on Climate Change (IPCC). The GHG emissions of sales branches and overseas offices are not included in the calculation.
The main energy source for DB Insurance is electricity, while liquefied natural gas (LNG), diesel, and gasoline are used for heating and emergency generators. Energy consumption is estimated by applying the Appendix 12 of the Emissions Trading System. To date, self-generation through the installation of renewable energy generators has not been implemented, but plans are in place for major buildings owned by the company according to market maturity and the trend of price reductions in power generators.

Operation of Eco-Friendly Vehicles

DB Insurance has converted 16 of its vehicles to eco-friendly vehicles as part of our initiative to minimize GHG emissions. Furthermore, we are considering replacing vehicles whose contracts are set to expire soon with eco-friendly vehicles.

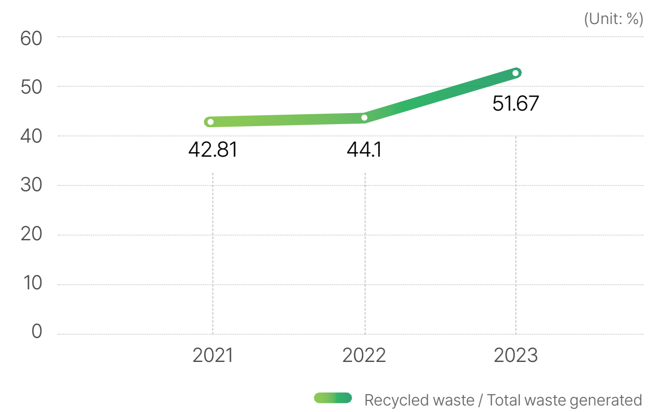
Dec. 2023 Replacement with 3 electric vehicles	Mar. 2024 Replacement with 13 hybrid vehicles

Waste Management

DB Insurance strictly segregates and manages landfill waste and recyclable waste. Given that most of the waste generated in company-owned buildings consists of obsolete office supplies, our waste reduction activities are focused on recycling office supplies. Moreover, by introducing IT-based work systems and using recyclable construction materials (partitions made up of steel, gypsum boards, and panels), we are committed to creating an eco-friendly working environment that does not generate waste.

Recycling Office Supplies
We operate an office supplies warehouse to supply stocks for new supplies. In 2023, around KRW 250 million worth of supplies were provided from our stock.
Our goal for 2024 is to supply KRW 300 million worth of supplies from the stock.

Yearly Ratio of Recycled Waste



Climate Action

Climate Action Governance

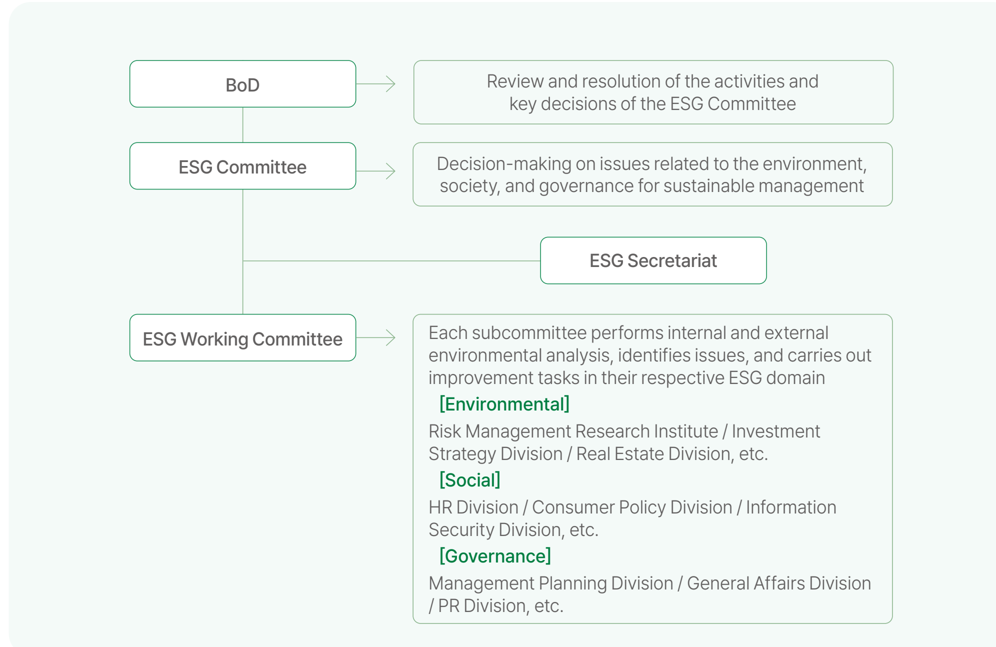
Climate-Related Decision-Making Bodies and Reporting System

DB Insurance works to implement systematic and sustainable ESG management and effectively carry out ESG management activities. Accordingly, we established an ESG Committee within the BoD in March 2021. The ESG Committee, comprising the CEO and two directors, is chaired by an outside director. With this ESG management system as a foundation, we approved our ESG management strategy in May 2021, taking a leading role in enhancing ESG management in the insurance industry.
In addition, the ESG Secretariat, under the ESG Committee, acts as the coordinator, while the ESG Working Committee, composed of key department heads, assists in the smooth operation of the committee's duties. The issues and improvement tasks identified by the committee are fully integrated into the company's ESG management strategy and review through submissions to the ESG Committee.

Management and Supervision

The ESG Committee under the BoD actively addresses climate change issues. The committee makes decisions on key climate change-related issues concerning the formulation of environmental management policies, management of environmental KPIs, establishment of carbon neutrality plans, creation of environmental risk management systems, and development of environmental products and services. The ESG Working Committee is divided into three subcommittees: environmental, social, and governance. Each subcommittee is responsible for identifying key issues and carrying out detailed improvement tasks by analyzing internal and external conditions and understanding stakeholder concerns in the respective ESG domains.

ESG Management Operating System



ESG-Related Agenda Review by the BoD

Submission of agendas related to environmental management performance and strategy
(Dec. 22, 2023_Agenda 1: Selection of material issues related to sustainability, Agenda 2: Environmental management plan for 2024)

Responsibility and Authority of the CEO

The CEO, who presides over the Management Planning Office (Head: Vice President) and the Strategic Innovation Division (Head: Director), has the authority to submit major environmental management-related issues to the subcommittees. The CEO is also given responsibility, linked to their salary and performance-based bonuses, based on actual ESG-related performance.

Climate Action

Climate Change Strategy

Opportunities and Risk Factors Related to Climate Change

To effectively counter climate change, DB Insurance assesses and addresses potential risks and opportunities posed by climate change. Climate change risks are managed by classifying them into physical risks (those related to the direct physical impacts of climate change) and transition risks (those arising during the shift to a low-carbon economy), enabling comprehensive risk analysis and the exploration of mitigation strategies.

Category	Climate-related risks	Potential Financial Impacts and Counterstrategies
Resource efficiency	Reducing operational costs through improved efficiency across business activities	• Reducing operational costs through improved energy efficiency and cost savings • Cost savings from benefits in workforce management and planning (e.g. improved health and safety, increased employee satisfaction) 1) Implementing resource circulation activities such as recycled waste management 2) Enhancing employee welfare through flexible working hours, Family Day, etc.
Energy support	Low-carbon energy and technologies for using low-carbon energy	• Reducing operational costs through decreased GHG emissions • Reducing exposure to future fossil fuel price increases • Reducing the impact of GHG emissions and carbon price changes 1) Launching GHG reduction activities by establishing a carbon neutrality p romotion system
Products and services	Risks arising from low-carbon products and services	• Enhancing brand value by forming a positive reputation through climate change-related products and investments • Securing the competitive edge of insurance products by incorporating eco-friendly consumer preferences 1) Developing climate change-related insurance products such as eco-friendly vehicles and disaster recovery
Market	New market opportunities	• Expanding the diversification of financial assets (e.g. green bonds, infrastructure) 1) Declaring coal divestment to practice socially responsible investment considering ESG factors
Resilience	Developing adaptive capabilities to combat climate change	• Increasing market value through restoration plans (e.g. infrastructure, land, and buildings) • Increasing sales through products and services related to securing resilience

Category	Climate-related risks		Potential Financial Impacts and Counterstrategies
Physical risks	Short-term	Risks associated with natural disasters such as typhoons, floods, and earthquakes	• Deterioration of insurance profitability due to increased health-related costs and mortality rates • Increased operational and capital costs due to facility damage and premature disposal of existing assets • Reduced insurance demand due to increased premiums for high-risk asset classes and decreased insurance availability 1) Establishing a response system for natural disasters 2) Developing customer-tailored products that reflect climate change
	Mid- to long-term	Risks associated with persistent high temperatures leading to rising sea level or chronic heat waves	
Transition risks	Policy and legal risks	Risks associated with strengthened emissions trading schemes and mandatory carbon-related disclosures	• Decline in asset management returns due to increased operating costs from rising carbon credit prices • Increased operating costs (e.g. higher compliance costs) • Increased costs due to fines and legal judgments 1) Managing and monitoring climate risks to minimize litigation possibilities 2) Declaring coal divestment 3) Strengthening the application of global disclosure standards within the climate change response framework
	Technology risks	Risks associated with the development of eco-friendly insurance products	• Reduced competitiveness of insurance products and services in case of failure to develop and secure eco-friendly products • Costs incurred in adopting and distributing new practices and processes 1) Monitoring trends in green technologies and research, and reflecting the monitoring results in product development
	Reputational risks	Risks associated with changes in customer or community perceptions, criticism of specific industries, and increased stakeholder attention	• Revenue decline due to customer attrition and reduced demand for products and services • Increased risk of stock price decline due to brand dilution • Withdrawal of investments by institutional investors 1) Expanding external eco-friendly communication activities 2) Disclosing climate change response status through sustainability reports and the company's website
	Market risks	Risks associated with changes in consumer insurance needs, fluctuations in demand and supply of insurance products and services, and market uncertainties	• Decreased demand for goods and services due to changes in consumer preferences • Sudden and unexpected changes in energy costs • Decline in asset values, such as real estate, due to revaluation of assets (e.g. fossil fuel reserves, land value, securities valuation) 1) Securing customer and investor trust through strengthened environmental management

Climate Action

Climate Change Scenario Analysis (Transition Risks)

Climate Change Scenario Analysis

DB Insurance conducts climate risk scenario analysis to remain ready for potential crises induced by climate change.
Climate risk, as a disaster caused by natural calamities resulting from rising global temperatures, requires long-term consideration. Given its complex effects across various pathways, including the economy, society, and markets, it is necessary to analyze the propagation and impact of climate risk based on future scenario assumptions.
Accordingly, we set different variables for climate scenario analysis from the perspectives of physical and transition risks, derived the propagation pathways and impacts of risks according to the scenarios, and analyzed the financial impacts.

Transition Risks

Transition risks arise when the business models underlying current economic activities are threatened by ESG impacts or permanent systemic changes. For instance, a coal producer may face investment restrictions due to inadequate fulfillment of ESG requirements.
Using the Network for Greening the Financial System (NGFS) and other external analysis data, DB Insurance analyzes the impacts reflecting gross domestic product (GDP) decline and consumer price increases under scenarios of limiting global average temperature rise to within 2°C, 1.5°C, and 1°C by 2050.

Transition Risk Calculation Method

Considering the characteristics of climate risks and benchmarking various stress test methodologies such as the European Central Bank's climate risk stress test, DB Insurance developed its own scenario analysis model reflecting the characteristics of the company portfolio.

Scenario analysis for transition risks was conducted on three scenarios provided by NGFS, taking into account the most distinctly different and meaningful among the six scenarios: (1) net zero 2050, (2) delayed transition, and (3) current policies.

The future financial conditions of individual companies in the listed equities and corporate bonds asset classes, as categorized by the Partnership for Carbon Accounting Financials (PCAF), were estimated using NGFS climate scenarios' variables, including GDP growth rates, carbon prices, and industry-specific value-added changes according to carbon emission targets. Based on the estimated financial status, we analyzed carbon emissions and estimated DB Insurance's carbon emissions by 2050.

Current Policies → **3°C rise in global average temperature by 2100**
- Implementation of climate policies insufficient to prevent climate change
- Severe physical risks due to high levels of carbon emissions, but either no or limited transition risks

Delayed Transition → **Introduction of stringent climate policies after 2030**
- Following current policies until 2030, then introducing strong climate policies to achieve carbon neutrality
- After a certain delay, the introduction of policies leads to a sudden rise in carbon prices, resulting in a sharp increase in transition risks

Net Zero 2050 (1.5°C) → **Achieving carbon neutrality by 2050**
- Limiting the global average temperature increase to below 1.5°C by the end of 2100 through reinforced climate policies
- Physical risk impacts are low, but transition risks gradually increase

Transition Risk Calculation Results

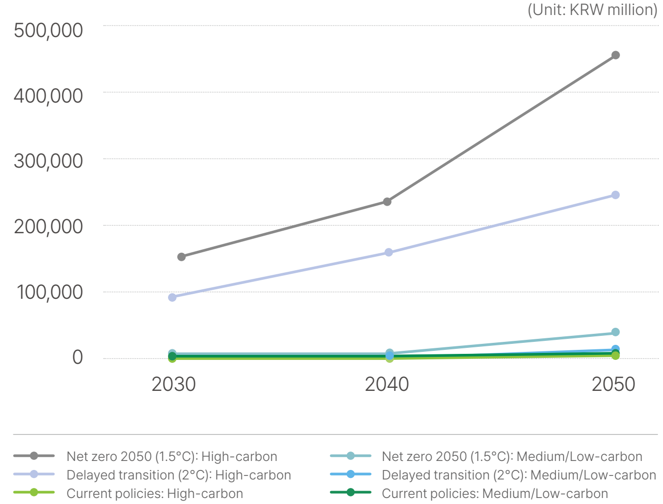
Net Zero 2050 (1.5°C) Scenario (Unit: KRW million)

	2030	2040	2050
High-carbon industry	149,752	232,948	446,880
Medium/Low-carbon industry	0	8,158	32,630
All	149,752	241,106	479,510

Delayed Transition Scenario (Unit: KRW million)

	2030	2040	2050
High-carbon industry	87,950	156,883	242,456
Medium/Low-carbon industry	0	0	8,158
All	87,950	156,883	250,614

(Unit: KRW million)



Climate Action

Climate Change Scenario Analysis (Physical Risks)

Physical Risks

Extreme weather events caused by climate change can directly damage the company's assets.
Physical risks may arise if climate goals are not met, directly threatening economic activities or economic value. For instance, unusual weather conditions like heavy rainfall or earthquakes may result in a decline in the collateral value or asset value.

Physical Risk Calculation Method

DB Insurance has estimated the potential impact and scale of physical damage resulting from climate risks on the collateral loans of real estate owned by the company to assess the extent of physical damage caused by climate risks.

To this end, we used domestic physical damage rates calculated based on the representative concentration pathways (RCPs) and shared socioeconomic pathways (SSPs) and the date on the cost resulting from climate change. We calculated regional physical damage rates caused by typhoons, heavy rainfall, snowstorms, wind speeds, and strong winds to estimate the damage rates from physical risks.

Real estate collateral varies in damage from natural disasters by region, and thus, differences in physical risks were reflected by identifying whether the area is at high-risk for natural disasters.

We analyzed climate change damage costs using the Korean Policy Analysis of the Greenhouse Effect (PAGE) model, a comprehensive analysis method designed to estimate the impacts of climate change, incorporating Korea's unique climate and socioeconomic scenarios.

* RCPs: Predicting regional risk levels based on GHG concentrations
* SSPs: Classification based on future societal efforts to combat climate change

RCPs & SSPs

SSP1-RCP2.6

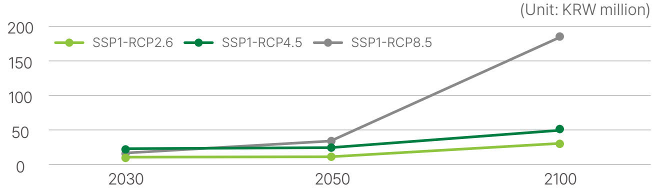
Scenario	Description	CO_2 concentrations (As of 2100)
SSP1-RCP2.6 (Low-carbon emission scenario)	Sustainability – Taking the Green Road (Low challenges to mitigation and adaptation) The use of fossil fuels is minimized through the development of renewable energy technologies to achieve eco-friendly and sustainable economic growth	432ppm
SSP2-RCP4.5 (Low-carbon emission scenario)	Middle of the Road (Medium challenges to mitigation and adaptation) Moderate levels of climate change mitigation policies and socioeconomic development	567ppm
SSP5-RCP8.5 (High-carbon emission scenario)	Fossil-fueled Development – Taking the Highway (High challenges to mitigation, low challenges to adaptation) Large use of fossil fuels and indiscreet urban development due to a focus on the rapid development in the industrial technology	1,089ppm

• Announced in the IPCC Sixth Assessment Report (2021)
• Scenarios considering how future socioeconomic structures will change based on national climate change prediction models, GHG reduction levels, and climate change adaptation measures
• Distinguished into five scenarios based on future socioeconomic changes and future mitigation and adaptation efforts for climate change, along with radiative forcing (the existing RCP concept) as of 2100
• In consideration of demographics, economic development, welfare, ecosystem elements, resources, institutions, technological development, social factors, and policies

Physical Risk Calculation Results

The Annual Amount of Physical Damage by Scenario

(Unit: KRW million)



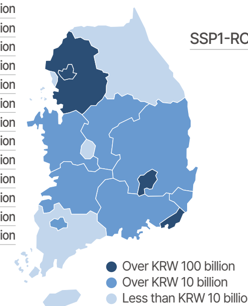
	2030	2050	2100
SSP1-RCP2.6	15	20	32
SSP2-RCP4.5	15	20	48
SSP5-RCP8.5	16	26	190

As physical risks increase over time, the amount of physical damage accumulates annually. In particular, the SSP5-RCP8.5 scenario demonstrates an exponential increase in damage caused by climate change by 2100. The SSP1-RCP2.6 scenario, which predicts that the future average temperature increase will be maintained below 2°C compared to the present, underscores the importance of social efforts to reduce GHGs, on account of the predicted physical damage.

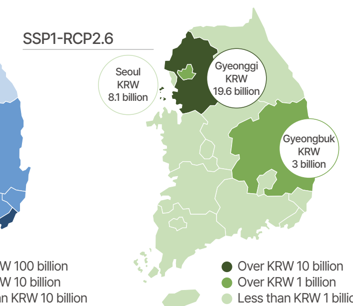
The Annual Amount of Physical Damage by Scenario

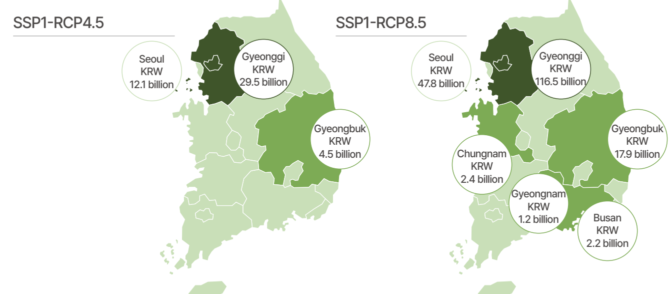
Collateral Scale (in KRW)

Seoul	458.6 billion
Gyeonggi	487.4 billion
Daegu	146.7 billion
Busan	126.6 billion
Incheon	89.4 billion
Gyeongnam	65.1 billion
Gyeongbuk	57.9 billion
Ulsan	35.1 billion
Daejeon	29.9 billion
Chungnam	25.6 billion
Chungbuk	21.6 billion
Gwangju	18.8 billion
Jeonbuk	10.2 billion



Physical Damage Costs by Region in 2100





The regions with the greatest impact from physical risks are Gyeonggi and Seoul, with Gyeonggi's physical damage cost under the SSP5-RCP8.5 scenario in 2100 estimated at KRW 116.5 billion. According to analysis, this is caused by the relatively large collateral exposure in Gyeonggi and higher regional weightings based on the characteristics of DB Insurance's collateral loans.

Climate Action

Climate Change Risk Management

Climate Change Risk Management and Response Process

Following an analysis of opportunities and risks, climate change is incorporated into short- and long-term strategies, which are then reported to the BoD and the ESG Committee. In addition, DB Insurance monitors the risks and opportunities related to environmental regulations, corporate eco-friendly activities, and changes in consumer behavior towards products throughout the process of product development and investment decision-making.

Climate Change Consideration in Financial Investments

DB Insurance makes investment decisions considering not only financial factors but also ESG factors and related risks. In particular, in 2019, we became the first private financial company in Korea to declare a restriction on new coal-related investments and loans, committing not to take part in financial investments and support for coal-fired power generation. In addition, we plan to increase our investments in renewable energy and eco-friendly assets to actively address climate change and become a frontrunner in the global renewable energy industry.

Establishment of a Company-Wide Disaster Response System

At DB Insurance, we conduct regular emergency drills concerning disaster recovery and IT system failures to bolster our emergency response capabilities. We also have a next-generation disaster recovery system in place to ensure business continuity of customer services during emergencies. Moreover, our efforts to widen the range of disaster response operations and branches, along with sustained IT system oversight, are elevating our overall response strategy.

Emergency Drills

Annually	Program	Description
	Business continuity planning (BCP) drill	Evaluation and implementation of improvements for initial response, emergency response, business continuity, and disaster recovery plans
	Public web server cyber drill	Conducting scanning attacks on public servers such as web and mail servers, then detecting and blocking related attacks
	Malware drill and phishing test	Distribution of e-mails containing simulated malware to internal employees' e-mail accounts, then detecting, blocking, and removing the malware
	Simulated DDoS attacks	Conducting scanning attacks on public servers such as web and mail servers, then detecting and blocking related attacks

Semi-annually	Program	Description
	Disaster recovery drills	• Establishment of BCPs to ensure continuity of work in case of emergencies • Verification of the adequacy of recovery system operations and recovery procedures during a disaster, and testing system transitions • Confirmation of the status of the emergency contact system through unannounced drills • Verification of the appropriateness of disaster recovery procedures and organizations, and improvement of team and individual mission familiarity and system recovery skills through drills • Confirmation of the feasibility of resuming critical business operations and identification of additional resources needed for recovery • Compliance with Article 23 (Establishment and Operation of Emergency Measures) of the Financial Supervisory Regulations • The drills are conducted at least twice a year
	Backup and offsite backup drills	• Verification of the adequacy of backup system operations and backup recovery plans • Verification of the recovery time and integrity of backup data • Confirmation of the appropriateness of backup recovery procedures and organizations • Enhancement of team and individual mission familiarity and system recovery skills through drills
	IT incident response drills	• Verification of the appropriateness of incident response for major systems through regular incident response drills • Confirmation of the adequacy of incident response scenarios, detailed recovery procedures, and response organizations • Thorough understanding of the mission through drills and improvement in system recovery skills for similar or identical incidents • Reduced recovery time for anticipated incidents through drills for critical business operations

Climate Action

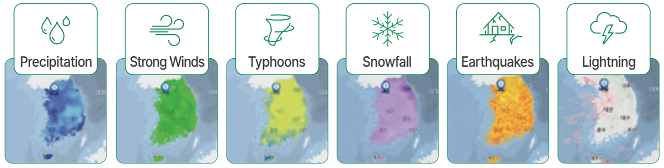
Climate Change Risk Analysis System Based on Big Data

DB Insurance created a general insurance–natural disaster risk (6 types) analysis system in 2020 by integrating big data disclosed by the Korea Meteorological Administration with geographic information system (GIS) mapping technology. Our risk analysis system, updated periodically with the latest climate change data, is used extensively in managing insurance contracts and providing customer consultations. We are concentrating efforts on delivering natural disaster prevention advice to field teams and policyholders in high-risk areas, in response to the growing intensity of extreme weather events like severe rainfall and super typhoons to reduce community damage and ensure public safety. In addition, we periodically incorporate public data on flood traces from the Korea Land and Geospatial Informatix Corporation into our GIS system to create a location-based flood map, which is used extensively for underwriting and flood risk management.

Seasonal Activities for Preventing Natural Disasters

Category	Description
Risk consulting services (for customers)	• Provision of the latest weather data from relevant meteorological stations based on the latitude and longitude GIS information of the business site • Leveraging drones to analyze vulnerabilities in industrial sites and identify and suggest improvement opportunities (e.g. civil engineering sites for slope/retaining walls) • Consulting services aimed at improving risk factors at sites where natural disasters have occurred
Risk consulting services (for employees)	• Diversification of the natural disaster risk assessment criteria for insurance contract risk management • Flood risk: Evaluation of the ratio of basement area to total floor area, proximity to the sea/rivers, flood history, and drainage facility management status • Earthquake risk: Assessment of the possibility of ground failure during heavy rain/thaw periods and the potential for subsidence • Wind risk: Assessment of the vulnerability of structures to strong winds • 5-grade classification of natural disaster risk (excellent, good, average, poor, very poor) and leveraging it in underwriting based on internal empirical statistics reflecting various factors

Six Major Climate Change Risks

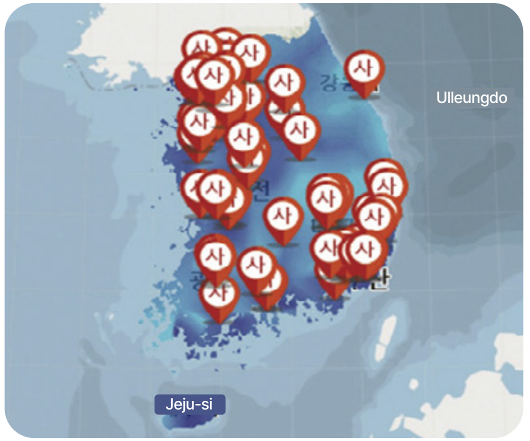


Examples of Applying Natural Disaster Risk Grade Guidelines

Category	Max. Observed Value	Description	Grade
Precipitation	86	Maximum hourly precipitation in the area (mm/hr)	B
Strong Winds	29	Maximum instantaneous wind speed during non-typhoon season in the area (m/s)	S
Typhoons	27	Maximum instantaneous wind speed during typhoon season in the area (m/s)	S
Snowfall	24	Maximum snow depth in the area (cm)	S
Earthquakes	2.8	Maximum earthquake magnitude near the area	A
Lightning	116	Number of lightning strikes observed within a 3 km radius	A

※ Wind and water disaster risk levels: S (Very Low), A (Low), B (Moderate), C (High), D (Very High)

Correlation between Insured Incidents (O) and Summer Precipitation Risk



Climate Action

Metrics and Targets

Carbon Emission Reduction Targets

The Korean government has announced a plan to achieve carbon neutrality by reducing GHG emissions by 40% compared to 2018 levels by 2030. With this plan in place, DB Insurance has become the first private financial institution in Korea to declare a commitment to coal divestment. According to our mid- to long-term goals to cut carbon emissions by 40% by 2030, we are gradually establishing short-term targets.

Goal

Cut CO_2 emissions by 40% compared to 2018

Environmental Risk Mitigation

- Engage in activities to cut GHG emissions
- Expand investments in eco-friendly assets (asset management)
- Distribute low-carbon models within the insurance group
- Establish collaborative networks with global institutions

Climate Adaptation

- Develop eco-friendly products and services
- Address risks associated with environmental laws and regulations
- Increase support for populations vulnerable to climate change
- Engage in activities designed to fight climate change with stakeholders

Detailed Strategies for Carbon Emission Reduction

Environmental Risk Mitigation

- Engage in GHG reduction activities such as increasing the number of eco-friendly vehicles and managing recyclable waste
- Enhance eco-friendly investments through increased funding for renewable energy, social overhead capital (SOC) projects, and ESG bonds
- Execute carbon reduction activities across the group by building a non-financial data management framework
- Establish collaborative networks with global institutions

Climate Adaptation

- Develop eco-friendly products and services such as environmental liability insurance and Ever Green endorsement
- Address risks associated with environmental laws and regulations
- Increase support for populations vulnerable to climate change
  e.g. funding disaster recovery costs, installing flood barriers, providing safety education
- Engage in activities designed to fight climate change with stakeholders
  e.g. collaborating with environmental organizations to raise awareness through environment-themed events like concerts

Climate Change Strategy-Related Metrics

Direct (Scope 1) Emissions City Gas, Diesel, and Gasoline	Indirect (Scope 2) Emissions Electricity	Other Indirect (Scope 3) Emissions Distance for Business Trips
The primary sources of direct GHG emissions are absorption chillers, emergency generators, heating and cooling boilers, and corporate vehicles using gasoline. We reduce emissions by employing measures like temperature control for heating and cooling.	We reduce indirect GHG emissions from electricity use by replacing our major lighting systems with LED lights and promoting energy-saving campaigns, such as turning off lights during non-business hours.	We run a business trip management system for employees traveling outside the city to identify business opportunities related to climate change and manage associated risks.

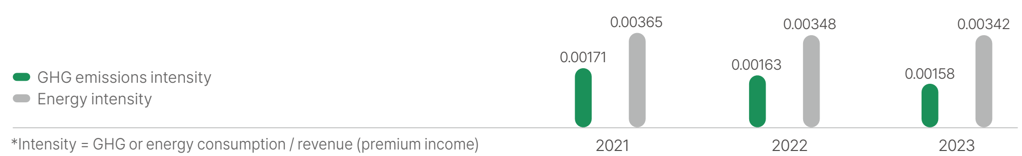
Environmental Performance[2] Management and Goals

Category	GHG Emissions				Energy[1] consumption				Water consumption (m^3)	Domestic Travel Distance (km)
	Scope 1 [city gas, LPG, etc.] (tCO_2eq)	Scope 2 [electricity, medium temperature water] (tCO_2eq)	Scope 3 (tCO_2eq)		City gas (Nm^3)	Diesel (L)	Byproduct oil (L)	Electricity (MWh)		
			Financed emissions	Indirect emissions from business trips						
2021	2,766	22,808	-	144	1,101,803	21,802	53,968	48,923	350,614	1,409,216
2022	2,935	23,008	-	187	1,166,572	25,119	56,027	49,649	350,887	1,836,697
2023	2,606	24,031	3,573,330	176	1,098,539	17,959	42,246	52,309	327,894	1,723,083
2023 targets[3]	2,847	22,318	-	182						
YoY Change Rate for 2023	(-) 11.21%	4.45%	-	(-) 6.19%	(-) 5.83%	(-) 28.50%	(-)24.60%	5.36%	(-) 6.55%	(-) 6.19%

1) For energy, we do not distinguish between renewable and non-renewable as no renewable energy is used.
2) The scope of business sites for environmental performance measurement includes 11 business sites such as financial centers and leased spaces (refer to "Water Consumption by Business Site" of the FACT Book).
3) Based on the mid- to long-term goal of reducing carbon emissions by 2030, we have set to cut emissions by 1% annually compared to the previous year.

GHG and Energy Intensity of Scope 1 and 2 Emissions

(Unit: Wh/KRW million)



*Intensity = GHG or energy consumption / revenue (premium income)

Climate Action

Formulation of Financial Strategies for Carbon Neutrality

DB Insurance's asset management strategy includes decreasing the proportion of corporate bonds in the portfolio that are tied to fossil fuel-based businesses such as coal-fired power generation This report marks the first step in these efforts by publicly disclosing preliminary calculations of financial emissions for listed stocks and corporate bonds in our investment portfolio, using the PCAF* methodology.
Simultaneous monitoring of "carbon intensity" is crucial to evaluate long-term progress towards carbon neutrality. Defined as the carbon emissions per unit, carbon intensity is used to neutralize the impact of asset size and compare emissions across different portfolios.
Moving forward, DB Insurance will extend the scope of financed emission calculations for its investment portfolio and conduct scenario analyses, further refining strategies to achieve carbon neutrality and enhance ESG finance.

Financed Emissions Calculation Process

According to the PCAF guidelines, DB Insurance computed financed emissions for listed stocks and bonds, differentiating between scenarios with reported emissions (Option I) and economic activity-based emissions (Option III).

Financed Emissions Calculation Results

DB Insurance's financed emissions calculation reveals that reported emissions account for more than 99% of the total calculated financed emissions, as detailed below[1].

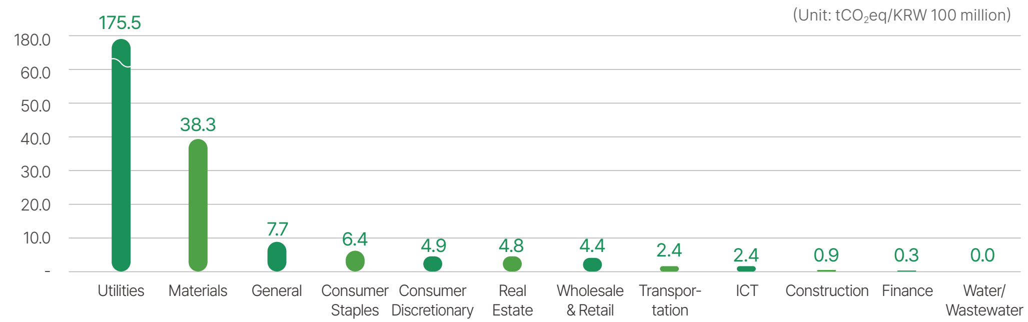
Financed Emissions 3,024,539 tCO_2eq

	Domestic Bonds	Foreign Bonds
Calculated asset size	KRW 6.77 trillion	KRW 3.76 trillion
Financed emissions (tCO_2eq)	2,213,970	1,359,360

Carbon Intensity by Industry

(Unit: KRW 100 million, tCO_2eq, tCO_2eq/KRW 100 million)

Industry	Utilities	Materials	General	Consumer Staples	Consumer Discretionary	Real Estate	Wholesale & Retail	Transpor-tation	ICT	Const-ruction	Finance	Water/ Wastewater
Financial balance	18,526	5,244	4,168	1,383	3,893	759	1,716	8,495	3,781	4,432	52,564	384
(Proportion)	17.6%	5.0%	4.0%	1.3%	3.7%	0.7%	1.6%	8.1%	3.6%	4.2%	49.9%	0.4%
Financed emissions	3,251,430	200,874	31,903	8,787	18,962	3,677	7,583	20,677	8,908	4,180	16,350	0
(Proportion)	91.0%	5.6%	0.9%	0.2%	0.5%	0.1%	0.2%	0.6%	0.2%	0.1%	0.5%	0.0%
Carbon intensity	175.5	38.3	7.7	6.4	4.9	4.8	4.4	2.4	2.4	0.9	0.3	0.0



The financed emissions from DB Insurance's portfolio show a dominant 91.0% contribution from the utilities sector, with the materials industry trailing at 5.6%[2]. The exposure to utilities and materials is relatively low; however, they dominate the carbon intensity, suggesting that industries with greater exposure do not proportionately contribute to higher carbon emissions.
As seen from the figures, effective portfolio management requires balancing exposure and carbon emissions. Accordingly, we will address both indicators to achieve carbon neutrality in the portfolio.

1) As of December 2023, bonds with insufficient data on assets and sales, including collateralized loan obligations, have been excluded from the calculation.
2) The utilities encompass power generation and electricity trading, whereas the materials cover steel, aluminum, copper, various metals, chemicals, fertilizers, specialty chemicals, building materials, and paper industries.

Green Finance

Eco-Friendly Products

Korean Green Taxonomy (K-Taxonomy)

Green framework identifies green economic activities that contribute to the six environmental objectives: lowering GHG emissions, adapting to climate change, preserving sustainable water resources, recycling, preventing and managing pollution, and promoting biodiversity. These green economic activities are categorized into green and transition sectors. DB Insurance, pioneering in environmental management, concentrates on the green sector, making efforts in diverse fields like cutting GHG emissions, adapting to climate change, conserving water, promoting a circular economy (recycling resources and using methane gas), preventing and managing pollution, and preserving biodiversity.
In addition, to leverage green finance such as green bonds, green loans, and green funds, we assess our economic activities against the K-Taxonomy criteria, using the green taxonomy guidelines and applying the following evaluation standards.

Criteria for Determining Eligibility for Green Finance

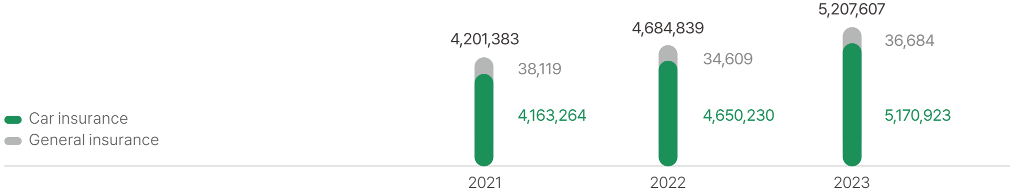
① Activity Assessment	Primarily determine if the economic activity falls within the scope of green economic activities
② Recognition Assessment	Assess if the economic activity meets the technical criteria for achieving one or more of the six environmental objectives
③ Exclusion Assessment	Assess if the economic activity complies with the Do No Significant Harm principle, avoiding serious environmental damage
④ Protection Assessment	Assess if the economic activity complies with laws related to human rights, labor, safety, anti-corruption, and cultural heritage preservation

Eco-Friendly Insurance Products

Product		Description
Car Insurance	Ever Green Endorsement	An endorsement enabling the transmission of insurance documents (e.g. policy certificates, policy terms, maturity and installment premium notices) electronically through email or mobile messages to replace paper copies
	Mileage-Based Endorsement	An endorsement that refunds a portion of the paid premiums based on the driving distance during the policy period upon maturity
	Safe Driving Usage-Based Insurance (UBI) Endorsement	An endorsement offering premium discounts to customers who have driven over 1,000 km in the last 90 days and achieved a connected safe driving score of 70 or above from the manufacturer
	Electric Vehicle Endorsement	An endorsement offering automatic premium discounts for policies covering electric vehicles
	Day-of-the-Week Passenger Car Endorsement	An endorsement where the customer designates one weekday (Monday to Friday) as a non-driving day and installs an on-board diagnostics device to verify non-operation (If the non-operation is verified before the policy expires, 8.7% of the paid premiums are refunded after the policy ends)
General Insurance	Environmental Liability Insurance	A policy covering third-party bodily or property damage resulting from environmental pollution, as mandated by the Act on Liability for Environmental Damage and Relief Thereof
	Environmental Pollution Liability Insurance	Insurance covering damages exceeding the claim limits as mandated under insurance laws
	Exclusive Insurance for LNG Power Plants	A policy that compensates for property damage and business interruptions at LNG power plants, ensuring stability through significant loss coverage
	Promy Public Bicycle Full-Coverage Insurance	A policy providing compensation for injuries, medical costs, liability, and damage or theft of public bicycles, ensuring business stability
	Liability Insurance for Solar Panel Rental Business Operators	A policy that provides liability coverage for solar panel rentals, ensuring business stability
	Solar Panel Full-Coverage Insurance	A policy that compensates for property damage, business interruptions, and liabilities at small to medium-sized solar panels, ensuring business stability

Three-Year Premium Performance for Eco-Friendly Insurance Products

(Unit: KRW million)



Green Finance

Launch of Disaster Liability Insurance Product (Mandatory Insurance for Disaster-Prone Facilities)

DB Insurance launched disaster liability insurance in an effort to support prompt and practical disaster relief and uphold environmental management. The Framework Act on the Management of Disasters and Safety mandates insurance coverage for 20 categories of facilities with a high risk of disasters. Following the strict liability principle, the insurance covers damages to victims even in no-fault accidents

Key Features of the Product

Category	Applicable Facilities	Qty
Reference rate	Museums, art galleries, science centers, libraries, funeral halls, restaurants, multi-family housings under 15 floors (including rental apartments, townhouses, and multi-unit dwellings), and accommodations	8
Negotiated reinsurance rate	Horse racing tracks, off-site betting locations, passenger car terminals, gas stations, distribution centers, cycling stadiums, rowing venues, outdoor shops, exhibition spaces, underground shopping malls, international conference facilities, and rural guesthouses	12

• Eligibility for Enrollment: 20 categories of facilities with a high risk of disasters and accidents
• Covered Risks: Damages sustained by third parties in terms of life, bodily harm, and property damage caused by fires, explosions, or structural collapses at disaster-prone facilities (Article 76 of the Framework Act on the Management of Disasters and Safety)

Support for Recovery and Prevention of Damages Caused by Environmental Changes

Fire Insurance	The earthquake risk endorsement covers damages from fires caused by earthquakes or volcanic eruptions, including combustion damage, collapse, breakage, burial, and measures necessary for damage prevention and emergency evacuation. The windstorm risk endorsement offers coverage for typhoons, whirlwinds, storms, storm surges, floods, tidal waves, inundations, and similar severe weather events.
Flood Insurance	This insurance product enables quick and effective recovery of property damages caused by typhoons, floods, heavy rains, tidal waves, strong winds, storm surges, heavy snow, and earthquakes.
Crop Insurance	This insurance product is designed to mitigate management risks and ensure income stability for farmers. Its primary coverage includes typhoons, hail, and heavy rainfall, with optional endorsements for frost and unseasonably low temperatures in spring and fall.

Green Finance

Environmental Liability Insurance

DB Insurance developed and launched the world's first mandatory environmental liability insurance1) in collaboration with the Ministry of Environment and compliance with the Act on Liability for Environmental Damage and Relief Thereof. To further address environmental risks, we created optional insurance to cover damages beyond the coverage limits of mandatory insurance. For companies required to subscribe to environmental liability insurance, we provide an online one-stop support service via an exclusive website and offer professional consulting and education to mitigate and prevent environmental risks from hazardous substances.
These efforts were recognized as best practices at the UNEP Asia-Pacific Annual Meetings in 2017 and 2021 and at the China International Conference on Insurance and Risk Management in 2019, acknowledging the success of introducing environmental liability insurance. └|In March 2024, we were reaffirmed as the primary insurer for the fourth stage of environmental liability insurance, solidifying our position as a premier provider of eco-friendly insurance products in Korea, underpinned by our robust human and physical infrastructure.

1) Insurance designed to cover third-party bodily injuries, property damage, cleanup costs, and other legal expenses arising from environmental pollution incidents. The objective is to prevent corporate bankruptcy from high litigation and compensation costs and provide rapid relief to victims. Its enrollment became mandatory in July 2016.

Facilities Mandated to Purchase Environmental Liability Insurance

Air Quality	Water Quality	Waste	Soil	Hazardous Chemicals	Marine
Class 1 air pollutant-emitting facilities and specified hazardous air pollutant-emitting facilities	Class 1 water pollutant-emitting facilities and specified hazardous water-emitting facilities	Designated waste treatment facilities	Oil pipelines and petroleum manufacturing and storage facilities with a storage capacity of 1,000 kL or more among specified soil contamination control facilities	Facilities handling incident-prevention substances in quantities 40 times or more than the upper regulated limit	Facilities with a total storage capacity of 300 kL or more for oil, hazardous liquid substances, and pollutants

Coverage of Environmental Liability Insurance

The legal liability for damages arising from environmental pollution that occurs during the insurance period, which the insured must compensate the victim for, due to the installation and operation of the facilities specified in the insurance policy

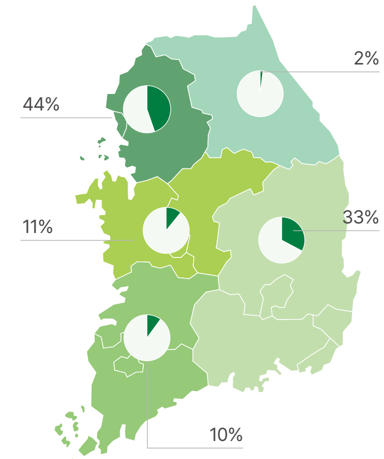
Types of Damages Covered

1. Legal compensation for damages
2. Damage prevention costs (excluding decontamination costs within the business site)
3. Legal costs, attorney fees, and costs related to arbitration, conciliation, or mediation
4. Premiums for deposit bonds

Environmental Liability Insurance Enrollment by Region

(Unit: ea)

Region	2020–2021	2022
Capital Region	2020: 6,319(46%) 2021: 6,399(44%)	2022 6,470 (44%)
Yeongnam Region	2020: 4,705(33%) 2021: 4,890(33%)	2022 4,955 (33%)
Chungcheong Region	2020: 1,624(11%) 2021: 1,631(11%)	2022 1,688 (11%)
Honam Region	2020: 1,430(10%) 2021: 1,444(10%)	2022 1,526 (10%)
Gangwon Region	2020: 235(1.6%) 2021: 238(2.0%)	2022 240 (2%)



2021	Total 14,502 (100%)	KRW 71.9 billion (100%)
2022	Total 14,879 (100%)	KRW 56.6 billion (100%)
2023	Total 15,222 (100%)	KRW 58.2 billion (100%)

Environmental Liability Insurance

100%

Green Finance

Commitment to Principles of Responsible Investment

To preemptively manage climate risks and pursue sustainable growth, DB Insurance integrates financial and ESG factors into its investment decision and remains fully committed to the principles of responsible investment.

We employ negative screening according to our internal standards to exclude investments in unethical firms and businesses involved in gambling, tobacco, and alcohol, with a focus instead on increasing investments in green and morally transparent companies. We declared coal divestment in 2019, and we are the first private financial institution in Korea to do so. Since then, we have bolstered our investments in renewable energy, SOC projects, and ESG bonds for green and social projects. In the following year, we became a major investor in a solar fund for small and medium-sized enterprises, as part of our efforts in seeking investment opportunities that create social value.

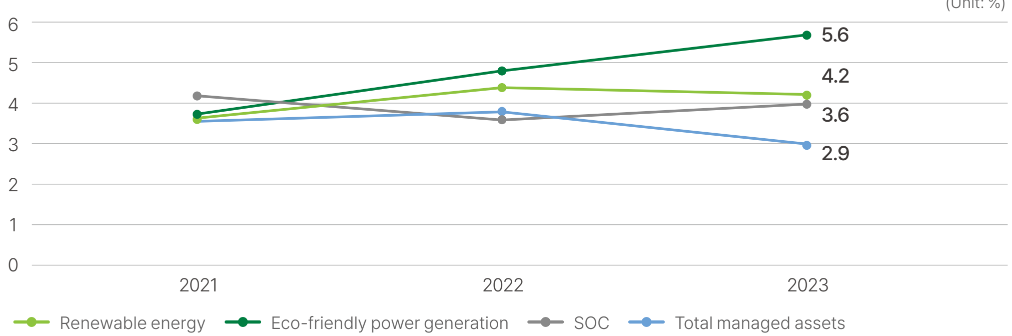
In 2023, we achieved a socially responsible investment return of 4.5%, outperforming the company's general investment returns.

ESG Investment Process

Establish investment plan → Screen business units → Analyze investment risk → Conduct ESG evaluation → Proceed with investment

Socially Responsible Investment Returns

(Unit: %)



Social

Mutual Prosperity Finance

Socially Inclusive Finance for Mutual Prosperity

Increase in Insurance Products for Underinsured Populations

At DB Insurance, we strive to expand insurance access by developing a range of products for underinsured populations, including the elderly and those with health issues, and by incorporating social and environmental considerations into our underwriting processes. We launched Custom Simple Health Insurance with minimal disclosure requirements to support underinsured individuals, including those who had difficulty in subscribing to insurance because of chronic illnesses and the age to ensure they are eligible to receive services without barriers.

Simplified Disclosure	Simplified health insurance for patients and the elderly through simplified disclosure of questionnaire Eligibility: Elderly and those with pre-existing conditions Product Name: Custom Simple Health Insurance
Accident Insurance	Insurance providing coverage for everyday risks such as accidents, expense losses, and liability Eligibility: Elderly Product Name: All-Inclusive Personal Accident Insurance
Nursing Care Insurance	Insurance that provides nursing support funds in the event where a nursing care is required Eligibility: Elderly and those with pre-existing conditions Product Name: Custom Simple Health Insurance
Indemnity Health Insurance	① Health insurance providing indemnity medical expenses for the elderly ② Simplified indemnity medical insurance with simplified disclosure of questionnaire Eligibility: Elderly and those with pre-existing conditions Product Name: ① Senior Indemnity Medical Expense Insurance ② Simple Indemnity Medical Expense Insurance

Encouraging Adoptions through Stray Animal Assurance Insurance and Partnership with Pawinhand

As of 2024, DB Insurance provides Stray Animal Assurance Insurance for 1,000 animals in Gyeonggi-do, 300 in Busan, and 200 in Gwangju. In addition to covering 1,500 animals, this policy seeks to boost interest in the adoption of stray dogs and visitations to local government-funded shelters, raising the public's awareness and encouraging people to become responsible pet owner. 29,729 of the 112,180 stray dogs were adopted in 2023. Our 2024 goal is to facilitate the adoption of 40,000 stray animals each year through our insurance policy for local governments and partnership with Pawinhand. (Adoption rate of 35%, an increase of 10,000 adoptions compared to the previous year)

Safe Driving UBI Car Insurance

In 2016, DB Insurance launched Korea's first driver habit-linked insurance Safe Driving UBI to encourage safe driving. This insurtech solution, merged with ICT, collects data on driving habits (e.g. speeding, sudden acceleration, sudden braking) via smartphone's GPS navigation system and rewards safe driving with a 2% to 12% premium discount. With 904,000 policies sold in 2023, the Safe Driving UBI insurance is expected to foster safer driving habits and reduce road traffic accidents.

BUSINESS CASE

Custom Simple Health Insurance and Custom Premiums for Personalized Coverage based on the Customer's Health History

Starting in July 2023, we enabled Custom Simple Health Insurance policyholders to switch to no-claim policies. In 2023, an average of 5,000 policies per month have experienced an 8% premium reduction through the conversion, providing reasonable premiums tailored to health conditions.

Petbly Dog Insurance for 10 Million Pet Owners

In July 2023, we launched Petbly Dog Insurance to cater to the growing number of pet owners. The insurance offers better coverage than conventional pet insurance products to reduce the financial strain of increased pet medical expenses. We will work towards creating a mature pet culture where both owners and pets can thrive happily.

Long-Term Care Indemnity Insurance to Address Rapid Population Aging and Long-Term Care Issues

We launched long-term care indemnity insurance as part of our initiative to improve the lives of those requiring long-term care. This policy offers indemnity coverage for the personal costs incurred by long-term care rating holders using care facilities or home care, along with in-kind benefits. We are committed to addressing population aging and making a tangible difference in the lives of long-term care recipients.

Mutual Prosperity Finance

Driving Open Innovation[1)]

Since engaging ourselves in open innovation in 2019, DB Insurance has acquired insurtech capabilities in line with the rapid advancement of digital technology. We work together with public institutions that support startups and conduct joint projects to identify and incubate startups. This enables us to collaborate with innovative startups on new product development, establish new platform-based partnerships, and explore new markets while improving customer satisfaction and employee productivity by introducing ingenious services and validating new technologies. Going forward, we will maintain close partnerships with innovative startups in multiple insurance sectors to create and provide a variety of insurtech products and services.

1) Open innovation: An innovative approach that involves disclosing and sharing internal resources with external parties to attract new technologies and ideas, thereby innovating the business and addressing internal issues

Establishment of a Distinctive Open Innovation Ecosystem

In line with government policies, DB Insurance has strategically partnered with nine public institutions and three private firms to identify and incubate startups. Accordingly, we provided necessary funds through a venture capital network and contributed to a distinctive open innovation ecosystem. We categorize our operations by collaboration type: acceleration-based programs[2)], business meetup-focused exploration[3)], and problem-solving models for addressing internal issues[4)].

2) Program-based: Fostering business development and commercialization over a fixed period
3) Exploration-based: Exploring and discovering innovative companies that meet internal demands
4) Problem-solving-based: Solving internal unresolved issues using innovative technologies

Category	Startup Incubation Institutions
Program-based startup incubation	Korea Internet & Security Agency
	Korea Standards Association
	CNT Tech
Exploration-based startup discovery	Seoul Fintech Lab
	Seoul Center for Creative Economy & Innovation
	Gyeonggi Center for Creative Economy & Innovation
	Busan Center for Creative Economy & Innovation
	D.Camp
	KB Kookmin Card
	Korea Investment Accelerator
Problem-solving-based collaboration projects	Seoul AI Hub
	Daegu Center for Creative Economy & Innovation

Startup Investment Network		
DB Financial Investment	Logan Ventures	Shinhan Venture Investment
DB Capital	ROI Investments Partners	Wonik Investment Partners
IP Ventures	Lotte Ventures	Welcome Ventures
LB Investment	Bokwang Investment	Union Investment Partners
SB Investment	SoftBank Ventures Korea	Yuanta Investment
Nanuhm Angels	Smilegate Investment	Intops Investment
D.Lab Ventures	Stonebridge Ventures	Kakao Investment
Dt& Investment	Korea Credit Guarantee Fund	Cube Venture Partners

Innovative Startup Discovery and Acceleration Project

To foster insurtech, DB Insurance partnered with the Korea Internet & Security Agency (KISA) in 2020 to launch the Insurtech Startup Incubation Program, assisting 21 startups and conducting business meetups with 131 innovative startups through programs such as Open Stage.

Startups Discovered and Accelerated by Year

(Unit: Companies)

Category	2020	2021	2022	2023
Incubation	5	5	5	6
Meetup	-	49	77	131
Commercialization	-	5	6	15

Open Innovation Performance

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

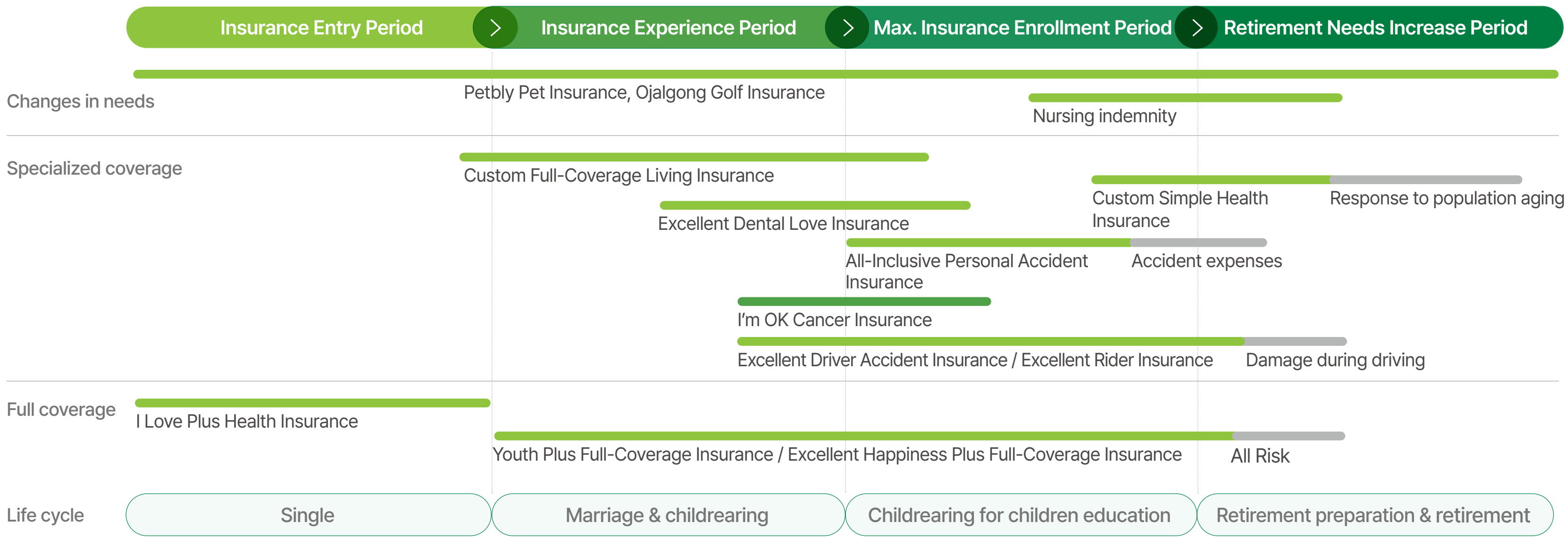
Category	Performance
Products	• Launched a membership with embedded pet insurance
Marketing	• Launched a big data-based estimated insurance payment inquiry service • Recruited childcare content creators • Formed platform partnerships - Integrated car rental platform - Claims payment curation platform - Remodeling-based shared vacation home service
Claims	• Conducted proof of concept for the developed AI-based comparative negligence automatic judgment service • Provided claims guide videos using AI human • Conducted detailed medical expense receipt recognition benchmark test using AI and optical character recognition • Developed a medical history inquiry service based on public data • Verified and refunded already-paid foreign car parts repair costs • Notified non-covered medical expenses in advance

Customer-Oriented Management

Development of Tailored Products

DB Insurance makes extensive use of big data analysis and research to provide optimized products and unique services. We have an integrated customer experience monitoring system and a customer value evaluation model in place to promptly grasp changing customer needs and continuously monitor external factors like demographic changes and economic trends. We also strive to enhance our customer-focused product portfolio by recommending tailored products based on the customers' insurance purchase timing and life cycles and introducing specialized products for various coverage areas.

Product Matching According to Customer Life Cycle



Changes in the External Environment

New Technology and IT Infrastructure	Competition	Customers	Regulations and Systems
• Expansion of new sales channels through IT • Boosting the accumulation, sharing, and analysis capabilities of customer information (big data) • Intensifying competition between similar financial products due to enhanced customer information collection capabilities	• Increased market entry of new competitors in various forms • Intensifying competition within the industry for the same customer base	• Complexity and diversification of customer needs • Increased demand for personalized products and services • Growing need for one-stop shopping solutions	• Allowing cross-selling and breaking down boundaries between life and non-life insurances • Spread of an all-encompassing competitive system in the financial industry due to regulatory easing for economic revitalization

Providing unique customer value based on analysis of the changes in the external environment and customer needs

Customer-Oriented Management

Enhancement of Accessibility and Convenience for Digital Customers

Advancement of the Open API[1] Platform

DB Insurance works to reinforce insurtech business partnerships. We constructed the open-API platform and an integrated monitoring framework in 2020, enabling seamless product and service supply to new partners and system integration with existing and new ones. We persist in efforts to integrate the open-API platform with applications from partners (including external fintech companies, online portals, and car inspection companies) to deliver products and services rapidly to partners and general customers. Our plan is to continue fully leveraging the API platform and offer a wide range of insurtech products and services.

1) Open application programming interface: This offers a foundational environment that allows companies to open the services to the outside for various partners to use them and enable the rapid and easy development of new services.

Product Development Using Open API Technology

DB Insurance employs open-API technology for the simplified design of elevator liability insurance. This enables product design based on the National Elevator Information Center's data for enhanced customer satisfaction. We also leverage the open-AI-based simple design feature for building registries to supply basic design information during fire insurance design. This feature allows the input of an address to automatically call up associated building information, thereby improving user convenience.

Elevator Liability Insurance

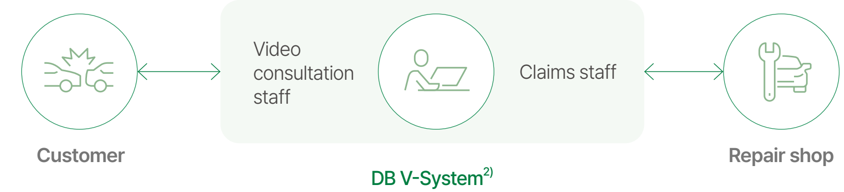
- Designed to ensure compensation for human and property damage caused by elevator accidents, provided by the elevator management entity
- Reached policy counts of 36,000 in 2020, 36,000 in 2021, and 38,000 in 2022

Fire Insurance

- Compensates for property damage caused by fire
- Offers simplified design using building registry information
- Secured 1,545 policies in 2021 and 4,195 in 2022 through simplified design

Video Call System for Car Accidents (DB V-System)

In 2020, DB Insurance pioneered the industry's first video call system (DB V-System) to handle simple accident cases and customer requests via video calls among on-site assistance requests for car accidents. This system allows for quicker and more accurate responses to accidents, contributing to a significant boost in customer satisfaction and field staff efficiency.



Non-face-to-face on-site assistance

For customers requesting on-site assistance even for minor accidents like parking lot incidents or minor collisions, a specialized on-site staff member will handle the situation through a video call with the customer.

Video information storage (footage)

Damage inspection

The property compensation staff uses video calls to communicate with repair shops, including maintenance providers and customers, to inspect the damaged parts and discuss the repair scope.

2) This is a video call method using mobile phones integrated with a voice over Long-Term Evolution (VoLTE) high-definition video call network, also known as a "softphone." This system enables the recipient to receive video calls without any additional procedures.

KakaoTalk Simple Insurance Premium Calculation Service

DB Insurance provides customer-friendly services designed to enable users to easily calculate premiums for car insurance, driver insurance, cancer insurance, and dental insurance within one minute using KakaoTalk's interactive chat system.

We also provides customized non-face-to-face insurance consultations, further improving customer access to our services.

1. Select the desired product
2. Select "Calculate Premium"
3. Enter customer information
4. Premium calculation completed

Customer-Oriented Management

Launch of Products for Cutting-Edge Safety Devices in Line with the Development of Autonomous Driving Technology

To coincide with the advancements in autonomous driving technology and its commercialization, DB Insurance rolled out insurance products that offer premium discounts for vehicles with cutting-edge safety devices. For instance, vehicles equipped with a lane departure warning system (LDWS), lane keeping assist system (LKAS), forward collision warning (FCW), or automatic emergency braking (AEB) are eligible for a 3–6% insurance premium discount. This policy allows drivers to enjoy safer driving by preventing road traffic accidents, while simultaneously benefiting from reduced insurance premiums.

LDWS	LKAS	FCW	AEB
Warns the driver when the vehicle departs from its driving lane, irrespective of the driver's intention	Automatically controls the vehicle to help maintain its lane	Detects the distance between the vehicle and the car ahead to warn the driver of potential danger	Detects pedestrians or objects ahead of the vehicle and automatically brakes to reduce speed or stop

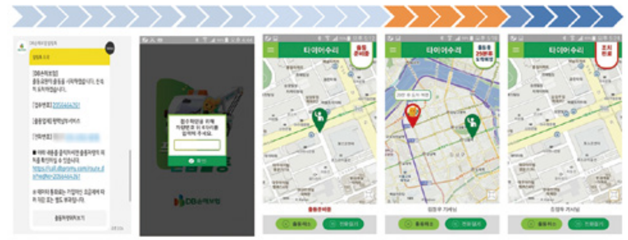
Introduction of Mobile Notification Service

DB Insurance developed a mobile notification service that allows customers to check insurance information without time and location constraints. Unlike registered mail, which has a risk of misdelivery or loss, this service ensures the secure transmission of customer data. Through our mobile notification service, we send notifications via text messages by matching customers' personally identifiable information with the telecom providers' latest mobile subscription information. At the same time, customers of the three major telecom companies are allowed to gain access to the service by simply giving their consent without any need to install an additional app. The sent information is stored in KISA's blockchain distribution certification system to guarantee legal validity. This system immediately notifies the insurance company when customers view their notifications to prevent any omission of notification. Furthermore, we will extend the existing KakaoPay-certified mobile registered mail service to car insurance customers to bring forth a completely paperless office environment.
We also plan to cut costs associated with sending postal mail, and issuing and disposing documents through digitized customer services, thereby enhancing processing speed and improving customer convenience. Moreover, we strive to adhere to ESG management principles by cutting down carbon emissions from substantial mail volumes.

Real-Time Location Guide System for Emergency On-Site Assistance

DB Insurance's real-time location guide system offers real-time location and estimated arrival times of emergency on-site assistance personnel upon customer request. This system has significantly improved customer satisfaction with emergency on-site assistance services and reduced the timeframe for the assistance to arrive, according to evaluations.

Notification of service registration	Customer confirmation	Customer location confirmation	Estimated arrival time notification	Action completed
An instruction URL is sent to confirm service registration	The customer verifies its identity by entering the vehicle number	The customer confirms the registered details : Dispatch menu, technician, etc.	Technician's location information is provided : Including the estimated arrival time (reflects real-time traffic information)	The customer checks the result



Diversification of Customer Communication

Operation of online communication channels	We run a variety of social media platforms, like the official blog, My Car Love blog, Kids Love blog, KakaoStory, and Facebook, to promptly identify and meet customer interests and requirements. By leveraging these platforms, we deliver content that reflects generational interests in finance, insurance, lifestyle, trends, and travel, as well as share insurance product information tailored to customers' life cycles to enhance their understanding of insurance.
Increase in customer touchpoint activities	We enhance our brand promotion by connecting core product marketing with numerous customer-participation events and activities. From 2017 onwards, we have continued to carry out public interest marketing activities for women and children, offering "Women's Driver Classes" for female novice drivers and "Children's Traffic Safety Classes" to teach children traffic safety regulations. Moreover, we join children's expos to deliver insurance consulting services to customers in their 20s and 30s. Our prenatal classes also impart health management techniques and medical advice to expectant mothers in early pregnancy.
Family love campaign that resonates with customers	Every May, we open a photo studio where customers can preserve valuable family moments. Naming it the "Family Love Photo Studio," this is our flagship campaign that began in 2018 to advocate for family love by offering complimentary family photo sessions.
Public interest marketing to create social value	Since 2019, we have been identifying and supporting social ventures with innovative solutions to social issues in traffic and environmental fields through the "DB Insurance Traffic and Environment Challenge" program. As the first program of its kind in the domestic insurance sector, we support selected social ventures through long-term public interest startup assistance, offering business funds and personalized acceleration in key startup capabilities such as legal, tax, accounting, and marketing fields.

Customer-Oriented Management

Cultivating a Consumer-Oriented Corporate Culture

Boosting the CS Capabilities of Frontline Personnel

The 2023 Customer-Centered Management (CCM) Conference, themed “Our Meaningful Spring,” was conducted at the DB Insurance Training Center, gathering around 100 customer service (CS) coaches from across the country. We also run multiple CS training programs, such as CS Level-Up and programs for new and frontline sales representatives. Furthermore, we host a Consumer Protection Conference for employees responsible for consumer protection, where we share information on the policies of the company and financial authorities to enhance consumer rights and drive consumer protection. We also share exemplary and poor CS practices through internal broadcasting to reinforce the internalization of consumer-oriented management.

- The Consumer Policy Division provides annual CS training for the entire workforce
- In 2023, internal communication and basic CS training were conducted for frontline employees in the Claims Services Office
- Basic CS training sessions were held for over 500 employees from a total of 13 departments across the country

Building Widespread Consumer Protection Awareness within the Company

DB Insurance elevates employee interest in the voice of the customer (VoC) by sharing educational videos with VoC examples. We also utilize our “Empathy VoC” system to share problems, lessons, and solutions in VoC processing to prevent complaints. Furthermore, we offer diverse training programs on complaint prevention, VoC consultation, how to engage in complete sales, and consumer experience to employees prone to complaints and those involved in incomplete sales to enhance consumer protection awareness. As a result of these efforts, we became the first non-life insurer in Korea to win the CCM certification from the Fair Trade Commission for nine consecutive times, along with a wide range of awards from external agencies for our achievements in consumer protection.

Refining the CS Evaluation and Feedback System

DB Insurance motivates its employees for CS improvement and strives to establish a customer-oriented corporate culture. Accordingly, we reinforced the CCM management by objectives (MBO) and the CCM Quality Awards held monthly and quarterly. We share system-based CS evaluations to raise employee interest in CS improvement, and provide CS consulting to underperforming departments to reinforce our evaluation and feedback system. Furthermore, we present quarterly awards for outstanding CCM index performance under the CCO’s oversight and biannual awards for financial consumer excellence under the CEO’s direction to internalize customer-centered management among frontline personnel.

Mid-to-Long-Term Objectives for Consumer Rights Protection

DB Insurance established the following mid-to-long-term objectives to achieve the highest level of consumer satisfaction.

1
No. of complaints converted (per 100,000 policies)

We defined the following three-year mid-to-long-term objectives according to the Financial Supervisory Service’s complaint conversion disclosure standard to ensure a competitive edge in our services.

(Performance) 17.8 cases in 2022 → 17.9 cases in 2023
(Goal) 17.8 cases in 2024 → 17.6 cases in 2025 → 17.4 cases in 2026

※ The above goals are based on the Financial Supervisory Service’s press release on financial complaint trends
: The figures exclude simple inquiry complaints, complaints settled through voluntary mediation, complaints withdrawn after unsuccessful voluntary mediation, and voluntary withdrawals.

2
Timely VoC resolution rate

We set a three-year mid-to-long-term target for the timely VoC resolution rate to reduce external complaints through prompt handling process.

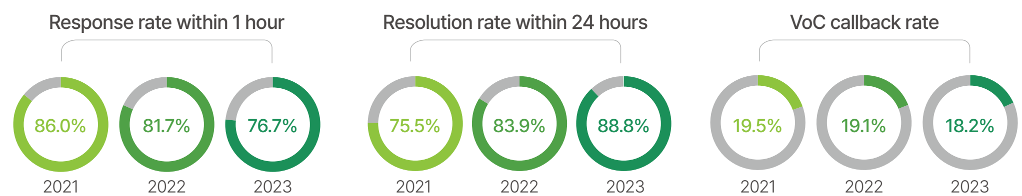
(Performance) 83.9% in 2022 → 88.0% in 2023
(Goal) 88.0% in 2024 → 88.5% in 2025 → 89.0% in 2026

3
VoC callback rate

We set a three-year mid-to-long-term target for the VoC callback rate to ensure swift and accurate processing of VoCs.

(Performance) 19.1% in 2022 → 18.2% in 2023
(Goal) 18.0% in 2024 → 17.8% in 2025 → 17.6% in 2026

VoC Management Status (Unit: %)



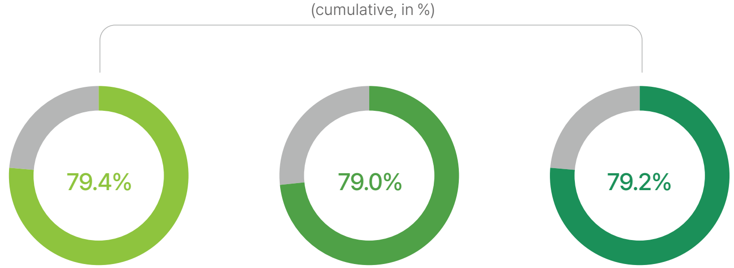
Customer-Oriented Management

Gaining a Competitive Advantage in Service Quality via MoT[1)]

Expanding and Enhancing Consumer Engagement Activities

Since 2010, DB Insurance has engaged in Consumer Evaluation Panel activities to reinforce customer communication and elevate service quality from the consumer's viewpoint. A total of 317 members have served on the Consumer Evaluation Panel by 2023, and 900 out of 1,137 suggestions (79.2%) have been incorporated to improve actual services. The suggestions were mainly focused on objectively measuring and improving service quality, and proposing unique products and services. In particular, we implemented the industry's first consumer policy advisory committee framework, inviting external consumer protection experts to participate in the Consumer Policy Committee and Consumer Evaluation Panel to ensure objectivity and expertise in enhancing consumer policy and service quality.

Adoption rate of improvement suggestions filed by the Consumer Evaluation Panel
(cumulative, in %)



1) MOT : Moment of Truth

Sustained Improvement in Customer Guidelines

DB Insurance strictly follows specific guidelines in drafting customer manuals in diverse formats (e.g. e-mails, texts, printouts), with ongoing quality improvements achieved through step-by-step standardization. We also have a review system in place to ensure the systematic management of the records and details of the manuals. Since the Act on the Protection of Financial Consumers came into effect in March 2021, we have set up and managed specific standards and procedures for ad production and internal review to meet enhanced regulations. We make sure that consumers are provided with clear and fair information to prevent any misunderstanding of our financial products. Additionally, we disseminate training materials on ad production guidelines and compliance to all employees and sales teams, conduct training, and offer continuous feedback via monthly inspections to aid in continuous improvement activities.

Elevating Customer Request Handling Capabilities

Operation of the Consumer Protection Officer system	We operate the Consumer Protection Officer system to effectively and efficiently handle various VoCs. The Consumer Protection Officer is responsible for promptly resolving customer complaints when VoC issues arise during sales, ensuring swift resolution of issues from the consumer's perspective. This system has led to a notable reduction in VoC callback numbers caused by unresolved issues.
Enhancement of the response system for difficult customers	We developed a "Manual for Handling Difficult Customers" to protect employees dealing with problematic consumers and uphold consumer protection. This manual is constructed from real scenarios to improve staff response efficiency. It details the types and responses to difficult customers, prevention methods, response examples, and crime types with consequences.
Enhancement of preemptive complaint prevention efforts	We adopted an early warning system for complaints to build a preemptive complaint prevention system targeting highly frequent types of complaints. The early warning system classifies complaints into "caution" and "warning" stages based on the incident numbers and informs the frontline personnel to enable the preemptive detection of abnormal complaint patterns. We are further reinforcing our management system by collecting and managing data on the number, type, and severity of complaints so as to ensure integrated monitoring of customer complaints.

Second presentation by the 21st Consumer Evaluation Panel in 2023

Protection of Financial Consumers

Consumer-Oriented Management

At DB Insurance, we have a consumer-oriented management strategy in place to provide products and services from the customer's perspective. We strive to protect consumer rights at every step, from product sales to claims services, by fully engaging with consumers through multiple communication channels and building a robust consumer protection framework.

Consumer Rights Protection Deliberation Committee

DB Insurance assembles the Consumer Rights Protection Deliberation Committee every week as part of its initiative to ensure more objective and reasonable decisions on customer disputes and complaints. In 2023, the committee assessed 7,035 cases of consumer disputes and complaints, reaching a customer acceptance rate of 73.4%. Furthermore, reviews of disputes concerning duty-of-disclosure breaches are conducted regularly with medical experts.

Consumer Protection and Service Management Framework

DB Insurance set up an organization dedicated to consumer-oriented management and appointed a Chief Consumer Officer reporting to the CEO. The Chief Consumer Officer and the associated organization review factors that might hinder customer satisfaction in the early stages of planning marketing strategies. They are given the authority to request the suspension of new product launches, marketing suspension, or improvements if anomalies are detected.
Furthermore, the Chief Consumer Officer and executive-led Consumer Policy Committee monthly review key consumer-related indicators including complaints, complete sales rates, and VoCs. We independently and promptly review major consumer-related policies and innovating consumer-related systems, demonstrating our efforts to improve the consumer experience.

Customer-Oriented Management Strategies

Establishment of a proactive incomplete sales control system

- Refining the operation of complete sales monitoring
- Strengthening field inspection activities for complete sales
- Improvement of call quality monitoring for selling insurance over the phone
- AI-based complete sales monitoring system
- AI-based call quality monitoring system

Complete sales e-monitoring usage rate

Securing competitive advantage in MoT service quality

- Differentiation of service quality monitoring
- Expansion of and strengthening consumer engagement activities
- Continuous improvement of the quality of customer manuals
- Integrated CS monitoring system
- Customer manual review system

CS monitoring satisfaction rate and consumer suggestion adoption rate

Complaint handling period for VoC callback rates

Enhancement of customer complaint handling capabilities

- Operation of the Consumer Protection Officer system
- Strengthening complaint prevention activities
- Consumer rights protection review system
- Complaint and VoC response system

CCM campaign participation rate

Spreading a consumer-oriented corporate culture

- Enhancement of CS capabilities of employees and sales families
- Formation of company-wide consensus on consumer protection
- Advancement of the CS evaluation and feedback system
- Promy Campus (online CS training system)
- Computerized CCM evaluation inquiry system
- Promy Campus (online CS training system)
- Computerized CCM evaluation inquiry system

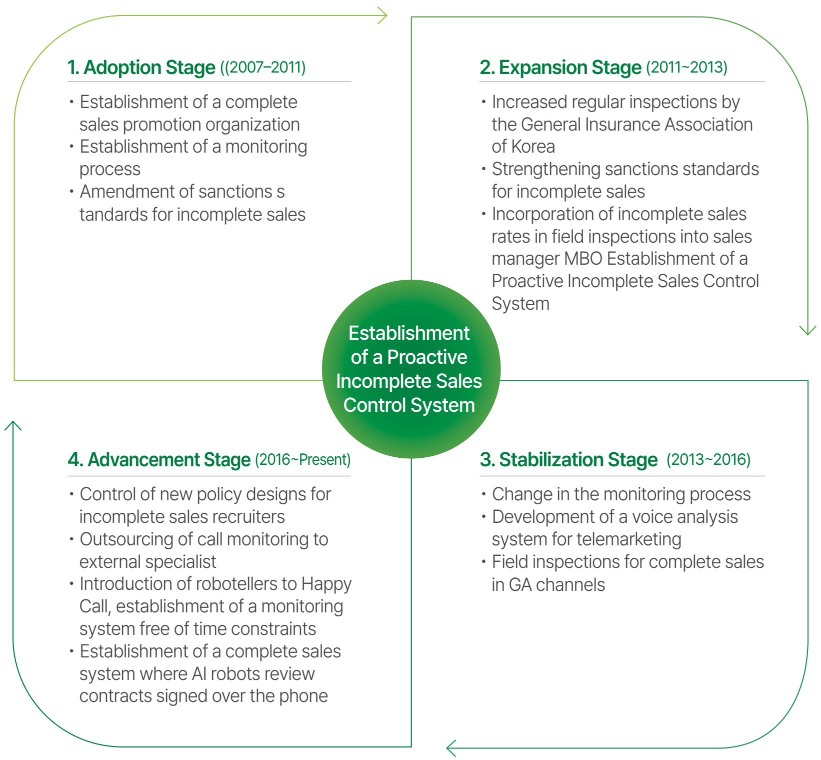
Consumer-oriented management | Enhanced performance management

Acceleration of consumer-oriented management through advanced consumer protection systems

Protection of Financial Consumers

Establishment of a Proactive Incomplete Sales Control System

Complete Sales Promotion Roadmap



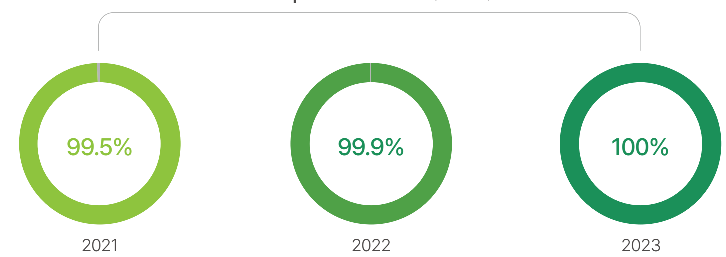
Enhancement of Field Inspections for Complete Sales

DB Insurance developed leading indicators for complete sales to control elements of incomplete sales in the field. These indicators are used to measure and publicly disclose our performance. We simplified traditional offline inspections to online inspections to boost immediate response to changes in the field. Sales teams showing weak performance are subject to these inspections. Leveraging this approach, we work to enhance voluntary complete sales quality within sales organizations and reduce incomplete sales at customer contact points. As a result, we reached a 100% complete sales rate in 2023.

Refining the Operation of Complete Sales Monitoring

At DB Insurance, we aim to cut down on incomplete sales through the advanced complete sales monitoring process. We make sure that customers have been adequately informed by agents prior to signing a policy agreement. Furthermore, we enhance service quality through diverse efforts based on our customer-oriented monitoring policy. Customers are given the right to review policy details via their smartphones before signing the agreement. The relevant task is outsourced to an external agency to increase call monitoring objectivity.

Complete sales rate (Unit: %)



Improvement of Call Quality Monitoring for Selling Insurance Over the Phone

DB Insurance's call quality monitoring system helps ensure stable contract conclusion over the phone within the GA sales team. Alongside this, we have electronic scripts in place to guarantee consumers clearly understand the products, enhancing contract quality and preventing inadequate or missing explanations of insurance products and services. These initiatives help us change the negative perception towards buying insurance over the phone and proactively eliminate factors that violate consumer rights.

BUSINESS CASE

Insurance Industry's First and Sole Recipient of a "Satisfactory" Grade in Financial Consumer Protection Evaluation

The Financial Supervisory Service conducts the Financial Consumer Protection Evaluation to fully assess the level of consumer protection among financial companies. The results serve as useful reference for consumers and prompt financial companies to enhance their consumer protection frameworks. In response to the 2021 enactment of the Act on the Protection of Financial Consumers, DB Insurance laid out a mid-to-long-term strategy called "Building the Best Smart Consumer-Oriented Management Company." We are intensifying our efforts to listen to external customers and secure the professionalism and objectivity of our consumer policies through the operation of the Consumer Evaluation Panel and the Consumer Policy Advisory Committee.

Protection of Financial Consumers

Combating Insurance Fraud

Activities for Preventing Insurance Fraud

DB Insurance performs field inspections at its business units across the country to prevent insurance fraud. We remodel contracts and identify agents linked to fraud, thus managing MR activities in the sales teams. In addition, we run a High-Risk Customer Management and Improvement Council to oversee the entry of new contracts from high-risk customers, establishing new control standards and evaluating fraud risks in the product development stage. We also convene monthly Moral Risk Control Council meetings at both headquarters and regional offices to exchange information on insurance fraud issues and establish cooperative response systems.

In an effort to improve the moral risk response system for long-term insurance in 2023, we extended the Top 10 MR Response Task Force to include the Top 30 MR Response Task Force and launched a task force designed to manage frequent offenders with a focus on MR control. On another front, we devised a risk index that factors in incident types and regional specifics to build a perpetual management system for risk detection.

Insurance Fraud Management Process

Step 1 Prevention
- Insurance Crime Prevention Committee
- Regional Moral Risk Control Councils
- Evaluation of new products' impact on insurance fraud
- Improvement activities

Step 2 Investigation & Detection
- Support for fraud detection
- Inter-organizational cooperation system
- Strengthening investigation capabilities

Step 3 Post-Management & Recurrence Prevention
- Utilization of detection information
- Prevention of the entry of new contracts from high-risk customers

BUSINESS CASE

Enhancement of Enterprise-Wide Insurance Fraud Control Capabilities

To bolster detection and prevention capabilities amid rising insurance fraud risks, DB Insurance reorganized the SIU[1] into SIU Operations and SIU Support units in 2019. The SIU holds yearly Best Practice Competitions for insurance crime analysis and detection to exchange outstanding practices and analysis methods. The unit also works to promote a company-wide consensus on fraud control through monthly internal broadcasts titled "Empathy Loss Ratio Day" and "Insurance Crime Detection Cases." These efforts led to our recognition with the highest and excellence awards at the Insurance Fraud Prevention Best Practice Competition held by the Financial Supervisory Service in 2020, 2021, and 2022, and our excellent investigative abilities were further acknowledged with awards in 2023.

1) SIU: Special Investigation Unit

Advancement of Systems to Aid Insurance Fraud Detection

In response to the escalating complexity of insurance fraud, such as staged car accidents and broker-hospital collusions, DB Insurance restructured the insurance fraud detection system (IFDS) in 2022 to build the DB T-System ideal for network analysis. DB T-System, applied with machine learning, examines collusion patterns in insurance fraud and provides statistical data to significantly improve efficiency compared to the old tip-off-dependent investigation method.

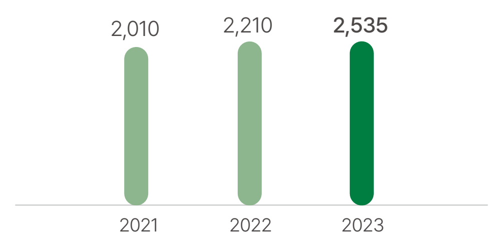
Furthermore, a safety support system for claims employees has been in place since 2016 to ensure their safety, and in 2021, we developed a Manual for Handling Difficult Customers to address problematic customers with strong countermeasures like legal and proactive actions.

Overhaul of the Countermeasures System for Insurance Fraud by Business Partners

DB Insurance restructured the SIU's investigative procedures to combat the increasing insurance fraud by business partners, particularly with repair shops and hospitals. We also provide active support for claims employees in documenting illegal activities. By analyzing data and collecting insights from claims field, we identify business partners for evidence collection and coordinate efforts to carry out these activities intensively within a short timeframe. Hospitals suspected of engaging in insurance fraud are subject to specialized management plans, with specific investigation teams assigned to closely examine their claims.

Amount Detected in Insurance Fraud

(Unit: KRW 100 million)



BUSINESS CASE

Opening of the DB T-System, a Big Data-Driven Fraud Investigation Platform

DB Insurance developed the DB T-System, a big data-based total analysis system in an effort to fully counter the large-scale and sophisticated nature of modern insurance fraud. Since its introduction to the field in January 2022, the system has been instrumental in detecting insurance fraud, uncovering over 190 suspected cases for further investigation by December 2023. Our DB T-System, celebrated for its innovative approach as an IT-powered insurtech service, won several awards, including the Non-Life Insurance Grand Prize at the 2022 Korea Finance Awards and the Digital Innovation Award at the 2022 Korea Financial Innovation Awards.

Data Security

IT and Information Security

IT Support Strategy System

"Just In Time! With Business!"

Concentrating IT capabilities to respond promptly and timely to the rapidly changing business landscape

Goals

Enhancement of system operation stabilit

Key Initiatives

① Improvement of perceived speed of on-site systems
- Promotion of image optimization to improve media processing
- Expansion of application of standard browser virtual desktop infrastructure (business network); Introduction of integrated distribution solutions
- Improvement of inefficient programs (Optimization of screen processing by refining hard coding, etc.)
- Gradual modernization of outdated infrastructure (EOS Linux OS, , SAN switches, etc.)
- Improvement of SQL performance management; Separation and reorganization of visible ARS, etc.

② Ensuring system quality and operational capability
- Increase in productivity through advancement of workload models, etc.
- Management of border exception errors; Ensuring operational safety of mobile e-signatures
- Improvement of mobile app error handling methods, etc.
- Advancement of error response processes; Internalization of response capabilities
- Ensuring preemptive response to internal and external IT compliance issues

Goals

Strengthening business IT competitiveness

Key Initiatives

① Overhaul of IT operation and management system and strengthening workforce capabilities
- Improvement of IT project management system
- Acquiring personnel for enhancing project management officer (PMO) and BRM functions; Provision of capability-building education; Restructuring roles and responsibilities
- Overhaul for enhancing the quality and efficient execution of major business projects
- Optimization of contract structure for cost efficiency (Oracle ULA, data lines, etc.)

② Provision of close support for major projects
- Enhancement of CM platform; Establishment of call system; Entering new retirement pension trust business
- Expanded integration of existing system user interfaces (phase 4); Upgrading existing systems in the Americas

③ Conducting internal IT diagnosis for bolstering mid-to-long term IT competitiveness
- Derivation of tasks for the next five years
- Establishment of standard architecture (database, development framework, etc.)
- Review of improvements in disaster recovery systems and directions for enhancing enterprise groupware
- Improvement of working environment for IT developers; Upgrading existing systems in the Americas

Strengthening IT Management Capabilities Across the Value Chain

In response to the fast-evolving IT landscape in the insurance sector, DB Insurance launched a project support division in July 2023 to ensure a swift and stable digital transition. Our structured project support, grounded in expert capabilities, reduced the lead time by 17.5 days. We allocated PMOs from the preliminary stage to the respective divisions before the project is initiated so as to identify IT projects early and provide seamless one-stop IT support service. We are committed to giving momentum for successful digital transformation through seamless support from IT budgeting to project completion and post-evaluation.

Bolstering On-site and IT Relationship

DB Insurance's strategy includes bolstering on-site support to ensure IT competitiveness and elevate customer confidence, alongside ongoing IT projects designed to timely address various IT issues. We effectively manage changes in internal and external landscapes by increasing communication between IT-related collaborative departments. In 2023, we improved the total consulting (TC) sales activity system to enhance on-site convenience and rebuilt the digital HR system to provide integrated HR services for the company and its subsidiaries. Moreover, our GA mobile app has become indispensable for on-site operations, with 6,541 financial consultants, 637 managers, and 131 employees relying on it. The app recorded 7,309 users in total as of June 2023.

Enhanced IT business cost efficiency — KRW **84.0** billion

Improvement in IT Service Quality

DB Insurance's company-wide IT system bolsters integrated management by optimizing internal systems and aiding field operations, all grounded in efficient business processes. Our approach includes optimizing infrastructure and application performance across processes for stable operations, with ongoing efforts to identify and rectify vulnerabilities, thereby improving operational efficiency and data quality. The year 2022 saw significant improvements in the system performance, including increasing existing storage capacity, replacing the existing physical tape library, introducing boundary virtual tape library, and upgrading IFRS17 operating database servers. Furthermore, our improved incident response activities ensured business continuity in the field, reducing downtime by 519 minutes from the previous year. Moving forward, we will consistently work on enhancing system performance to offer trustworthy services to both customers and employees.

Establishment of a Digital Work Environment

In response to the growing competitive landscape, DB Insurance introduced the "AI Assistant" in 2023 to assist the sales field in discovering marketing elements and sustaining achievements, on account of our analysis of IT-supported business models. We developed pre-planning and underwriting systems to aid field workers in communicating with clients, substitute repetitive processes, increase review efficiency, and facilitate effective marketing to an average of 10,000 customers daily. As such, we will focus on the ongoing refinement of the AI Assistant to improve the working conditions and boost competitive advantage in the sales field.

Data Security

Customer Privacy

Three-year mid-to-long term goals for customer privacy

- Achieve and maintain S-grade in the regular evaluation system for 2023
- Achieve S-grade in the regular evaluation system for 2024 and formulate plans for obtaining ISMS-P certification
- Achieve S-grade in the regular evaluation system for 2025 and obtain ISMS-P certification

Information Security Policy and Management System

DB Insurance is committed to achieving the "establishment of new governance for transition into autonomous security system" and "enhancement of our competitive edge in digital financial security." Our stringent information security system relies on a real-time integrated security surveillance system, encompassing internal audits and biannual website reviews of our IT environment by an external agency.

In response to the heightened duties of the Chief Privacy Officer (CPO), we created an appropriate organizational framework and allocated necessary resources to guarantee the CPO's independence. We also regularly verify the appropriateness of customer data protection through activities like auditing personal (credit) data assignees and collection agents, conducting field inspections for the collection of consent agreements, and monitoring excessive access to customer data, with the findings reported to the BoD annually.

Moreover, we hold quarterly Information Security Committee meetings involving the Chief Information Security Officer (CISO) and key executives to discuss critical privacy issues and report the outcomes to the CEO. In line with internal regulations, the CEO appoints qualified individuals with backgrounds in privacy, information security, and information technology as the CISO and CPO. The appointed officers are published in our Privacy Policy. We provide an infographic on our Privacy Policy to help customers easily understand aspects related to personal data collection, use, provision, deletion, and protection. In an effort to minimize privacy risks, we purchased Personal Information Breach Liability Insurance and Electronic Financial Transaction Liability Insurance to indemnify any potential third-party liabilities.

Bolstering the Monitoring of Customer Privacy and Abnormal Symptoms

DB Insurance encrypts and stores customer data in both structured (database management system) and unstructured (images, recordings, etc.) forms to ensure the safety of customer data. We monitor adherence to legal requirements for security agreements, website publications, and training/inspections. Also, we make sure that quarterly assignee reviews are conducted at each agent to improve any identified vulnerabilities. Furthermore, we strictly manage access permissions for customer data and provide training sessions on personal data handling precautions for sales agents to minimize compliance issues.

Internalization of Awareness of Information Security

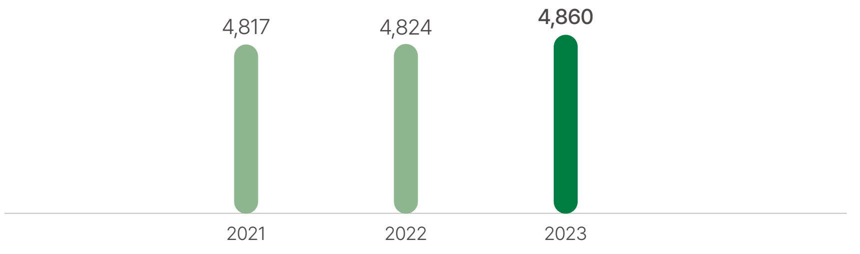
DB Insurance works to raise awareness of information security among employees. To meet this goal, we formulated guidelines for personal data protection, and we provide periodic education designed to improve awareness. We offer an education program each tailored to the CISO, senior executives, information security managers, IT managers, and general employees, depending on the positions with high risk involving information security and privacy issues.

Our advanced programs for building the expertise of individuals involved in information security include financial security executive course for the CISO and specialized information security training for information security managers. We offered diverse educational programs in 2023, covering the Personal Information Protection Act, Credit Information Use and Protection Act, Financial Security Act, and related regulations, which all employees successfully completed (4,860 in total took the programs in 2023).

In particular, employees dealing with personal data were required to undergo extra sessions on how to handle personal data. We also extended our information security programs to outsourced IT vendors and agents, in addition to our employees. Aside from these educational programs, we also conduct annual drills to address and recover from incidents, including exercises for server hacking, DDoS attacks, and phishing tests. BCP drills are also conducted every year. These drills and simulations ensure that in the event of an emergency, such as a security breach, malfunction, or disaster, our staff can quickly resume their duties.

Employees Who Completed Information Security Programs

(Unit: Persons)



Enhancement of the Security Breach Prevention System

DB Insurance has retained ISMS certification since 2014, and our extensive information security management system is anchored in this standard. We further streamlined our integrated security monitoring system to address shifts in work patterns brought about by COVID-19. Furthermore, we carry out security audits of outsourced firms via our customer data processing outsourcing management system. There was not a single instance of customer data breach from 2013 to 2023.

Human Resource Management

Human Rights Management

Activities for Preventing Human Rights Violations

Under its founding philosophy of being a "good company," DB Insurance undertakes various activities to protect the human rights of stakeholders, including customers and employees. We are committed to nurturing a "corporate culture with respect for humanity" through the following human rights management policies and codes of ethics.

Human rights due diligence	DB Insurance and its subsidiaries perform regular human rights due diligence in an effort to preemptively tackle human rights-related risks and impacts. The compliance department conducts on-site inspections to ensure compliance with the code of ethics, while the HR department reviews human rights issues through the Corporate Culture Council. Furthermore, we operate channels for collecting human rights issues, including a whistleblower system, while also monitoring discrimination-related issues like gender inequality.
revention of human rights violations and long-term goals	All employees at DB Insurance are provided with education on preventing sexual harassment, improving disability awareness, and preventing workplace bullying, and we achieved a 100% completion rate. We also set long-term human rights management goals to sustain a 100% completion rate (2023) for these three programs. We also maintain a 24/7 reporting system through social media channels to promptly address human rights violations.
Respect for diversity	According to Article 6 (Employment Opportunities) of our Employment Rules, DB Insurance is poised to enhance workforce diversity by clearly stating that the company does not discriminate in hiring and employment based on factors such as gender, age, religion, social status, place of origin, educational background, marital status, pregnancy, childbirth, or medical history. We guarantee fair opportunities for all employees regarding compensation. As of the end of 2023, our female workforce ratio was 58.3% (2,664 out of 4,567 employees, excluding executives).
Identification of and support for vulnerable groups	According to our survey to identify vulnerable groups with high risks of potential human rights violations, sales and claims partners who directly interact with customers and call center agents handling customer complaints fell under the major vulnerable groups. Accordingly, DB Insurance supports these groups by running psychological counseling services for sales and claims staff, partners, and CS representatives.
Ensuring employment stability	DB Insurance has been emphasizing job stability by transitioning non-regular employees to permanent roles even before the implementation of the non-regular employment legislation. Following the conversion of 1,660 non-regular telemarketers to permanent roles in 2012, we have consistently implemented the transition of non-regular staff to regular positions. As of 2023, we have 219 non-regular employees (contract workers), making up 4.8% of our total workforce of 4,571, excluding executives.

Human Rights Due Diligence Process

STEP. 1	STEP. 2	STEP. 3	STEP. 4
Identification of potential risks and impacts	Evaluation of factors and targets	Feedback and improvement activities	Legal review and self-assessment
• Identification of potential risk factors from both the management and insurance industry perspectives • Analysis of impacts using financial, non-financial, and frequency data	• Identification of human rights evaluation factors and vulnerable groups, considering internal and external environments • Identification of human rights evaluation targets across the value chain, including subsidiaries and partners	• Sharing self-assessment results and areas for improvement • Recommendation and verification of improvement activities, considering the significance of finding	• Internal legal assessments • Self-assessments based on business reports, media analysis, and other materials disclosed (including status surveys)

Human Resource Management System

DB Insurance, following the CEO's management principles of "Pursuing Reality, Mutual Communication, and Autonomous Management," has a systematic HR system in place to build "the best workplace desired by talented individuals."

VISION
A global insurance financial company striving a happy society with customers

CORE VALUE SYSTEM
3 Spirits, 3 Attitudes, CEO Management Principles, Core Drivers

HR VISION
Creating the best workplace desired by talented individuals

Performance in Resolving Human Rights Issues

Human Rights Issues	2023 Improvement and Performance
Increased protection efforts for CS representatives	• Operated a protection system for CS representatives across all employees - Regular training on the Manual for Handling Difficult Customers - Protection system for claims staff (relief support): 8 referred to investigation authorities, 42 resolved through non-investigative means (50 in total) - Developed a black consumer response framework utilizing big data analytics - Psychological counseling program - Call connection messages informing the rights of CS representatives (at call centers)
Enhancement of the legal working hours management system	• Employee support systems in operation, including medical leave policies, annual leave encouragement programs, flexible working hours, and mental health services (psychologist counseling)
Enhancement of the gender equality system	• Operation of programs designed to cultivate female managers • Operation of educational programs for interview panel members that include female employees
Ensuring quality rest	• Set up 91 rest areas in buildings and leased offices nationwide to ensure employees have guaranteed breaks

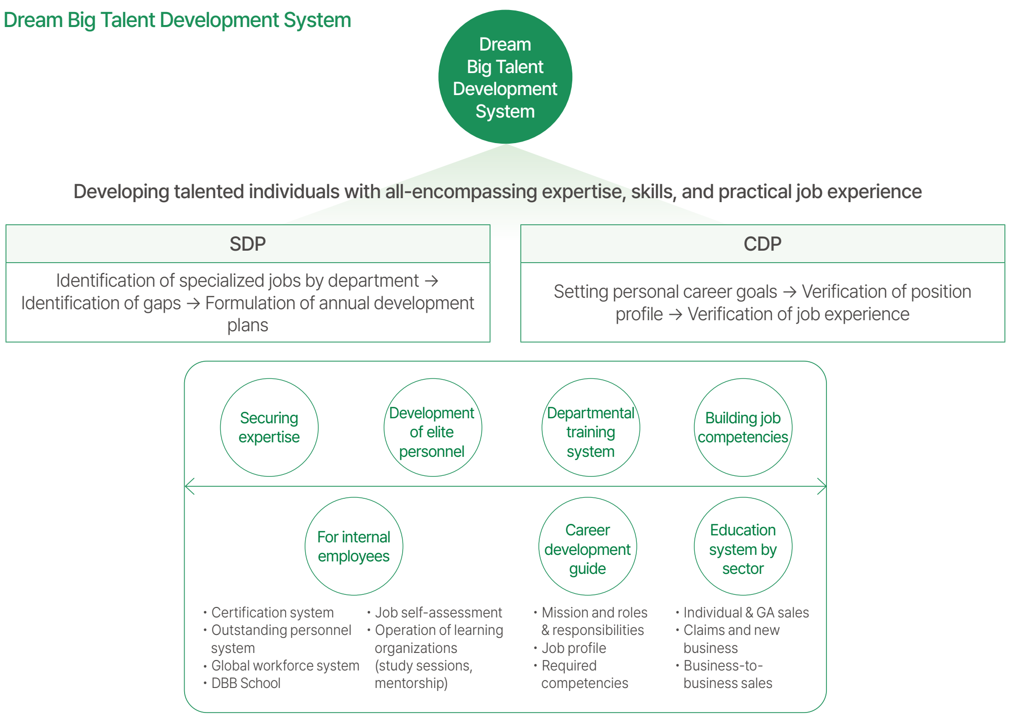
Human Resource Management

Talent Development

Dream Big Talent Development System

DB Insurance operates the Dream Big Talent Cultivation System to enhance the job expertise and work capabilities of its employees. This system is designed to cultivate all-encompassing talented individuals with expertise and practical experience through educational structures based on hierarchy, jobs, and key personnel. The job capabilities are systematically reinforced through stage-specific general and job-specific training, with active support for obtaining domestic and international insurance agent certifications to cultivate industry-leading experts.
Furthermore, to assist customized capability growth, the system leverages individual competency evaluations and self-development plans (SDPs) and career development plans (CDPs) to achieve both organizational and individual visions.

Dream Big Talent Development System



Strengthening Job Expertise

In terms of strengthening job expertise, DB Insurance implements self-assessment tests and branch manager training programs. The conversion of traditional in-house certifications to online self-assessments has boosted employee engagement and enhanced overall job learning outcomes. The branch manager training program improves marketing skills of field managers and helps them quickly adapt to sales and organizational culture upon assignment.
Furthermore, we conduct departmental job training by employing active field personnel as in-house trainers. We provide support to invigorate in-house job training to ensure it is closely associated with fieldwork for improved job performance. In addition, we conduct job self-assessment tests to extend in-house training opportunities and improve learning outcomes through various training methods. In 2023, 1,771 employees voluntary took part in the tests across 24 subjects related to the terms and conditions of products handled daily, and insurance laws and regulations.

(Unit: Courses, persons)

Department/Division	In-House Job Training		
	No. of courses	No. of participants	YoY comparison
Individuals	88	1,535	5
Strategy	3	116	32
New Business	10	525	407
Corporations	18	928	862
Claims	79	1,943	△595
Asset	1	2	△97
Management/Customer	2	35	△111
Total	201	5,084	503

Human Resource Management

Operation of a Hierarchical Training System

At DB Insurance, we offer a hierarchical training system consisting of introductory courses, promotion courses, post-promotion leadership courses, and common competency improvement courses to cultivate all employees into key talented individuals.

Enhancement of hierarchical/job expertise	**Education system for hierarchical positions such as general and support staff**
	Common competencies ← Group DVP ← Hierarchical/Promotees ← Orientation
	Departmental/divisional education system Intensifying job expertise / Claims, Asset, Individuals, New Business, Corporations, etc. • Support for obtaining insurance agent certifications • Support for obtaining actuary, loss adjuster, and international insurance agent certifications
	Operation of Job Competency Self-test 24 subjects for each job duties including Insurance Act , Long-term insurance and Car Insurance

Cultivating key professional workforce	**Cultivating outstanding workforce**	
	• Group DNA/CNA • Advanced external commissioned courses (KAIST, etc.) • External job training • Self-directed learning (learning points, etc.)	• Leadership enhancement courses • Job-themed courses • Digital-themed courses • Mentoring activities
	Cultivating global workforce Long-term overseas training (U.K., U.S., Actuary, etc.) Intensive language courses, Global Motivation program (long-term training program)	
	DBB School (training for data analysts and insurtech workforce) Introductory / Basic / Advanced / Follow-Up	

Cultivating Insurtech Experts

To give momentum to digital transformation and timely address market changes, DB Insurance runs programs designed to cultivate insurtech specialists. The programs are available in each competency level to improve the expertise of insurtech staff and extend the foundation for understanding and applying insurtech technologies. DBB School, which has restructured the previous innovation academy, focuses on training data experts. These programs bolster overall digital competency and cultivate advanced experts who are equipped with the capacity to play a leading role in data analysis. We encourage our employees to obtain external certifications and licenses to enhance data-related competency and cultivate credible experts.

Securing Organizational Leadership Capabilities

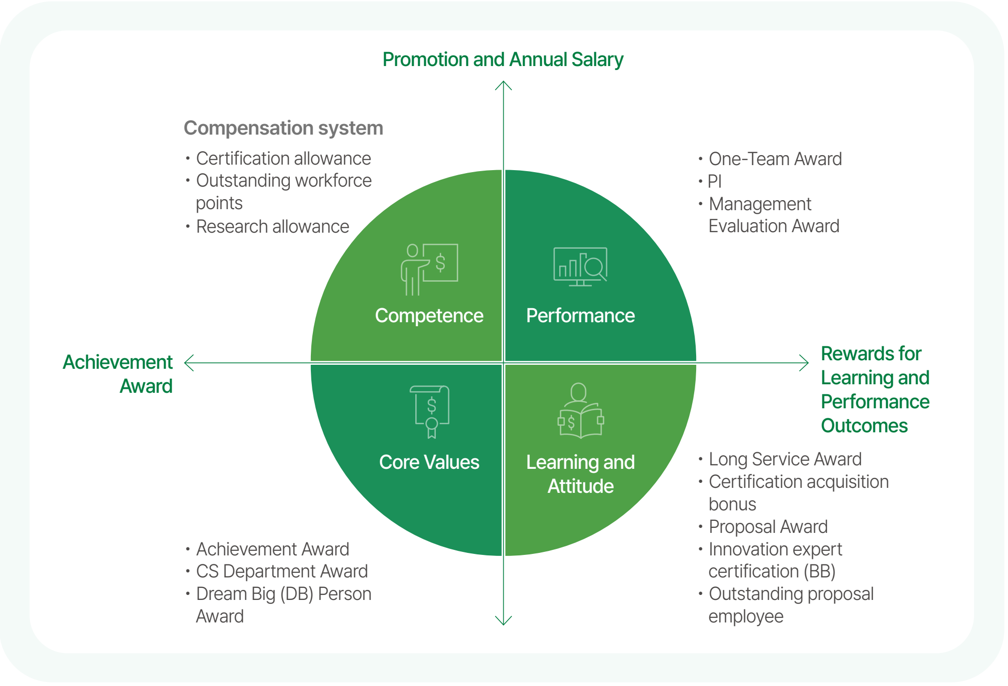
DB Insurance's Strategic, Operational, and Self-Leadership/Coaching courses aim at cultivating excellent leaders who achieve organizational vision and drive changes, as well as outstanding organizational leaders who effectively manage tasks and members. The courses feature inclusive coverage of leadership capabilities, providing tailored training for individual strengths. The contents are updated annually to reflect material issues and changing trends and maximize the effectiveness of education.

Expansion of Job Mentoring Program

DB Insurance offers expanded job mentoring program in an effort to share and distribute our extensive knowledge in the insurance sector amidst rapid environmental changes brought about by endemics, digital transformation, and generational shifts.
Moving away from the traditional study groups operated as learning organizations, we have expanded the scope to one-on-one job mentoring to closely assess individual learning and competency levels and provide targeted mentoring service. Our one-point lessons provide timely mentoring to mentees, enhance educational effectiveness, and improve mentor-mentee relationships, ultimately promoting a culture of mutual communication.

Human Resource Management

Performance Evaluation and Compensation



Performance Evaluation System

DB Insurance's performance-based system clearly defines the responsibilities and authorities of its employees, encouraging them to set and evaluate their own goals. Our employees segment feedback and performance measurement on a quarterly basis to achieve their goals, setting connections between organizational and individual objectives. Through mechanisms such as goal agreement systems, quarterly evaluation systems, and coaching programs that include personal and career development plans, we inspire our employees with a clear sense of purpose and the determination to achieve their goals.
We provide a structured appeal process for final performance evaluations to maintain fairness and objectivity in assessments.

Ensuring Fair Opportunities

DB Insurance makes sure no gender-based discrimination takes place in the evaluation process. We conduct separate evaluations for male and female employees, thereby ensuring fair opportunities for all employees. We operate courses for business managers and claims specialists to enhance management skills for female employees, PAs, and other department staff.
Employees who complete these programs serve as cultivation branch managers or branch managers, with DB Insurance supporting their growth as sales management experts.

Reasonable Compensation System

Employee salaries are structured cumulatively based on base pay, with adjustments according to job and rank to ensure reasonable performance-based compensation. Salaries and promotions are determined by comprehensive evaluations based on competency and performance, with a high performance-high reward salary system providing variable compensation. We run several award programs to motivate employees to continuously develop their skills and improve job performance.

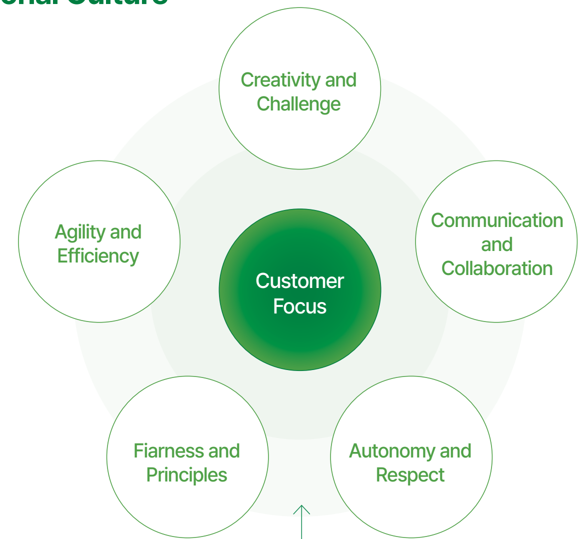
Establishment of an Evaluation Appeal System

An appeal system is available for employees to request a review of their evaluation results if they have any objections. The HR Committee reviews appeals through a fair process and provides feedback to the applicant on the approval decision. In 2023, the evaluation results of 11 out of 40 appeals were adjusted.

Human Resource Management

Building Organizational Culture

DB Way



CORE VALUES

Order, Trust, and Love
Prioritizing Customer Value / Investigative Approach / Becoming an Example / Self-Management

DB Way System

VISION

An Excellent Global Company

MISSION

"DB strives to be a global leader in every business it engages in, driven by entrepreneurship and innovation, aiming for superior profitability and growth, and sustaining top-tier competitive advantage in all management aspects."

DB CULTURE ORIENTATION

"Dream With You, Collaborative Growth in DB Culture"

(Striving together for a brighter future, ensuring mutual growth for both individuals and the company)

Establishment of the DB Way System

DB Insurance established the DB Way system in 2023, identifying six keywords for corporate culture innovation and structuring it based on comprehensive diagnostics to define the company's cultural orientation and employees' work styles.

The DB Way consists of six keywords: customer focus, creativity and challenge, agility and efficiency, fairness and principles, autonomy and respect, communication and collaboration. We ensure effective communication of these keywords to encourage understanding, empathy, and practice among our employees.

Operation of the Corporate Culture Council

DB Insurance runs a Corporate Culture Council to integrate field issues into management activities. We select Junior Board members from each department annually as opinion leaders for biannual workshops. The Corporate Culture Council, launched in January 2023, operates through monthly face-to-face meetings and applies feasible improvement suggestions gathered through the council to the field.

※ DB Insurance annually consolidates employee issues through conversations and applies decisions from the labor-management council to the entire workforce (freedom of association guaranteed in 2023: 100 %).

ESI Survey for Work Environment Improvement

Starting in 2006, we annually conduct the Employee Satisfaction Index (ESI) survey to assess employee engagement and identify and implement company-wide improvement plans. Through the ESI survey, we gather feedback across ranks, divisions, departments, and job categories, conducting customized improvements to boost employee engagement and productivity.

ESI Survey Results

Indicators	Unit	2021	2022	2023
Occupational accident rate	%	0.02	0.02	0.02
Welfare expenses per person	KRW million	16.7	16.6	20.0
Work engagement	Points	82.2	81.1	80.9

Human Resource Management

Employee Welfare

Promotion of Work-Life Balance

At DB Insurance, we offer diverse support programs to guarantee employees' work-life balance, fostering a concentrated work environment and a lively DB culture. Alongside activities such as focused work hours, PC-off system, smart meetings, and the improvement of dining culture, we have introduced the RPA system to automate processes and boost work efficiency. We also run programs like Family Day, enhanced annual leave, and summer resort programs so that our employees can spend sufficient time with their families.

Implementation of Maternity Protection Programs

DB Insurance creates a female-friendly work environment, offering various assistance programs to empower women to continue their careers without interruption. Our policies, including prenatal examination leave, infertility leave, spouse paternity leave, and reduced work hours during pregnancy, help employees focus on childcare. We also provide 90 days of maternity leave and up to 18 months of parental leave, helping the psychological and physical stability of pregnant and postpartum employees. We also cover medical expenses during childbirth and miscarriage to alleviate financial burdens. As a result, in 2023, we achieved a 100% return-to-work rate for female employees who took maternity leave.
We also offer childcare services for employees' children. We operate the Promy Child Love Daycare Center through the experienced and verified Puruni Childcare Support Foundation, accommodating 37 children as of December 2023. Besides, we have a work-from-home system for counseling work and services, with 36 female employees telecommuting as of December 2023.

Support for a Flexible Welfare Program

At DB Insurance, we have a flexible welfare program in place in order to foster a work environment where everyone can work with pride and satisfaction. The program covers a wide range of options including medical check-ups, culture and arts, volunteering, family-friendly benefits, stability funds, housing assistance, and in-house clubs, allowing employees to select the benefits that best suit their needs. Furthermore, we remain fully compliant with government policies involving the wage peak system and extended retirement age. We conduct surveys, suggestion systems, various committees, and external consultations to grasp and meet employees' diverse needs as part our efforts to run more practical welfare systems.

Support for Reemployment and Stable Life After Retirement

At DB Insurance, we have a flexible welfare program in place in order to foster a work environment where everyone can work with pride and satisfaction. The program covers a wide range of options including medical check-ups, culture and arts, volunteering, family-friendly benefits, stability funds, housing assistance, and in-house clubs, allowing employees to select the benefits that best suit their needs. Furthermore, we remain fully compliant with government policies involving the wage peak system and extended retirement age. We conduct surveys, suggestion systems, various committees, and external consultations to grasp and meet employees' diverse needs as part our efforts to run more practical welfare systems.
There are two retirement pension systems at DB Insurance to ensure stable management of employees' retirement funds: the defined benefit (DB) plan and the defined contribution (DC) plan. We distribute funds across DB Life, Korea Investment & Securities, Hyundai Marine & Fire Insurance, Kyobo Life, Samsung Life, Hana Bank, Shinhan Bank, Lotte Insurance, Mirae Asset, Kookmin Bank, and Shinhan Life so as to comply thoroughly with legal standards for retirement benefits and manage related risks effectively.

Key Family-Friendly Programs

Program	Description
Children tuition fee	• Kindergarten: A monthly subsidy of KRW 150,000 for two years • High school: Coverage up to KRW 1,000,000 per quarter for entrance fees, tuition, and parent-teacher association dues • University: Coverage of entrance and tuition fees (up to KRW 4 million per year)
Dream Big Plaza	• An employee-exclusive website for sharing departmental Great Work Place (GWP) activities, fun events, core values, corporate culture activities, and social contribution activities
Summer resort	• 62 rooms available across the country, serving 1,116 users
Company's condominium hotels	• 226 condo memberships nationwide
Spouse health check-ups	• Partial coverage of health check-up expenses for spouses of married employees
Remind Family	• Family camps for employees and their children

Human Resource Management

Improvement of Communication

DB Insurance operates diverse programs to foster free communication between the company and employees. We strive to improve work efficiency and synergy among employees through communication.

Communication Channels

Category	Program	Description
Between company and employees	Soda Talk Talk	An opportunity for dialogue between the CEO and employees In 2023, it connected with 425 employees in 9 sessions
	Various communication channels	Diverse communication channels like internal anonymous boards, external network anonymous surveys, and reporting channels to gather and improve feedback
	Corporate Culture Council	Choosing opinion leaders from Junior Board members in different departments and offices to provide feedback and participate in improving the company's work culture and policies
	PromyTV	Creating and airing weekly broadcasts for employees (Key topics: company's operational roadmap, key issues, and corporate culture)
	Management performance briefing	Monthly briefings on management performance and executive messages through monthly in-house broadcasts
	E-Promy Plaza	An online magazine for sharing economic and cultural news published by the PR Division, internal major issues, and employee contribution news (travel, department introductions, etc.)
Between employees	CCM Week	CS activities and guidelines for internal/external customers, sharing company-wide corporate culture-related matters such as Dream Big Times and DB People
	Dream Big Plaza	An employee-exclusive website for sharing and participating in departmental GWP and club activities, core values, social contribution activities, corporate culture improvement activities, and various hobbies of employees (DB People Story)
	On-site learning sessions	A venue for communication and discussion among field employees to share weekly departmental issues and strategic directions
	Study groups & in-house mentoring	Self-development, sharing know-how, and boosting communication among employees with common job-related interests
	Cross mentoring	Employees serve as mentors for reverse mentoring with executives and engage in cross-generational communication activities
Between organizations	Dream Big Leaders Council	An organization designed to facilitate the company-wide work culture and inter-departmental collaboration through discussions among opinion leaders from each field
	Employee participation channel	An anonymous survey board designed to gather employees' feedback when making decisions on major frameworks and policies
	Employee satisfaction surveys	Internal Customer Satisfaction Index survey designed to improve service satisfaction in staff departments and employee satisfaction / ESI survey aimed at enhancing work quality and propose improvements

Welfare Programs

Category	Description
Welfare Programs	• Health check-ups and medical expense coverage for employees and their families • Psychological counseling system for employees and their families • Employee challengers (subsidies for exercise, dieting, etc.) • Online and offline education related to emotional labor, sexual harassment, and other work-related issues / Psychological counseling services for employees' stress management • Constant response system for diseases (prevention, treatment, sick leave, etc.) • Group accident insurance for employees and their families • Health information seminars • In-house clubs • Paid health check-up leave (1 day)
Fostering a healthy work environment	• Lighting, noise level, air quality, humidity, and temperature control to create an ergonomic work environment - Regular replacement of office furniture, including replacing all office lights with LED bulbs - Smart ventilation and indoor temperature control in company buildings, & HVAC system operation in major company buildings - Regular pest control activities
Fostering a flexible work environment	• Flexible working hours to facilitate work-life balance • Work-from-home guaranteed through IT systems
Creativity, communication, and empathy programs	• Humanities and arts lectures (external speakers) • Encouraging attendance at cultural performances (recognized for self-development) • Volunteering for social contribution
Family-friendly programs	• 90 days of paid prenatal and postnatal leave • Congratulatory money for marriage and childbirth Promy Child Love Daycare Center, an employee-only daycare center in Dongja-dong, Seoul • Financial assistance for children's tuition fees for kindergarten, high school, and university • Dream Big Plaza - An employee-exclusive website for sharing departmental GWP activities, fun events, core values, corporate culture improvement activities, and social contribution activities • Summer resorts (62 rooms available nationwide, serving 1,116 users) • (Paid) infertility leave for infertility treatment • Family care leave and absences • Awards (gold or cash) and leave systems based on length of service
Stability funds	• Financial assistance for housing purchase and rental deposits, small loans, and condolence loans
Company housing support	• Company housing open to employees who are required to work in locations away from their primary residence - Temporary accommodation expenses, company housing rental fees (deposit, monthly rent), living expenses at company housing, and transportation costs for commuting to primary residence and working location
In-house clubs	• Subsidies for clubs involving leisure sports, social service, travel and hiking, culture and arts, and learning

Human Resource Management

Employee Safety and Health

Safety and Health Policy

DB Insurance operates an Occupational Safety and Health Committee, composed of four representatives each from labor and management, to regularly discuss safety and health improvements and occupational accident prevention plans. Furthermore, we designated a occupational safety and health manager responsible for investigating serious accidents, establishing recurrence prevention measures, inspecting work conditions, and providing safety and health training to employees. All employees, including CS representatives, are considered vulnerable stakeholders in terms of safety and health risks.

Safety and Health Policy

DB Insurance has set forth the following safety and health policy to ensure the safety and health of all employees and boost productivity:

1. The company develops and implements safety and health plans, continuously improving hazards and risks to protect employees' safety and health.
2. In every work environment, the company places the utmost importance on employees' safety and health.
3. The company ensures strict compliance with safety and health-related laws and regulations.

Board Resolution on Safety and Health System and Plans

Every year, DB Insurance's BoD resolves the overall safety and health management system, reviews task execution outcomes, and sets plans to identify and manage key safety and health risks.

Safety and Health Decision-Making Process

CEO	Occupational Safety and Health Committee (4 employee representatives, 4 employer representatives)	Safety and health manager (HR executive)	Safety and health department
• Supervision of company-wide safety and health	• Deliberation and resolution of critical safety and health issues of the company	• Execution of committee resolutions and preventive activities pursuant to safety and health regulations, and assistance in committee operation	• Prevention of job-related safety and health issues, conducting inspections, and reporting

Implementation of Employee Health Guardian Program

DB Insurance offers a diverse range of health programs to ensure a healthy workplace where employees can feel safe. Each year, we provide health check-ups for all employees and their spouses, with tailored benefits according to age and length of service. We also offer group insurance covering injury and illness medical expenses for employees, their direct descendants, and ascendants. Counseling employees are entitled to receive additional assistance through programs like massage care and investigations into risk factors for musculoskeletal disorders. As such, we work to promote employees' mental and physical health through diverse programs, including professional psychological counseling and a health fund system.

Safety and Health Management System Certification

In 2023, DB Insurance received ISO 45001 certification in acknowledgment of the effective operation of its systematic safety and health management system. This certification lays the groundwork for preventing major occupational and civil accidents while supporting the Risk Management Institute in ensuring safe field operations.

Protective Measures for CS Representatives

DB Insurance protects its CS representatives by creating and leveraging the Manual for Handling Difficult Customers, while appointing grievance officers in each department to fully address assaults and sexual harassment. In 2020, we expanded the scope to cover all employees, beyond just those in frontline positions.

Consumer Protection Division
- Manages the list of blacklisted consumers
- Handles complaints in coordination with the Financial Supervisory Service

Customer service training

Notifies incidents involving blacklisted consumers

CS representative — Reports incidents of assault, verbal abuse, and sexual harassment

Takes essential actions to protect employees
e.g. Call connection messages informing the rights of employees

Dedicated grievance handling officer

Incident reporting

(Company-wide) HR Division of Grievance Handling Officers
Makes personnel appointments and files occupational accident claims (if necessary)

Legal Support and Risk Management Division
Files criminal complaints and claims for damage (if necessary)

Human Resource Management

Business Partners

Partner Composition

DB Insurance partners are categorized into sales partners, who handle the sales of products and services, and claims partners, who manage insurance claims. The sales partners are composed of exclusive channels like PAs and agencies selling only DB Insurance products, and non-exclusive channels like GAs and cross agents who are authorized to sell both life and non-life insurance.
In addition, we are diversifying channels with traditional face-to-face sales, telemarketing, total consulting, and life design channels. Our claims partners include loss adjusters, hospitals, and repair shops who provide seamless processing of claims for customers, and they, as key stakeholders, make a wide variety of efforts to create cooperation values for mutual prosperity with partners.

Sales Partners

Exclusive Channels	Non-exclusive Channels
PA An exclusive agent authorized to sell only DB Insurance policies	**GA** A non-exclusive agency or financial institution authorized to sell products from all insurers
Agency An agency with exclusive contracts to sell only DB Insurance products	**Cross Agent** A life insurance agent who primarily sells life insurance but is also allowed to handle general insurance policies

Claims Partners

Accident Investigators and Loss Adjusters	Hospitals
Service providers managing accident investigations and insurance claim adjustments for car, long-term, and general insurance	Medical institutions providing services and diagnostics related to insurance claims
On-Site Assistance and Emergency Response	**PromyCar Repair Shops**
Service providers for on-site assistance and emergency response in road traffic accidents and vehicle breakdowns	Partner repair shops nationwide that have undergone DB Insurance's internal review

DB Insurance's Value Creation Activities and Achievements for Partners

DB Insurance's partners are classified into sales partners who sell products and services, and claims partners who handle insurance claims, both playing key roles in delivering products and services promptly and accurately to customers. The dedication and passion of our partners have been the driving force behind reaching over 10 million customers since its inception in 1962. We maintain ongoing communication and increase assistance to generate greater value with our partners and bolster their competitive advantage. We have diverse communication channels in place to gather the voices of the field, and we offer specialized competency-building training for partners, thereby reinforcing a cooperative system for mutual prosperity.

2023 KEY FIGURES

No. of PAs	No. of PAs selected by Blue Ribbon	Satisfaction of sales partners
20,032	689	66.7points

Strengthening Partner Competitiveness

DB Insurance boosts the insurance expertise of agents and business managers by offering customized programs aligned with their specific roles. We offer a range of curriculum-based sales enhancing programs for agents, like customer consulting, tailored to years of experience and income levels, on account of the product trend and disease information. We provide customized educational content through the DB Learning Platform, a smart learning system, enabling agents, instructors, and business managers to enhance their expertise via self-directed learning. The platform allows all PAs to learn quality content regardless of time and place.
Furthermore, the flipped learning[1] format, an instructional strategy combining online and offline methods, optimizes learning by delivering interactive education programs subsequent to the pre-learning of fundamental concepts.

1) A methodology that, after online pre-learning, connects to an interactive group training session based on the results

Key Curriculum

Agents	Instructors	Business Managers
• Core competency-based training for new agents • Advanced mobile-based customized training for PAs • Advanced specialized education based on organizational characteristics	• Standardization of instructor duties and competency-building • Skill enhancement of coaches according to their experience and traits • Sustained improvement of coaching capabilities for branch mentor activities	• Training courses for managers focused on core competencies • Training for business managers aimed at enhancing execution capabilities • Broadening the scope of self-directed learning for business managers

Support for Sales Family Settlement

DB Insurance aims at boosting performance and aiding in stable settlement of its employees. Accordingly, we offer diverse support to increase the work immersion of our sales family. We continuously share, through internal broadcasts and regular training, the purpose and direction of the commission system, which acts as a performance reward for recruitment activities and reflects company policies. We reinforced the new performance commissions for new agents, as well as introduced activity commissions to lay the groundwork for sustainable growth. We also work to increase efficiency-focused long-term insurance sales through strengthened criteria for reclaiming performance-based commissions .

Human Resource Management

Systematic Training for New Agents

Based on the perception that "the competence of insurance agents directly correlates with the growth of the company," DB Insurance operates a variety of training programs to systematically nurture new insurance agents and facilitate their stable activities.

Enhancement of Agents' Sales Support Capabilities

At DB Insurance, a number of tools and resources necessary for effective customer engagement are made available in order to enhance the capabilities of our agents in sales support.

Agents receive educational booklets and proposals that compile crucial disease-related information outlined in policies, equipping them to share various disease data with customers. Since 2018, our DB Smart Portal has supported seamless, all-in-one operations—from customer registration and subscription planning to electronic signatures and finalizing contracts—using just a tablet computer or smartphone at sales locations. In addition, our smart coverage analysis service provides one-minute consulting to assist agents in verifying insurance details and automatically generate plans, thus enhancing the customer management skills of PAs.

In 2023, such efforts led to the recognition of 3,603 PAs as Certified Insurance Consultant[1] and 689 under the Blue Ribbon[2] programs, both run by the General Insurance Association of Korea.

1) Agents who have undergone a comprehensive evaluation of agents' years of service at the same insurance company, new contract retention rates, sales performance, and the number of incomplete sales
2) The highest honor given to PAs who consistently demonstrate exemplary behavior and have been selected as Certified Insurance Consultants (Agencies) for five consecutive years

Support for Agents' Field Activities

Enhancement of customer activity tool support

- Establishment of a process infrastructure for contactless activities
- Launch of an automated appointment scheduling system
- Support for customer touchpoint activities targeting existing customers
- Launch of the coverage analysis report sending function
- Insertion of product leaflet QR codes into planning documents

Enhancement of customer interaction and consulting capabilities

- Specialized training conducted for each business division and branch office

Programs Supervised by the Headquarters

5th month	Increasing customer base	• Understanding car insurance • Leveraging consulting tools • Car insurance claim cases
7th month	Consulting expert course	• Big data coverage analysis • Understanding competitors' products • Disease information approach technique
9th month	BTS Seminar (for those who satisfy the criteria)	• Latest insurance trends • Instilling a sense of challenge • Analysis of two major diseases (brain/heart)
12th month	Dream Big (1st anniversary)	• Celebration ceremony • Learning the core products • Establishing income vision
4th to 13th month	Increasing income	• Big data customer analysis • Establishing income increase plans
2nd year	Market expansion program	• Big data customer analysis (advanced course) • Customer management skills
5th year	DBRT Challenge	• Expanding the VIP market • Consulting on lifetime medical expenses • Instilling a sense of challenge for Vision Club

Programs Supervised by Each Business Division

13th month and onwards	Increasing existing PA productivity	• Insurance market trends • Consulting on three major diseases • Customer analysis and telephone approach techniques
5th to 18th month	Step-Up course	• Continuous activity management • Providing various activity issues
1st to 4th month	Practical training course	• Core products and customer management • Learning basic techniques • Field Training Course
Initial month	Basic training course	• Understanding the insurance business and products, nurturing PA mindset like acquiring general insurance agent certifications, customer acquisition • Basic Training Course

Human Resource Management

Efficient Support for Each Channel

DB Insurance structured its branches into standard, total consulting, and specialized branches, and established the responsibilities and roles of the staff organization for each channel to provide support for the efficient growth of our sales family. Furthermore, we continue our efforts to maximize branch productivity by establishing an operational system for the staff organization, differentiating operating cost systems based on branch characteristics, and improving the operational efficiency of outskirt hub branches.
We operate separate channels for personal and strategic business segments, provide better commissions for new agents, and implement an advance payment system to ensure optimized support for agents and boost their concentration at work. Also, we improve branch operation efficiency by operating cross agent centers in key areas to increase sales. Such initiatives allow our agents to provide optimal consulting to their existing clients and manage them in a more effective manner.

1 Standard & total consulting branches	2 Specialized branches	3 Cross agent branches
Exclusive PA channel, cultivating elite consulting PAs	Customer retention and support for cross agents and senior PAs	Support for managing cross agent channels

Welfare for Sales Family

DB Insurance provides a range of welfare benefits for PAs and agencies, beyond just sales commissions.
Our welfare programs for PAs, who grow together with the company, ensure enduring partnerships.
We provide financial assistance for their children tuition fees (covering elementary to university students), and we partnered with a hospital to facilitate health check-ups of PAs.
In 2023, we started providing allowances for condolatory events and weddings.
We provide assistance for exclusive female PAs who are temporarily unable to work due to childbirth to ensure their continuous economic activity, and we have a succession system in place for the retirement process of senior PAs.

Real-Time Location Information of Emergency Assistants

DB Insurance offers a real-time location information service for customers requiring emergency assistance due to road traffic accidents or vehicle breakdowns. This service, which informs customers of the assistant's driving route and estimated time of arrival, ensures rapid dispatch while easing customer concerns about unexpected incidents, leading to high customer satisfaction.
Our emergency assistants, on the other hand, are provided with the optimal route to the customer's location to save time and enhance work convenience.

Human Resource Management

Strengthening the Cooperative System with Partners

Improvement of PA Communication

At DB Insurance, PAs with excellent field sales capabilities serve as members of the Product Leaders Club, where real-time feedback is incorporated into product development to ensure that vivid voices at the forefront are reflected in product development. Our PA proposal system serves as a platform for PAs to convey their needs to facilitate sales activities in real-time when making various company policy and system decisions.
The feedback submitted through this channel is directly conveyed to the headquarters and relevant departments, and selected suggestions are incorporated into company policies and systems.
We also strive to promote better communication with our sales family. We run a wide variety of different channels such as DBRT, seminars, cross agent leader programs, branch mentor programs, coach programs, sales team leader programs, and total consulting center manager programs. Furthermore, we hold an annual awards ceremony to reward outstanding PAs based on their performance, customer satisfaction, and retention rates, and those who have significantly contributed to the company's growth are honored in the DBRT Hall of Fame to enhance the sales family's pride and loyalty.

Improvement of Partnerships with Claims Partners

DB Insurance extends various supports, including the selection of excellent claims partners, in order to foster a close, cooperative relationship with our partners. We initiated multiple strategies designed to enhance customer service satisfaction, improve the efficiency of partner operations, and give momentum to digital transformation and innovation as the digital economy continues to expand its horizon.
In 2023, we signed loss adjustment delegation contracts with 25 companies to deliver prompt and equitable services to our customers. We support our partners through the relationship management system, and we conduct vision meetings to share our core values. Additionally, we developed an automated system for accident reporting and information exchange for corporate clients. This system links accident processing automatically, reduces processing time, allows automatic submission of claims documents, and offers real-time accident information. Furthermore, we rolled out the DB T-System, leveraging big data analytics to identify insurance fraud conspiracies, to maintain our commitment to protecting policyholders in good faith and diverse claims partners.

Social Contribution Initiatives by Employees and Sales Family

Guided by the vision of "a global insurance financial company striving a happy society with customers," DB Insurance offers social contribution programs tied to its core business, and enthusiastically practices sharing with the local community to achieve mutual prosperity with diverse stakeholders. Especially since 2006, the Promy Volunteer Group, headed by the CEO, has been organizing volunteer teams across 29 hubs nationwide, steadily increasing social contribution activities with participation from employees and the sales family. In 2015, we launched the Promy PA Volunteer Group at the sales department level, promoting various volunteer activities tailored to the characteristics of each region.

VISION	A global insurance financial company striving a happy society with customers
SLOGAN	Together, Promise

Operation of social contribution programs tied to our core business	**Engagement in social responsibility activities related to children, safety, and finance** • Installation of Yellow Carpets for children's traffic safety • Organization of the Global Finance Exploration Contest • One Company, One School financial education program for youth
Practicing sharing with the local community	**Expansion of customized social contribution activities to create value for stakeholders in the local community** • Sponsorship programs for schools for the hearing impaired • Conducting social contribution activities in Wonju, the home of the DB Promy Basketball Team
Expansion of social contribution activities by employees and sales family	**Promotion of awareness-raising programs and activities for the fulfillment of social responsibility by employees and sales family** • Employee volunteering via the Promy Volunteer Group • Volunteering led by the sales family • Global social contribution activities

Annual Community Contribution Performance and Mid-to-Long-Term Goals

DB Insurance is committed to continuously enhancing its contributions to marginalized and disadvantaged groups in the region, going beyond the industry's collective social contribution efforts. Our community contribution for 2023 amounts to KRW 3.6 billion, with the targets for subsequent years outlined below.

Annual Community Contribution Targets

(Unit: KRW 100 million)

	2024	2025	2026
Amount of community contribution	38	40	42

Social Contribution Activities

Highlights of Our Social Contribution Activities

Yellow Carpet for children's traffic safety: "Shining the path to traffic safety for children with the yellow light of hope"

Sponsorship of the Yellow Carpet Campaign Tied to Our Core Business

Since 2016, DB Insurance has consistently sponsored the Yellow Carpet project designed to ensure traffic safety among children, a particularly vulnerable group, as part of its social contribution program tied to its core business (installed 843 Yellow Carpets as of the end of 2023).
To prevent road traffic accidents involving children running onto crosswalks unnoticed by drivers, the Yellow Carpet campaign installs yellow safety markers on the ground or walls to help children wait safely before crossing and make them easily noticeable to drivers.
From the initial development of the Yellow Carpet by the International Child Rights Center, ChildFund Korea, together with DB Insurance and other sponsors, local governments, and schools, has been extending the campaign nationwide.
The installation of Yellow Carpets resulted in 70% of drivers affirming their effectiveness in enhancing visibility and inducing speed reduction, demonstrating a tangible impact on preventing traffic collisions.

School Zone Idea Contest for Elementary Students

DB Insurance hosted a contest for elementary students to gather ideas about preventing road traffic accidents involving children in school zones.
The award-winning ideas are officially recommended as safety enhancements for school zones. They are then reflected in policy and pilot-tested in collaboration with local governments and the National Police Agency, offering tangible assistance in achieving traffic safety.

"Play Festival: Safety Experience for Children" to Enhance Children's Traffic Safety

Play Festival, held at Seoul Children's Grand Park, is an interactive educational program designed to prevent road traffic accidents among children.
The festival offered practical traffic safety education to children and parents through diverse programs including scooter safety training, crosswalk simulation, puppet shows, virtual reality booth, riding buses, and KidZania career experience.

Social Contribution Activities

Highlights of Our Social Contribution Activities

Traffic and environment challenge: "Creating new value with social ventures

Environmental concert: "Raising awareness of the climate crisis and delivering meaningful messages for environmental protection"

Creating Social Value through Support for Social Ventures

Since 2019, the DB Insurance Traffic and Environment Challenge has been a distinctive social contribution activity designed to support social ventures in the traffic and environment sectors with growth capital and acceleration services. We fostered 25 social ventures through five rounds as of 2023.
The project is oriented around "generating social outcomes," targeting the support of social ventures in the traffic and environment sectors designed to vigorously tackle social issues, thus fostering a sustainable ecosystem for social ventures. In this context, we fund the chosen social ventures along with professional acceleration program, one-on-one mentoring, and an array of other programs to enhance their business capacities. We also offer follow-up programs to ensure these capabilities lead to tangible business outcomes.
As a result of these endeavors, a total of 71 new jobs have been created across all rounds so far. Particularly in 2023, the fifth round of the Traffic and Environment Challenge resulted in a 678% revenue growth for participating companies, demonstrating the project's success.

Social Venture Conference for the 5th Round of the Traffic and Environment Challenge

Play Festival: Zero-Waste Environmental Concert

As the severity of the climate crisis intensifies with global warming leading to large wildfires, rising sea levels, and air pollution, DB Insurance's cultural festival served as a venue for sharing commitments and deep thoughts on protecting the environment among K-pop artists and the audience.
Especially, audiences wrote messages pledging to protect the environment upon booking their tickets, vowing to continue their environmental protection efforts in daily life. Going forward, we will consistently grow the scope of cultural festivals to facilitate environmental protection.

2023 Performance

Revenue
678 % increase

New jobs
16

Social Contribution Activities

Domain-Specific Social Contribution Activities

Programs Tied to Our Core Business

DB Finance and Economics Competition

Over the last 12 years, DB Insurance, along with its affiliated public foundations, has organized the "DB Finance and Economics Competition" designed to cultivate global financial experts.
Participants in this competition, consisting of university and graduate students in relevant fields, with innovative and practical ideas are awarded scholarships, opportunities for global financial journey, and waivers of the document screening process when applying to DB Group for a job.

One Company, One School: Financial Education Program for Youth

In 2015, DB Insurance established partnerships with elementary, middle, and high schools nationwide, implementing the "One Company, One School" financial education program to impart proper financial knowledge to youth. We have partnered with 117 schools as of 2023, offering programs including on-site financial classes, financial musicals for elementary and middle schools, and financial education for free semesters at middle schools.

Conclusion of an MOU on Financial Education for Vulnerable Groups

To protect the rights of financial consumers and fulfill its role as a corporate citizen, DB Insurance sought to conclude a financial education agreement aimed at protecting vulnerable groups with the Korea Retired Financial Association. This agreement will facilitate the planning and execution of diverse educational programs, including financial scam prevention for senior citizens, fundamental financial education for North Korean defectors and multicultural families, and financial support education for vulnerable groups like single-parent families, households with child heads, and persons with disabilities.

(Unit: Persons, KRW)

	2021	2022	2023
Number of beneficiaries	5,310	5,494	12,883
Amount of benefits	61,100,000	65,490,000	133,990,000

Biodiversity Conservation

East Asia-Pacific Biodiversity Conservation Project

DB Insurance, together with the Environment Ecology Meteorology ICT Consilience Forum, is advancing a biodiversity conservation project focused on the East Asia-Pacific region. The project includes ecosystem and biodiversity research, forest ecology studies, and support for wildlife conservation projects. In 2023, our support extended to the International Ecology School in Taiwan, where we educated participants from six countries on biodiversity conservation and provided an annual fund of KRW 100 million for various conservation activities

Startup Support Program

Green With You Program for Environmental Startups

DB Insurance's "Green With You" project is committed to identifying, supporting, and incubating social ventures that provide innovative business solutions to environmental challenges. This project aims to address environmental and social issues, thereby creating social value and promoting sustainable growth.
We selected six ESG-focused social ventures, offering them grants to facilitate their business operations. In addition, we provide customized acceleration programs that include ESG management, legal, tax, accounting, and marketing support. Our corporate consulting programs further aid in their ongoing growth and networking.
Future assistance will include providing social value assessment reports for each company.
We expect that the Green With You project will play a crucial role in tackling the climate crisis and fostering sustainable development. By expanding the scope of support for social ventures in generating social value, we aim to significantly contribute to solving both environmental and social challenges.

Global Startup Challenge

DB Insurance, along with affiliated public foundations and Seoul National University, launched a global startup challenge targeting leading universities in Asia.
The "DB-SNUbiz Global Startup Challenge" targets university students in Asian countries to help them achieve their aspirations of paving the way for the future with innovative businesses and technologies. This initiative promotes entrepreneurship culture and identifies outstanding entrepreneurs, providing active support to help participants grow into global leaders.

Social Contribution Activities

Community Contribution Programs

Installation of Surveillance Cameras for Crime Prevention and Victim Protection

DB Insurance has collaborated with local governments in installing surveillance cameras for crime prevention and victim protection purposes since 2021. Following our first agreement with Jeju, we partnered with Northern Gyeonggi-do, Daegu Metropolitan Police, and Gangwon-do in 2022, and Gwangju and Jeollanam-do in 2023, culminating in the installation of over 1,300 surveillance cameras nationwide. This project also includes installing home security surveillance cameras, and emergency buttons, as well as providing immediate dispatch and monitoring services to crime victims, single-woman households, single-parent families, and stalking victims. Since surveillance cameras embedded with facial recognition technology have proven to be significantly effective in preventing crimes, they garner high approval from local residents, resulting in growing requests for additional support from local governments and police agencies.
DB Insurance will further strengthen its support for crime victim protection across the country.

(Unit: ea, KRW)

	2021	2022	2023
No. of surveillance cameras installed (cumulative)	200	1,090	1,290
Amount of benefits	100,000,000	600,000,000	200,000,000

Treatment Expenses for Rare Diseases

DB Insurance provided KRW 30 million for the treatment of children with rare diseases to the Korean Organization for Rare Diseases on May 19, 2023.The funds were raised through a “customer donation event” wherein customers were informed of automatic contribution upon using the insurance policy services on DB Insurance’s mobile app and website between December 8, 2022 and January 31, 2023. We extended our support amounting to KRW 450 million in treatment costs to 175 children suffering from rare diseases over the last 12 years, and we have consistently invited patients’ families to attend Wonju DB Promy Basketball games as part of our ongoing support activities.

(Unit: Persons, KRW)

	2021	2022	2023
Number of beneficiaries	12	12	12
Amount of benefits	35,000,000	34,650,000	34,872,700

Scholarship Award to Chungju Sungshim School

DB Insurance delivered a scholarship of KRW 20 million to students in need at Chungju Sungshim School, a school for the deaf, on June 15, 2023, with DB Insurance employees, school staff, and the baseball team present. Over the past 11 years, we donated KRW 270 million in total through 31 instances of scholarships and support funds, which have been used not only for the baseball team’s activities but also to help financially disadvantaged students pursue their dreams and mount challenges.
We have been dedicated to enhancing social interest and improving the treatment of persons with disabilities since forging a sister relationship with Chungju Sungshim School in 2013, providing ongoing support for the baseball team’s winter training and inviting students to watch Wonju DB Promy Basketball games.

(Unit: Persons, KRW)

	2021	2022	2023
Number of beneficiaries	13	13	13
Amount of benefits	25,000,000	24,710,000	24,837,800

Business agreement ceremony for the surveillance camera installation project

Donation of treatment costs for children with rare diseases

Governance

Corporate Governance

BOD

The BOD is the highest governance body at DB Insurance, tasked with making crucial business decisions and auditing corporate management. For increased fairness and transparency, the CEO and the Chairperson of the BOD play separate roles, instituting a system of responsible management from a strategic, long-term perspective. Furthermore, independent directors with varied professional backgrounds are appointed to maintain the board's independence and integrity via checks and balances, including the operation of committees primarily composed of these directors to create a solid governance framework.

Board Operations

Category	Unit	2021	2022	2023
No. of meetings held	Times	9	7	11
Agendas submitted	ea	23	22	34
Attendance rate[1]	%	100	100	100

1) The attendance rate of all registered directors (2 inside and 3 outside), with each director attending at least 80% of meetings.

Board Composition

According to the Articles of Incorporation, DB Insurance's BOD consists of nine directors, maintaining a majority of independent directors by appointing five. At the 2024 Annual General Meeting (AGM), independent directors Choi Jeong-ho, Jeon Seon-ae, Yoon Yong-ro, and Kim Cheol-ho, as well as executive directors Kim Jeong-nam, Jeong Jong-pyo, and Park Gi-hyeon, were appointed. In addition, in compliance with the Act on Corporate Governance of Financial Companies, Jeong Chae-ung was separately designated as an independent director to serve on the Audit Committee. In particular, Jeon Seon-ae, a finance and economics expert and professor at Chung-Ang University, was appointed as a female independent director to enhance the board's expertise and diversity, reflecting a strong commitment to ESG management.

To enhance timely responsiveness to the changing business landscape and expand the board, Vice Chairperson Kim Jeong-nam was appointed as Chairperson in March 2024 to play advisory roles in management decision-making. Vice Chairperson Kim Jeong-nam, with a diverse background in the insurance and financial sectors, was nominated for his suitability in efficiently managing the BOD, and he received unanimous approval from all directors, excluding the nominee himself.

DB Insurance convenes regular BOD meetings once each quarter and holds interim meetings as required for urgent management issues. During its meetings, the board decides on significant managerial issues as defined by applicable laws, the Articles of Incorporation, and BOD regulations, taking into account social, environmental, and governance issues in its deliberations.

Board Directors Profiles (As of Mar. 2023)

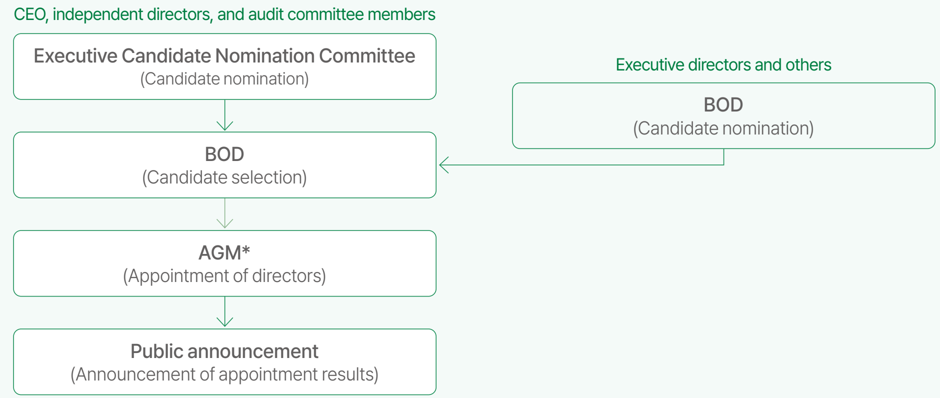
Name	Position	Year of Birth	Gender	Term	Initial Appointment Date (Recent Appointment Date)	Expertise	Major Career	Industry Experience[1] (Finance & Insurance)
Kim Jeong-nam	Chairperson	1952	Male	3 years	Jun. 12, 2009 (Mar. 22, 2024)	Finance (Non-life insurance)	Former Vice Chairperson and CEO of DB Insurance Current Vice Chairperson of DB Insurance Group	43 years
Jeong Jong-pyo	CEO	1962	Male	3 years	Mar. 26, 2021 (Mar. 22, 2024)	Finance (Non-life insurance)	Head of Corporate Business Division, DB Insurance Head of Personal Business Division, DB Insurance Current CEO of DB Insurance	37 years
Nam Seung-hyeong	Executive directors	1968	Male	3 years	Mar. 24, 2023 (Mar. 24, 2023)	Finance (Non-life insurance)	Head of Underwriting Team, DB Insurance Head of Management Control Team, DB Insurance Current Head of Management Support Office, DB Insurance	31 years
Park Gi-hyeon	Executive directors	1969	Male	3 years	Mar. 22, 2024 Newly appointed	Finance (Non-life insurance)	Head of Strategic Planning Division, DB Insurance Current Head of Overseas Business Division, DB Insurance	27 years
Choi Jeong-ho	Senior non-executive director	1954	Male	1 year	Mar. 15, 2019 (Mar. 22, 2024)	Business administration (Insurance)	Actuarial Standards Committee member, Financial Supervisory Service Director at the Korean Insurance Academic Society Current Director at the Korea Risk Management Society Current Professor of Business Administration, Sogang University	39 years
Jeong Chae-ung	Independent directors	1953	Male	1 year	Mar. 25, 2022 (Mar. 22, 2024)	Financial insurance (Finance)	Former Director-General of International Cooperation Office, Ministry of Finance and Economy Former Deputy Minister of Planning and Administration Office, Financial Supervisory Commission President of the Korea Insurance Development Institute	45 years
Jeon Seon-ae	Independent directors	1963	Female	1 year	Mar. 24, 2023 (Mar. 22, 2024)	Economics (Finance)	Asset Management Committee member, Korea Deposit Insurance Corporation Regulatory Reform Committee member, General Insurance Association of Korea Current Dean of Chung-Ang University Graduate School of International Studies	24 years
Yoon Yong-ro	Independent directors	1955	Male	1 year	Mar. 22, 2024 Newly appointed	Finance (Finance)	Former Vice Chairperson of Financial Supervisory Commission Former CEO of Korea Exchange Bank Current Chairperson of Koramco REITs Management & Trust	44 years
Kim Cheol-ho	Independent directors	1955	Male	1 year	Mar. 22, 2024 Newly appointed	Medicine	Head of Geriatrics Center, Seoul National University Bundang Hospital President of the Korean Geriatrics Society and the Korean Society of Hypertension Current outpatient physician, Seoul National University Bundang Hospital	12 years

1) Includes tenure at financial companies and related institutions

Corporate Governance

Director Appointment Process

In accordance with the Act on the Corporate Governance of Financial Companies, DB Insurance's Executive Candidate Nomination Committee is tasked to nominate candidates for CEO, independent directors, and audit committee members.
According to internal regulations, the Executive Candidate Nomination Committee consists of at least three directors, the majority of whom are independent directors, with the chairperson appointed from among the independent directors. The committee assembles and manages a pool of candidates for independent directors and CEO, reporting annually to the BOD. After an evaluation of each candidate's expertise, impartiality, ethics, and accountability, the committee nominates candidates who are then approved at the board meeting and AGM. The CEO is appointed according to the CEO succession plan, which includes procedures for succession and emergency responses, preventing any leadership gaps due to CEO changes or unforeseen absences. DB Insurance openly shares details on director appointments in its annual corporate governance report, which is available on our website.



*Separate appointment of one or more audit committee members

Pool of Candidates

Category	Composition
Pool of CEO candidates	11 persons
Pool of independent director candidates	94 persons

Pool of Independent Director Candidates

(Unit: Persons)

Category	Public Sector	Finance	Academia	Law	IT	Medicine	Total
Total	20	24	28	13	8	1	94
Female	2	5	13	12	5	0	37
Male	18	19	15	1	3	1	57

Independence Standards for Independent Directors

1. An independent director must not have served as executives, including CEO, within the company in the last five years.
2. An independent director and their family must not have been compensated by the company, its parent, or its subsidiaries in any form within the last three years.
3. An independent director and their family must not have served as executives in the company, its parent, or its subsidiaries in the last three years.
4. An independent director must not serve as an advisor or consultant to the company or its senior management and must not have any alliance with the company.
5. An independent director must not have any affiliations with major clients or partners of the company.
6. An independent director must not engage in personal transactions or service agreements with the company or its senior executives.
7. An independent director must not be involved in transactions or affiliations with non-profits that receive significant contributions from the company.
8. An independent director must not have been employed by the company's audit firm as a partner or staff member in the last three years.
9. An independent director must meet all independence requirements set by the BOD and must not have any conflicts of interest with the company.

Corporate Governance

Activities of Independent Directors

Under the Act on the Corporate Governance of Financial Companies, the senior independent director has the authority to convene and preside over meetings of independent directors.
There are five independent directors at DB Insurance, each with a term restricted to one year. At the end of each fiscal year, the performance and competencies of the independent directors are objectively evaluated through a comprehensive review process.
Furthermore, our dedicated support department for independent directors enables them to obtain external expertise when required. This department, led by a department head and including two staff members, serves as the BOD's secretariat, with the primary assistance for 2023 listed as follows.

(Mar. 3, 2023) Practical assistance for the senior independent director and the Executive Candidate Nomination Committee
(Mar. 24, 2023) Assistance in deliberations concerning the formation of BOD committees
(Aug. 8, 2023) Practical assistance for the senior independent director and the ESG Committee
(Dec. 22, 2023) Assistance in reviewing BOD agenda

Independent Director Competency Table

Category	Choi Jeong-ho	Jeong Chae-ung	Jeon Seon-ae	Yoon Yong-ro	Kim Cheol-ho
Management/ Leadership		●		●	●
Economics/ Insurance	●	●	●	●	
Law		●	●	●	
Finance/ Accounting	●			●	●
Risk Management	●		●		
Marketing	●	●			●
ESG	●		●		●
IT		●		●	
Medicine					●

Corporate Governance

BOD Activities

Board Expertise

Following the Executive Candidate Nomination Committee regulations and applicable laws, DB Insurance carries out a fair evaluation process for nominating independent director candidates, who are selected based on their expertise and practical experience in finance, law, accounting, economics, media, or other related fields.

Board Diversity

The BOD bolsters diversity by electing directors with significant expertise and experience in diverse fields, including non-life insurance, fair trade, financial authorities, and personnel or labor management, all rooted in their professional knowledge of the financial industry. Furthermore, the board completely excludes any discriminatory elements based on race, gender, or disability.

Principles and Standards for Ensuring Board Diversity

A diverse workforce in age, gender, and ethnicity is regarded as an asset to the company. To deliver superior and fair customer service in all local communities where the company is active in its operations, DB Insurance strives to capitalize on the varied backgrounds, experiences, and viewpoints of its employees to ensure diversity across all business sites, including its affiliates and employees of all positions.
Furthermore, we establish and enforce policies to ensure a proper understanding of diversity in all insurance business sectors, encompassing recruitment, staff training and competency enhancement, employment retention, job assignments, and mentoring and educational programs, thereby continuously enhancing diversity.

No Activities Giving Rise to Conflict of Interest

In accordance with relevant regulations, the BOD conducts prior reviews of potential conflicts of interest, such as internal transactions, through the Risk Management Committee and the Audit Committee, and receives regular internal audit reports. When potential conflicts of interest are identified through inspection and review, the BOD integrates review feedback into its resolutions, and if the proposal fails to satisfy the approval standards set out by the board and pertinent laws, the company may limit its execution. In compliance with Article 34 of the Enforcement Decree of the Commercial Act, the board is restricted from nominating or appointing individuals who serve as a director, executive director, or audit committee member in two or more companies.

Board Performance Evaluation

DB Insurance conducts operational evaluations of the BOD and its committees, as well as assessments of all registered directors. The evaluation methods and key details are disclosed annually through the corporate governance report.

Click here for the Annual Reports on Governance and the Remuneration System

Shareholder Composition

DB Insurance has issued a total of 70.8 million shares, all of which are common stock, with no preferred shares issued. DB Insurance, being a Korea Exchange-listed company, is allowed to issue shares with limited voting rights. However, the issuance of dual-class shares such as poison pills and golden shares is restricted by domestic law.

Enhancement of Fairness in Performance-Based Remuneration for Executives

To ensure objective and fair performance evaluations of executives, including the CEO and the Chief Financial Officer, DB Insurance operates a Remuneration Committee made up entirely of three independent directors. The Performance-Based Remuneration Regulation for Executives mandates that performance-based bonuses for executives be deferred for at least three years, with provisions for recovery of remuneration from executives explicitly set out. We publish the Annual Report on the Remuneration System, which outlines the operational status of the remuneration system, on the company website.

Employee Remuneration Ratio[1]

(As of 2023[2])

Total Remuneration for CEO		KRW 592 million
Remuneration for employees other than CEO[3]	Median	KRW 84 million
	Average	KRW 89 million
CEO/employee remuneration ratio	CEO/employee median	7.0 times
	CEO/employee average	6.4 times

1) Remuneration includes performance-based bonuses.
2) The above figures are true as of 2023 (Jan. 2023–Dec. 2023) for the remuneration for CEO.
3) This figure excludes the remuneration for CEO.

Major Shareholders

(As of Dec. 2023)

Shareholder	Ownership (%)	Note
Kim Nam-ho	9.01	Majority shareholder
Kim Jun-gi	5.94	Related party (relative)
Kim Ju-won	3.15	
DB Kim Jun Ki Cultural Foundation	5.00	Affiliated public interest corporation
National Pension Service	9.87	Pension fund

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

Corporate Governance

Board Committees

A total of six committees are operated under the BOD according to relevant laws and the Articles of Incorporation: Audit Committee, Risk Management Committee, Remuneration Committee, Executive Candidate Nomination Committee, ESG Committee, and Management Committee. These committees deliberate and make decisions on issues delegated by the board.

Board Committees and Their Roles

Category	Key Roles	Composition	Chairperson	Requirements
BOD	Decision-making on key management issues such as convening AGMs and approving financial statements and business plans	5 independent directors 4 executive directors	Kim Jeong-nam (Executive directors)	If the board chairperson is not an independent director, a senior independent director (senior independent director: Choi Jeong-ho) is appointed, and the majority should consist of independent director
Audit Committee	Selection of external auditors and independent accounting and auditing service providers; review of business and asset status, etc.	3 independent directors	Jeong Chae-ung (Independent directors)	At least 3 directors, with 2/3 or more being independent directors, and the chairperson must be an independent director
Risk Management Committee	Decision-making on key risk management issues, including the formulation of risk management strategies, setting risk management limits, and group risk management	3 independent directors	Choi Jeong-ho (Independent directors)	At least 2 directors, with the majority being independent directors, and the chairperson must be an independent director
Remuneration Committee	Operation and review of performance-based remuneration systems for executives and employees	3 independent directors	Yoon Yong-ro (Independent directors)	At least 3 directors, with the majority being independent directors, and the chairperson must be an independent director
Executive Candidate Nomination Committee	Management of CEO and independent director candidate pools, and nomination of candidates for CEO, independent directors, and audit committee members	3 independent directors	Kim Cheol-ho (Independent directors)	At least 3 directors, with the majority being independent directors, and the chairperson must be an independent director
ESG Committee	Establishment of ESG policies and management systems for promoting sustainability management activities	1 independent directors 2 executive directors	Jeon Seon-ae (Executive directors)	At least 3 directors, including the CEO, and the chairperson must be an independent directors
Management Committee	Decision-making on frequent general management issues such as opening and closing branches, and appointing branch managers	2 executive directors	Jeong Jong-pyo (Executive directors)	At least 2 directors, and the chairperson must be the CEO

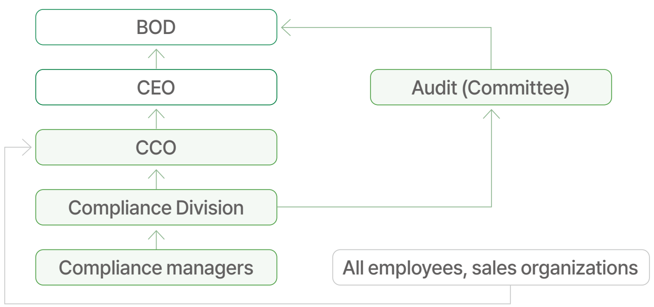
Compliance and Ethical Management

Ethical Management

Ethical Management Governance

DB Insurance has appointed a CCO to oversee internal control duties, verify compliance with internal control standards, and inspect any violations. The CCO is assigned to the headquarters and various field organizations to ensure the company's internal control activities are carried out effectively. The Internal Control Committee, chaired by the CEO, convenes twice a year to evaluate and discuss major internal control issues such as monitoring financial incidents and vulnerabilities, as well as improvement strategies.

Ethical Management Organization



Compliance Management Promotion System

In 2017, DB Insurance became the first in the insurance industry to obtain the international standard certification for compliance management systems (ISO 19600), demonstrating our capacity to identify, assess, control, and monitor compliance risks, as well as conduct internal audits and management performance reviews. In 2021, we obtained ISO 37301 certification, a first in the non-life insurance industry, which mandates a more rigorous compliance management system than ISO 19600. In conjunction with this, we amended our Code of Ethics and its Practice Guidelines so as to incorporate applicable provisions according to the enactment of the Improper Solicitation and Graft Act, thus spreading the sense of ethics across all aspects of the company's management.

Click here for the Code of Ethics and its Practice Guidelines

Ethical Management Vision

Compliance Activities

To spread a compliance culture, DB Insurance develops various content like internal broadcasts and ethics compliance newsletters, and maintains an Ethics Reporting Center on its website for employees and sales organizations to report any unethical conduct. Furthermore, we work to elevate employees' awareness and understanding of compliance. We make ethical management practices a compulsory course in the orientation process for new general and administrative hires, and annually train compliance managers from over 200 departments. In an effort to spread the compliance culture to our subsidiaries, we incorporate ethical management courses into the fundamental curricula for subsidiaries like DB Loss Adjustment, DBCAS, DBCSI, DBCNS, and DBMNS, and mandates our employees to sign ethics and compliance pledges tailored to each subsidiary's business characteristics.

Systematization of Compliance Management

Every year, DB Insurance systematically identifies compliance risks and devises management plans to advance the overall internal control framework. Each department analyzes compliance risks and management plans, with key indicators monitored monthly based on the evaluated risk levels. If anomalies are found during monitoring, we carry out inspections and focus on improving systems and procedures to address the issues. In addition, to prevent financial incidents and improper operations, quarterly inspections are conducted through dispatched supervisors.

Compliance Education Conducted in 2023

Program	Means	Timeframe	Target
4 Mandatory Compliance Courses	Video	Apr.–Jun.	All employees
New Employee Orientation	Lecture	Jan., Jun., Dec.	New hires
Compliance Broadcasting	In-house broadcasting	Mar., Jul., Nov.	All employees
Compliance Manager Training	Online	Feb.	Compliance managers from each department
Dispatched Supervisor Training	Lecture	Mar.	Supervisors dispatched from the headquarters

Participation Rate in Signing the Ethical Management Pledge

(Unit : %)

Major Internal Control Activities in 2023

Activity	Frequency	Major Activities
Ongoing monitoring	54	Monthly monitoring of key indicators in sales organizations, headquarters, and claims departments
(Regular) Inspections	14	Inspection of major departmental tasks
Independent inspections by field departments	4	Independent inspections by branch offices

Compliance and Ethical Management

Compliance and Evaluation

Compliance Risk Analysis and Assessment

At DB Insurance, we systematically manage compliance risks by identifying potential risks, while each department undertakes its duties and analyzes their depth and frequency through risk assessments. The compliance risks, which numbered around 200 during the initial 2017 assessment, increased to 419 in 2023, and these identified risks are managed according to the post-assessment strategies. The outcomes of the assessments are logged into our compliance risk system within the ethics and compliance framework, and these annual and continuously arising compliance risks are periodically updated and managed.

Compliance risks identified and management strategies established (As of the first half of 2023) **419 accounts**

Compliance Index

DB Insurance evaluates its compliance levels using the Compliance Index evaluation system. The evaluation involves work ethics tests for various divisions such as the headquarters, sales, and claims, in addition to compliance risk assessments and compliance activity reporting. To enhance evaluation accuracy, assessment items are regularly updated and refined to account for changes in both internal and external environments and related issues. In 2023, the Compliance Index scored 97.6, reflecting a 1.0-point improvement from the previous year.

Compliance Index (Unit: Points)

2021	2022	2023
96.4	96.6	97.6

Inspections and Ongoing Monitoring

Each department's potential anomalies are categorized into sales, claims, and business expenses for continuous monthly monitoring. Upon detecting anomalies, regular and themed inspections are conducted to enforce immediate corrective measures. During 2023, 68 monitoring and inspection activities were performed, yielding 38 suggestions for improvements. We plan to extend the scope of continuous monitoring targets.

Annual inspections and monitoring conducted in 2023 **68 times**

Corrective actions taken **38 cases**

Eradication of Unethical Conduct Within the Company

DB Insurance has a robust array of systems in place to prevent unethical conduct among employees and enhance their awareness.
Our whistleblowing system enables employees to report unethical behavior without restrictions, while the Ethics Reporting Center, managed by the CCO on our website, allows anyone to report financial incidents or internal control violations. In 2023, we received 54 ethical reports, none of which involved fraudulent conduct by our employees. These reports were identified as policy or claim-related complaints and were subsequently referred to the relevant support, planning, and consumer protection divisions for appropriate action based on their nature.
Furthermore, any gifts or monetary items received during work are reported to the CCO through our gift reporting system. These items are then put up for auction, with all proceeds directed to social welfare organizations and our internal Heart Fund. Since 2019, we have diligently fostered a sound and transparent organizational culture by ensuring adherence to the Code of Ethics Practice Guidelines. We particularly focused on monitoring the exchange of congratulatory wreaths and gifts among employees during appointments, promotions, and transfers.

Ethics Reporting Process

- Incident occurrence →
- Customer report →
- Fact-checking and investigation
- Deliberation and resolution →
- Notification of results

Department | Compliance Division Contact: +82-2-3011-30651
E-mail | pjw@dbins.net
Address | 19F, 432 Teheran-ro, Gangnam-gu, Seoul, 06194, Republic of Korea

Ethics Management Consultations and Reports in 2023

Category		No. of Cases
Customer complaints reported	Service (product) complaints	54
	Employee corruption or misconduct	-
	Partner complaints	-
	Others (personal data, etc.)	-
Action taken	Severe disciplinary action	-

Compliance and Ethical Management

Operation of an Anti-Money Laundering System

To engage in substantial anti-money laundering (AML) operations oriented towards preventing criminal activities and establishing a sound and transparent financial transaction order, each employee fulfills their role in good faith based on an internal control system. In 2016, we undertook a status analysis consultation to comply with the stringent AML system mandates by the Financial Action Task Force and supervisory authorities. In 2018, we developed an in-house risk-based approach system to conduct customer verification, report suspicious transactions, and report large cash transactions, all based on risk assessment. During 2023, we submitted reports for 1,139 suspicious transactions to the Korea Financial Intelligence Unit.
We are committed to ongoing inspection and improvement of our internal control framework and system to maintain institutional operations in a legal and stable manner.

Voluntary Compliance with Fair Trade Practices

Since the adoption of the Fair Trade Compliance Regulations in 2003, DB Insurance has consistently sought transparent competition through fair procedures, reflecting its strong dedication to fair trade practices. To further this, we adopted the Fair Trade Compliance Program and consistently work towards embedding a fair trade culture by providing annual training sessions for all employees.
Annually, a notice titled "Request for cooperation in establishing an ethical culture" is sent to all our business partners, including hospitals, suppliers, loan agencies, and auto repair shops, signed by the CCO, to ensure adherence to fair trade practices and monitor compliance with the Code of Ethics among employees and partners. Since 2021, the number of CCO notices sent nationwide has risen from 5,000 to 5,500, with 5,500 notices also posted in 2023, matching the previous year's volume. In addition, we conducted on-site inspections at 12 partners, gathered VoC feedback, and enhanced our processes based on the feedback in coordination with relevant departments.

Management of Disclosure Violations

DB Insurance, according to applicable laws, outlined disclosure guidelines encompassing disclosure operations, procedures, and management to help our employees engage in their work based on appropriate ethical standards. In particular, the personnel in charge of disclosures conduct regular reviews of disclosed items and promptly notify any issues found to the relevant department.

Legal Risk Response System

The Legal Risk Management Division, comprised of in-house attorneys and legal specialists, handles legal education and information dissemination to preemptively address legal risks, oversees insurance and business litigation, and provides legal advice. Furthermore, the division strives to build an effective risk management framework by issuing operational guidelines each year to combat the rising internal and external legal risks.

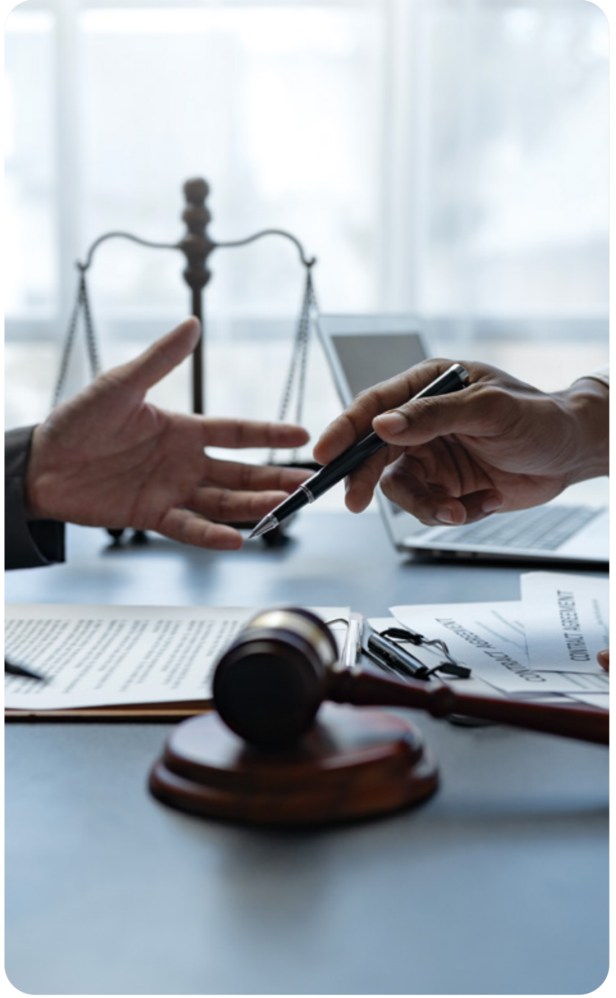
Legal Risks Identified by Year

(Unit: ea)

Category	2021	2022	2023
Headquarters inquiries	727	968	1,095
Sales Division	1,977	1,868	2,330
Claims Division	87	115	105
Total	2,791	2,951	3,530

Operation of ICFR

In compliance with the Act on External Audit of Stock Companies, DB Insurance systematically manages internal control over financial reporting (ICFR). In 2023, we underwent the design and operational evaluation of 711 key controls with no shortcomings, and earned a favorable opinion from external auditors. Our strategy for 2024 includes enhancing internal control activities against fraudulent risks pertaining to funds like embezzlement to maintain the integrity of ICFR.

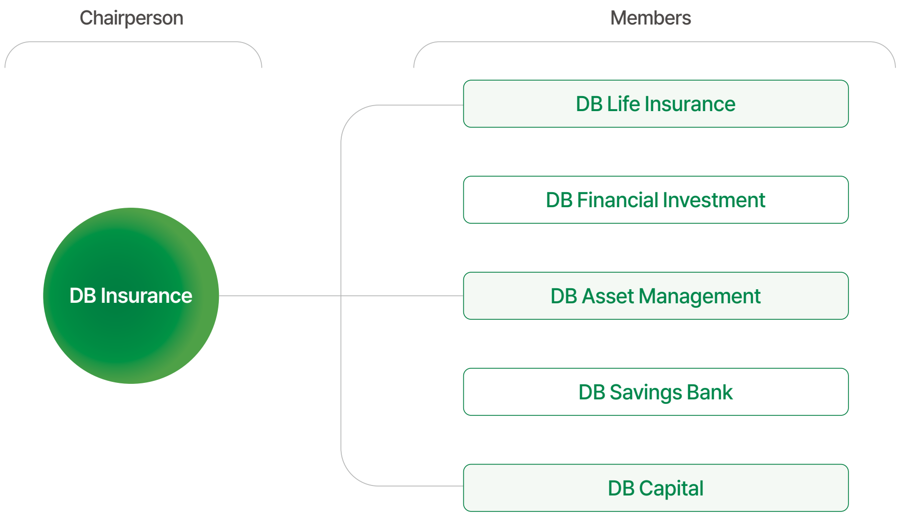


Risk Management

Enhancement of Risk Management in Financial Conglomerates

With the Act on the Supervision of Financial Conglomerates coming into effect to establish a regulatory framework for the sound management of financial conglomerates, DB Group has been designated as a financial conglomerate. As a result, DB Insurance, serving as the leading financial company among financial conglomerates, operates a dedicated risk management division. Furthermore, we formulated the Financial Conglomerate Risk Management Policy and Financial Conglomerate Risk Management Standards to oversee risks efficiently at the conglomerate level. The Financial Conglomerate Risk Management Council, made up of CROs from key affiliated financial entities, reviews critical risk management issues to reinforce the overall risk management framework.

DB Financial Conglomerate Risk Management Council



Risk Policies and Strategies

In accordance with the risk management strategy limits and guidelines set in 2023, DB Insurance strictly monitors and controls overall risk management, and obtains annual approval for its risk management strategies for mid-to-long-term business plans from the Risk Management Committee. Furthermore, we allocate risk capital by risk category to ensure the overall risk level remains appropriate compared to available capital, and we strive to minimize risk exposure by identifying risk factors, scale, and suitability in advance.

1. Risk appetite, including the total amount of company risk and target K-ICS ratio
2. Allocation of individual risk capital using regulatory capital (K-ICS)
3. Risk limits, value at risk, exposure, loss, loss cut, and concentration limits and guidelines considering optimal asset portfolio
4. ALM strategy, average recovery duration guidelines, expected rate guidelines for managing interest rate risk
5. Optimal reinsurance operation strategy including insurance risk retention limits
6. Establishment of risk management organization at DB financial conglomerate level to prevent risk transfer and simultaneous insolvency among affiliates

Risk Management

Risk Management Organization

Pursuant to the Act on the Corporate Governance of Financial Companies, the Risk Management Committee, operating under the BoD, conducts overall supervision of risk management practices. Furthermore, the Risk Management Working Committee is established to bolster responsiveness to the rapidly changing financial market landscape, with dedicated units for insurance and asset risk within the committee to elevate operational expertise. In addition, the operation of a dedicated internal audit division demonstrates our efforts to enhance financial soundness and the safety of the company's financial system.

Risk Management Organizations

BOD

Audit Committee

[Audit Division] Dedicated internal audit department (Audit Division)
- Addressing comprehensive audits from regulatory authorities using RAAS[1]
  Assessing the appropriateness of crisis analysis and suitability verification: prompt mitigation and rectification of potential risk factors like legal breaches and consumer rights violations

Risk Management Committee

- Supervision of risk management and formulation of policies
- Overseeing risk management: setting risk tolerance, efficiently supervising potential operational risks, and formulating related policies
- Factoring in ESG-related non-financial aspects and reflecting them in the evaluation standards

Risk Management Working Committee

[Insurance and ALM Division]
Dedicated insurance risk management department (Insurance RM Division)
- Detailed management of specific risks
- Risk tolerance management and outcome reporting
- Execution of and reporting on committee resolutions

Insurance risk | Operational risk | Interest rate risk

[Investment Division]
Dedicated asset risk management department (Asset RM Division)
- Detailed management of specific risks
- Risk tolerance management and outcome reporting
- Execution of and reporting on committee resolutions

Market risk | Credit risk

1) RAAS : Risk Assessment and Application System

Establishment of Risk Management Systems

In 2023, following the adoption of the accounting standards (IFRS 17) which mandates the market valuation of insurance liabilities, the risk-based capital (RBC) regime transitioned from risk-based capital to K-ICS2). Accordingly, DB Insurance developed an integrated system reflecting the new regime transition, and the system is maintained steadily through quantitative impact evaluations. For financial soundness, risk thresholds are determined according to the target K-ICS ratio, taking into account market and regulatory shifts, mid-to-long-term business plans, and K-ICS forecasts. Periodic crisis analyses are conducted to evaluate capital reserves against scenarios in change of risk factors involving exchange rate, stock price, and interest rates to assess capital sufficiency, followed by the formulation of countermeasures. The enterprise risk management framework underpins the effective performance of risk control activities, including the calculation of individual risks, conducting stress tests, and devising risk-based management plans.

2) K-ICS (K-Insurance Capital Standard) : A solvency ratio demonstrating the financial stability of an insurance company

Risk Management by Type

Category	Risk	Description
Financial risk	Insurance risk	· The economic loss risks in insurance contracts, due to discrepancies between expected and actual results, are categorized and managed as life, long-term non-life, and general non-life insurance risks
	Interest rate risk	· Interest rate risk, which has the potential to cause a decrease in the company's net asset value in the interest rate change is caused by discrepancies between the maturity schedules and interest rate structures of assets and liabilities
	Market risk	· The risk arising from changes in interest rates, stock prices, exchange rates, and asset concentration
	Credit risk	· The risk arising from a counterparty's failure to meet their debt obligations · The risk of asset value fluctuations caused by borrower's defaults or changes in credit ratings · Reinsurance credit risk: The risk arising from the insolvency of a reinsurer
Non-financial risk	Management risk	· The risk arising from strategic management aspects, such as delays in overhauling essential management frameworks and decision-making failures
	Legal risk	· The risk of loss arising from misinterpretation or misapplication of laws, failure to comply with legal regulations, and new legal regulations.
	Office risk	· The risk arising from employee negligence during work, fraudulent conduct, procedural errors, and standard-setting errors
	IT risk	· The risk arising from software glitches, system errors, and IT equipment failures
	Reputation risk	· The risk that would negatively affect the company's reputation due to management failures, breaches of relevant regulations, and social controversies
	Operational risk	· The risk of human and physical damage caused by disasters and emergencies
	Group risk	· The risk that would potentially jeopardize the financial group's overall financial circumstances due to unequally distributed transactions, inappropriate transactions, and crises in specific affiliates
	Overseas branch risk	· The risk of potential losses at overseas branches in terms of capital adequacy and adherence to local laws
	Liquidity risk	· The risk of potential losses such as the need for high-interest funding to address shortfalls due to funding and management period mismatches or unexpected outflow of funds or unfavorable sale of securities holdings
	Climate risk	· The risk arising from the company's economy quickly shifting to a low-carbon society in response to physical damage and climate change brought on by extreme weather

Risk Management

Business Continuity Management

Due to rising threats of unforeseen disasters caused by climate change, DB Insurance initiated the BCP project in 2013 to secure business continuity in the event of operational disruptions. As part of this effort, we regularly perform drills to improve our emergency response capacity.

Departmental business impact analysis	• Tasks within departments are divided into unit tasks and prioritized to identify which ones be restored first in the event of a business interruption.
Departmental business impact analysis	• The results of departmental business continuity management are analyzed across the company to adjust the priority of essential tasks. • We devise management strategies covering organization, workforce, alternative business sites, IT systems, critical data, equipment, and supplies. • Departmental roles and responsibilities and designated personnel are updated through projects.
BCP drill	• Each year, we change incident scenarios to assess BCP effectiveness and enhance awareness, followed by feedback sessions to rectify shortcomings. • Alongside the BCP drill, an IT disaster recovery drill is conducted under the electronic finance supervisory regulations.

Management of Financial Soundness and Limit Setting

At DB Insurance, we evaluate the stability of risk-based capital using the K-ICS framework set by regulatory bodies to ensure consistent capital adequacy. Based on K-ICS standards, capital is allocated to various risks, with risk limits set and approved by the Risk Management Committee, and reported regularly to the committee and top management. Continuous monitoring allows us to manage related issues strictly, with DB Insurance achieving a K-ICS ratio of 232% as of December 2023.

Sensitivity Analysis of Risk Factors

DB Insurance conducts asset sensitivity analysis to identify the factors most affecting K-ICS ratio fluctuations and address how various market risks impact our capital value and profits in advance. We also analyze crisis scenarios and integrated risk scenarios by risk factor according to the changes in the stock prices, exchange rates, interest rates, credit spreads, loss ratios, and lapse rates, based on the crisis analysis standards provided by financial authorities and the company's own scenarios. As a result of these efforts, there has been no instance where the K-ICS ratio fell below 100% during any crisis.

Financial Soundness Management

Implementation of K-ICS

As of January 2023, following the introduction of the International Financial Reporting Standards (IFRS 17), the Korean regulatory authority has enhanced the previous RBC regime by adopting a new one (K-ICS), which is based on the market valuation of insurance liabilities.

In response, DB Insurance developed a risk management system within the IFRS 17 platform, including both the standard and internal models of K-ICS, with a focus on detailed elements of available and required capital. Furthermore, to achieve duration and cash flow matching, interest-bearing assets have been increased, the insurance liability portfolio adjusted, and capital acquisition measures reviewed whenever necessary.

Key Aspects of K-ICS

1. Increased volatility of available and required capital due to market valuation of assets and liabilities
2. Enhanced confidence for required capital measurement ((99% →99.5%)
3. Increased and more detailed targets for risk measurement
4. ALM strategy, average recovery duration guidelines, and expected interest rate guidelines for managing interest rate risk
5. Modification of risk measurement methods (focusing on shock scenario approaches)

Establishment of the IFRS 9 System

DB Insurance's asset management system has been updated to incorporate the modifications to IFRS 9 accounting standards. Our system, under IFRS 9 standards, handles the classification of financial products (FVPL, FVOCI, AC) and stage-specific provision calculations. We streamlined the time required to measure for a report through system updates, thereby boosting efficiency.

Appendix

FACT Book

Economy

Indicators	Subcategory	Unit	2021	2022	2023
DB Insurance key statistics *As of Dec. 2023	Total assets	KRW trillion	51	45	49
	Total capital	KRW trillion	6	9	9
	Net premiums written	KRW trillion	15	16	17
	Pre-tax profit	KRW trillion	0.8	2	2
	Sales organizations *Including cross PAs	Persons	21,339	21,842	22,756
	No. of customers	10,000 persons	10,611	11,052	11,508
Summary of income statement (Separate)	Direct premiums written	KRW million	17,845,166.6	19,270,359.9	20,880,894.0
	Net premiums written	KRW million	16,748,155.6	18,016,207.5	19,455,774.8
	Earned premiums	KRW million	16,542,783.3	17,853,559.2	19,320,160.9
	Loss	KRW million	14,160,592.6	15,057,668.2	16,534,387.7
	Loss ratio	%	85.6	84.3	85.6
	Net operating expenses	KRW million	2,724,624.2	3,057,333.6	3,521,741.2
	Expense ratio	%	16.5	17.1	18.2
	Insurance operating profit	KRW million	-343,152.0	2,004,682.2	1,550,008.0
	Investment operating profit	KRW million	1,403,761.5	574,671.7	466,754.7
	Total operating profit	KRW million	1,060,639.5	2,579,353.8	2,016,762.7
	Non-operating/special gains and losses	KRW million	3,978.8	-1,886.4	8,523.7
	Net profit	KRW million	776,878.8	1,946,942.8	1,536,746.0
	Margin	%	4.8	5.6	10.0
Net defined benefit liabilities	Present value of defined benefit obligation	KRW 100 million	3,058	2,801	3,079
	Fair value of plan assets	KRW 100 million	3,005	3,752	3,769
	Net defined benefit liabilities	KRW 100 million	-53	951	690

Indicators	Subcategory	Unit	2021	2022	2023
Summary of balance sheet (Separate)	Operating assets	KRW million	41,649,514.9	42,364,813.4	44,932,418.2
	Asset operation rate	%	3.5	3.7	2.9
	Non-operating assets	KRW million	3,822,164.9	2,739,843.2	3,570,636.4
	Special account assets	KRW million	5,716,367.8	8,082.3	10,473.1
	Total liabilities	KRW million	44,939,395.0	35,889,315.0	39,837,977.7
	Paid-in capital	KRW million	35,400.0	35,400.0	35,400.0
	Total equity	KRW million	6,248,652.6	9,223,423.9	8,675,550.0
	Total assets	KRW million	51,188,047.6	45,112,738.9	48,513,527.7
Credit rating	Standard & Poor's	Grade	A	A	A+
	A.M.Best (Financial soundness)	Grade	A	A	A+
Corporate tax	Pre-tax profit	KRW million	1,064,618	2,577,468	2,025,286
	Nominal tax amount	KRW million	287,740	630,524	488,540
	Nominal tax rate	%	27.03	24.46	24.12
	Paid tax amount	KRW million	253,806	135,452	121,307
	Paid tax rate	%	23.84	10.45	5.99
Corporate tax payment (Domestic)	Direct premiums written	KRW million	17,495,005	18,809,583	20,309,410
	Pre-tax profit	KRW million	1,032,197	2,541,919	2,251,434
	Amount paid as tax	KRW million	251,974	132,339	120,061
	Domestic tax reduction due to overseas tax payment	KRW	-	-	-
Corporate tax payment (Overseas)	Direct premiums written	KRW million	350,161	460,777	571,485
	Pre-tax profit	KRW million	32,421	35,549	226,148
	Amount paid as tax	KRW million	1,832	3,113	1,246
	Domestic tax reduction due to overseas tax payment	KRW	1,832,116,882	3,112,819,616	-

FACT Book

Economy

Indicators	Subcategory	Unit	2021	2022	2023
Corporate tax payment (U.S. branch)	Direct premiums written	KRW million	289,111	389,998	498,540
	Pre-tax profit	KRW million	26,484	23,838	-189,984
	Amount paid as tax	KRW million	404	714	694
	Domestic tax reduction due to overseas tax payment	KRW	403,554,882	1,263,643,543	-
Corporate tax payment (Guam)	Direct premiums written	KRW million	61,050	70,779	72,945
	Pre-tax profit	KRW million	5,937	11,711	-36,164
	Amount paid as tax	KRW million	1,429	1,097	552
	Domestic tax reduction due to overseas tax payment	KRW	1,428,562,000	1,849,176,073	-
Class of shares and voting rights	Total	Shares	70,800,000	70,800,000	70,800,000
	Preferred stock	Shares	-	-	-
	Common stock (Voting shares)	Shares	60,043,469	60,043,469	60,043,469
	Common stock (Treasury shares)	Shares	10,756,531	10,756,531	10,756,531
Ownership of shareholders with over 5%	National Pension Service (No. of shares owned)	Shares	6,999,172	7,290,555	5,925,010
	Others (No. of shares owned)	Shares	20,273,658	19,553,932	14,127,090
	National Pension Service (Ownership)	%	11.66	12.14	9.87
	Others (Ownership)	%	33.76	32.57	23.53
Economic value distribution	Shareholders (Dividends)	KRW million	210,152	276,200	318,230
	Partners (Agency sales commissions)	KRW million	528,503	617,891	769,073
	Employees (Salaries)	KRW million	331,071	369,597	382,305
	Employees (Welfare benefits)	KRW million	61,687	42,547	65,570
	Local community (Social contribution amounts)	KRW million	7,730	8,317	8,605
	Government (Corporate tax)	KRW million	287,740	630,524	488,540

Indicators	Subcategory	Unit	2021	2022	2023
ESG financial products (ESG-related loans, insurance, etc.)	1Q Super Simple Health Insurance	No. of retained contracts (year-end basis)	37,546	39,362	33,119
		Insurance premium (direct)	24,554,499,590	29,408,172,428	25,835,914,427
	2Q Super Simple Health Insurance	No. of retained contracts (year-end basis)	31,350	32,909	32,614
		Insurance premium (direct)	23,990,508,340	27,677,808,764	25,832,203,730
	Calm Simple Health Insurance	No. of retained contracts (year-end basis)	40,161	58,569	49,556
		Insurance premium (direct)	16,045,988,685	58,832,429,023	54,889,238,633
	Simple Casualty Insurance	No. of retained contracts (year-end basis)	112,917	123,525	132,242
		Insurance premium (direct)	61,552,898,061	68,977,946,102	76,388,903,331
	Simple Family Love Dementia Nursing Insurance	No. of retained contracts (year-end basis)	16,119	19,944	18,368
		Insurance premium (direct)	17,246,600,146	24,269,557,115	26,356,792,251
	Retirement Indemnity Insurance	No. of retained contracts (year-end basis)	3,338	3,349	3,235
		Insurance premium (direct)	1,241,342,300	1,556,455,750	1,884,444,270
	Motorcycle Driver Insurance	No. of retained contracts (year-end basis)	38,866	54,585	54,082
		Insurance premium (direct)	14,549,004,050	19,869,156,840	21,390,090,410
	Good Simple Health Insurance	No. of retained contracts (year-end basis)	152,755	201,891	165,653
		Insurance premium (direct)	97,002,899,898	213,021,381,663	188,081,143,573
	Excellent Simple Health Insurance	No. of retained contracts (year-end basis)	372,264	341,105	294,681
		Insurance premium (direct)	356,364,764,915	347,011,413,735	292,685,707,621
	Custom Simple Health Insurance 31038 31039 31071 31072	No. of retained contracts (year-end basis)	0	255,207	834,212
		Insurance premium (direct)	0	80,270,250,960	554,163,599,014
	Nursing Indemnity 31051 31052	No. of retained contracts (year-end basis)	0	0	25,447
		Insurance premium (direct)	0	0	15,435,353,630
	Promy Heart (Favorable to Low-Income Subscribers) Endorsement	No. of retained contracts (year-end basis)	2,065	2,034	2,095
		Insurance premium (direct)	1,603,390,604	1,649,666,832	1,734,677,640
	Traffic Safety Education Silver Preference Endorsement	No. of retained contracts (year-end basis)	955	907	1,127
		Insurance premium (direct)	739,324,805	743,924,410	1,005,948,178
	Gongduri Car Insurance	No. of retained contracts (year-end basis)	168	152	139
		Insurance premium (direct)	157,030,399	129,553,245	118,162,340

FACT Book

Environment

Indicators	Insurance Type	Product	Unit	2021		2022		2023	
				No. of Contracts	Sales (Direct Insurance)	No. of Contracts	Sales (Direct Insurance)	No. of Contracts	Sales (Direct Insurance)
Performance of Eco-Friendly Insurance Products	Car insurance	Ever Green Endorsement	ea, KRW million	2,622,769	2,127,638	2,836,054	2,298,315	3,066,276	2,479,052
		Mileage-Based Endorsement	ea, KRW million	2,490,708	1,686,740	2,797,123	1,915,810	3,035,028	2,080,556
		Safe Driving UBI Endorsement	ea, KRW million	471,177	306,908	561,403	365,533	733,239	503,889
		Electric Vehicle Endorsement	ea, KRW million	42,142	41,974	68,656	70,570	103,080	107,426
		Day-of-the-Week Passenger Car Endorsement	ea, KRW million	6	4	2	2	0	0
	General insurance	Environmental Liability Insurance	ea, KRW million	14,647	32,410	14,897	28,131	15,222	28,910
		Environmental Pollution Liability Insurance	ea, KRW million	6	337	5	241	4	250
		Exclusive Insurance for LNG Power Plants	ea, KRW million	5	3,228	4	3,697	3	4,675
		Promy Public Bicycle Full-Coverage Insurance	ea, KRW million	80	738	51	745	21	728
		Liability Insurance for Solar Panel Rental Business Operators	ea, KRW million	24	173	12	165	0	155
		Solar Panel Full-Coverage Insurance	ea, KRW million	9	1,233	5	1,631	2	1,966

Indicators	Subcategory		Unit	2021	2022	2023
Water consumption by business site	Financial centers		m³	22,315	17,167	14,925
	Dongja-dong		m³	18,691	20,593	23,683
	Cho-dong		m³	19,724	17,986	11,708
	Data center		m³	11,433	10,709	11,235
	Yeoju		m³	0	2,385	2,145
	Dongnae-gu		m³	4,738	4,557	4,649
	Daegu		m³	999	1,288	834
	Gwangju		m³	2,049	2,049	2,231
	Masan		m³	2,695	3,025	2,463
	Leased		m³	267,969	271,127	254,020
	Total		m³	350,614	350,887	327,894
Socially responsible investment	Renewable energy	Scale	KRW 100 million	7,960	7,793	7,255
		Revenue	KRW 100 million	285	338	307
		Rate of return	%	3.6	4.3	4.2
	Eco-friendly power generation	Scale	KRW 100 million	6,875	6,019	6,484
		Revenue	KRW 100 million	251	280	364
		Rate of return	%	3.7	4.7	5.6
	SOC	Scale	KRW 100 million	9,339	8,687	8,615
		Revenue	KRW 100 million	379	303	340
		Rate of return	%	4.1	3.5	3.9
	Total	Scale	KRW 100 million	24,174	22,499	22,354
		Revenue	KRW 100 million	915	921	1,011
		Rate of return	%	3.8	4.1	4.6
Waste generation and recycling	Recyclable waste		Tons	874	929	1,152
	Landfill		Tons	1,168	1,178	1,078
	Total waste generated		Tons	2,041	2,107	2,230

FACT Book

Social

Indicators	Subcategory		Unit	2021	2022	2023
Employees[3]	Executives		Persons	57	59	58
	Employees		Persons	4,533	4,500	4,567
	Total[1]		Persons	4,590	4,559	4,625
	General manager (senior manager)	Male	Persons	171	174	184
		Female	Persons	2	4	4
	Deputy general manager/manager (senior manager)	Male	Persons	1,327	1,349	1,358
		Female	Persons	131	145	153
	Assistant manager/intermediate/associate (senior/manager)	Male	Persons	200	142	133
		Female	Persons	1,185	1,158	1,206
	Specialist/Consultant	Male	Persons	232	232	228
		Female	Persons	1,285	1,296	1,301
	Total		Persons	4,533	4,500	4,567
Employment status[2]	College graduates		Persons	60	18	53
	Experienced employees		Persons	168	240	256
	Office female employees		Persons	58	52	94
	Total		Persons	286	310	403
Female worker employment status	No. of female hires		Persons	175	204	262
Education hours[3]	Total education hours		Hours	278,670	353,935	325,754
		All	Hours	60.7	77.5	70.4
	Education hours per person	Male	Hours	78.9	94.8	86.7
		Female	Hours	46.8	64.8	58.4
Education expenses	Total education expenses		KRW million	2,348	2,490	3,831
	Education expenses per person		KRW million	0.51	0.54	0.83
Key education achievements	No. of certification holders		Persons	437	261	202
	No. of insurance agent certification holders		Persons	1,348	1,424	1,488
Insurance agent certification holding rate			%	29.37	31.23	32.17

1) Excludes outside directors and advisors (part-time)
2) Correction due to change in calculation methods
3) Correction due to change in calculation methods

Indicators	Subcategory	Unit	2021	2022	2023
No. of study group participants		Persons	1,194	1,836	1,619
Satisfaction for ESI employee education and training		%	81.7	79.5	79.8
No. of employees who established self-diagnosis and development plans[3]		Persons	2,232	2,084	2,460
Productivity per person		%	45.7	48.7	50.9
Welfare expenses	Total welfare expenses	KRW million	559	546	672
	Welfare expenses per person	KRW million	16.7	16.6	20.0
Employees with parental leave	No. of employees eligible for parental leave	Persons	1,148	997	822
	No. of employees who took (taking) parental leave	Persons	171	134	125
Rate of return to work after parental leave[1]	Male	Persons	85.7	66.7	77.8
	Female	Persons	90.2	91.1	87.9
Retirement	Turnover rate[2]	%	6.14	6.40	6.68
	Voluntary turnover rate[3]	%	6.14	6.40	6.68
Ethics compliance pledge	No. of employees who signed ethics compliance pledge	Persons	4,493	4,460	4,449
	No. of employees required to sign ethics compliance pledge	Persons	4,493	4,460	4,449
Ethical management education	Education hours	Hours	33,805	26,412	39,986
	No. of employees required to take ethics education	Persons	4,547	4,490	4,456
	No. of employees who completed ethics education	Persons	4,475	4,421	4,456
Occupational accidents	Occupational accident rate	%	0.02	0.02	0.02
	Absence days due to occupational accidents	Days	63	-	33
	Working days * Excluding weekends, public holidays, and temporary holidays	Days	252	247	249

1) Rate of return to work after parental leave: Employees who returned to work within the year after taking parental leave / Employees expected to return to work within the year after taking parental leave
2) Includes voluntary retirement and dismissals, but excludes retirement due to age and disciplinary dismissals
3) Excludes voluntary retirement and dismissals from the number of employees who left

FACT Book

Social

2023 Job Training Program Performance

Category	No. of Courses	No. of Participants	YoY Comparison
Individuals	88	1,535	5
Strategy	3	116	32
New Business	10	525	407
Corporations	18	928	862
Claims	79	1,943	(-)595
Asset	1	2	(-)97
Management/Customer	2	35	(-)111
Total	201	5,084	503

Indicators	Subcategory	Unit	2021	2022	2023
Customer complaints	No. of customer complaints received	ea	7,304	7,656	6,711
	No. of complaints resolved among those received	ea	7,304	7,656	6,711
	Resolution rate	%	100	100	100
	No. of complaints filed through the Financial Supervisory Service	ea	4,798	5,119	4,187
	No. of insurance claim complaints received	ea	4,721	5,685	4,919
Customer satisfaction	Customer satisfaction score	Points	96.1	96.5	96.6
	Customer satisfaction performance	Rank	NCSI: 2nd Place KS-SQI (Long-term): 1st Place KS-SQI (Car): 2nd Place	NCSI: 2nd Place KS-SQI (Long-term): 1st Place KS-SQI (Car): 3rd Place	NCSI: 2nd Place KS-SQI (Long-term): 1st Place KS-SQI (Car): 3rd Place
Consumer Evaluation Panel	No. of Consumer Evaluation Panel members	Persons	15	15	13
	Improvement suggestions by the Consumer Evaluation Panel	ea	47	83	44
	No. of improvement suggestions adopted from the Consumer Evaluation Panel	ea	36	61	37
	Adoption rate of improvement suggestions from the Consumer Evaluation Panel	%	76.6	73.4	84.0
VOC management	Response rate within 1 hour	%	86.0	81.7	76.7
	Resolution rate within 24 hours	%	75.5	83.9	88.0
	VOC callback rate	%	19.5	19.1	18.2

Indicators	Subcategory	Unit	2021	2022	2023
Self-monitoring of insurance fraud	Complete sales rate	%	99.5	99.9	100.0
	Sanctions applied following an internal inspection of incomplete sales	ea	1,318	1,131	934
	Field inspection (individuals)	Business suspension (persons)	423	515	406
		Warning (persons)	836	523	438
	Field inspection (telemarketers)	Business suspension (persons)	31	63	22
		Warning (persons)	28	30	68
	Customer satisfaction survey DSCI KS-SQI preliminary survey	Points	Long-term: 78.1 Car: 78.3	Long-term: 76.6 Car: 75.6	Long-term: 75.5 Car: 76.9
Insurance fraud detected		KRW 100 million	2,010	2,210	2,535
Business partner data	PAs	Persons	18,285	19,082	20,032
	Cross agents	Persons	3,626	3,377	3,570
	Individual agencies	ea	1,770	1,770	1,770
	GAs	ea	1,675	1,095	906
	Bancassurance	ea	42	45	48
	Emergency assistance network for vehicle breakdown	ea	482	474	461
	On-site assistance network for road traffic accidents	ea	327	303	259
	Car repair shop network	ea	307	289	275
	Accident investigators and loss adjusters	ea	9	9	9
	Family Satisfaction Index (Sales partner satisfaction survey)	Score	65	67	67
	Emergency dispatch service satisfaction	Score	99	99	99
	No. of entries per partner	ea	336	304	315
Blue Ribbon-certified PAs		Persons	531	594	689

FACT Book

Governance

Indicators	Subcategory	Unit	2021	2022	2023
Board composition	Male	Persons	4	4	4
	Female	Persons	1	1	1
	Under 30	Persons	-	-	-
	30–50	Persons			
	Over 50	Persons	5	5	5
	Executives	Persons	55	58	58
	Total outside (independent) directors	Persons	3	3	3
	Non-executive directors	Persons	-	-	-
	No. of outside (non-executive) directors with industry experience	Persons	2	2	2
	No. of outside directors specialized in risk management	Persons	1	1	1
Pool of outside director candidates	Pool of CEO candidates	Persons	10	11	11
	Pool of candidates	Persons	88	92	94
Pool of outside director candidates [by domain]	Public sector (female)	Persons	2	2	2
	Public sector (male)	Persons	17	17	18
	Finance (female)	Persons	5	5	5
	Finance (male)	Persons	19	19	19
	Academia (female)	Persons	12	13	13
	Academia (male)	Persons	15	15	15
	Law (female)	Persons	9	12	12
	Law (male)	Persons	1	1	1
	IT (female)	Persons	5	5	5
	IT (male)	Persons	3	3	3
	Medicine (female)	Persons	-	-	-
	Medicine (male)	Persons	-	-	1

Indicators	Subcategory	Unit	2021	2022	2023
Board status	Total no. of critical concerns reported	ea	-	-	-
	No. of meetings held	ea	9	7	11
	Average attendance rate	%	100	100	100
	No. of agenda items	ea	23	22	34
Stocks held by CEO and executives	No. of shares held by CEO and Chairperson	Shares			
	Average no. of shares held by executives excluding CEO	Shares			
CEO-to-employee remuneration ratio	Median employee remuneration (amount)	KRW million	73	81	84
	Average employee remuneration (amount)	KRW million	76	83	89
	Total remuneration of the CEO and Chairperson	KRW million	955	1,098	592
	Median employee remuneration excluding CEO (amount)	KRW million	74	82	85
	Average employee remuneration excluding CEO (amount)	KRW million	78	85	92
	Ratio of CEO's annual total remuneration to median employee remuneration of all employees excluding CEO	Times	13	13	7
	Ratio of CEO's annual total remuneration to average employee remuneration of all employees excluding CEO	Times	12	13	6
Compliance Index	Compliance Index	Score	96.4	96.6	97.6
Reports related to ethical management	Service (product) complaints	ea	34	84	54
	Employee corruption/misconduct	ea	-	-	-
	Partner complaints	ea	-	-	-
	Others * The respective category is provided in the remarks column	ea	-	-	-
Legal risk reviews	Total	ea	2,791	2,951	3,530
	Headquarters inquiries	ea	727	968	1,095
	Sales Division	ea	1,977	1,868	2,330
	Claims Division	ea	87	115	105

GRI Index

Topic	Index	Description	Page
GRI 2: General Disclosures 2021	2-1	Organizational details	5, 8
	2-2	Entities included in the organization's sustainability reporting	2
	2-3	Reporting period, frequency, and contact point	2
	2-4	Restatements of information	2
	2-5	External assurance	107
	2-6	Activities, value chain and other business relationships	16
	2-7	Employees	96
	2-8	Workers who are not employees	96
	2-9	Governance structure and composition	82
	2-10	Nomination and selection of the highest governance body	83
	2-11	Chair of the highest governance body	82
	2-12	Role of the highest governance body in overseeing the management of impacts	82
	2-13	Delegation of responsibility for managing impacts	82
	2-14	Role of the highest governance body in sustainability reporting	18
	2-15	Conflicts of interest	85
	2-16	Communication of critical concerns	17
	2-17	Collective knowledge of the highest governance body	82
	2-18	Evaluation of the performance of the highest governance body	85
	2-19	Remuneration policies	85
	2-20	Process to determine remuneration	85
	2-21	Annual total compensation ratio	85
	2-22	Statement on sustainable development strategy	4
	2-23	Policy commitments	64, 85, 87
	2-24	Embedding policy commitments	64, 85, 87
	2-25	Processes to remediate negative impacts	12, 87
	2-26	Mechanisms for seeking advice and raising concerns	64, 85, 87
	2-27	Compliance with laws and regulations	87
	2-28	Membership associations	21
	2-29	Approach to stakeholder engagement	24, 71, 74
	2-30	Collective bargaining agreements	68

Topic	Index	Description	Page
GRI 3: Material Topics 2021	3-1	Process to determine material topics	22
	3-2	Management of material topics	23
	3-3	List of material topics	23
Economic			
GRI 201: Economic Performance 2016	201-1	Direct econmic value generated and distributed	26
	201-2	Financial implications and other risks and opportunities due to climate change	41
	201-3	Direct economic value generated and distributed	Business Report
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	80
	203-2	Significant indirect economic impacts	79~80
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	87~88
	205-2	Communication and training about anti-corruption policies and procedures	87~88
	205-3	Confirmed incidents of corruption and actions taken	87~88
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	89
GRI 207: Tax 2016	207-1	Approach to tax	26
	207-2	Tax governance, control, and risk management	
	207-3	Stakeholder engagement and management of concerns related to tax	
	207-4	Country-by-country reporting	94~95
Environmental			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	39, 46
	302-2	Energy consumption outside the organization	46
	302-3	Energy intensity	46
	302-4	Reduction of energy consumption	46
	302-5	Reductions in energy requirements of products and services	[N/A] Due to the nature of the industry, we have not consumed energy for our products and services
GRI 303: Water and Effluents 2016	303-3	Water withdrawal	46, 96
	303-5	Water consumption	46, 96
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products, and services on biodiversity	79

GRI Index

Topic	Index	Description	Page
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	46
	305-2	Energy indirect (Scope 2) GHG emissions	46
	305-3	Other indirect (Scope 3) GHG emissions	46~47
	305-4	GHG emissions intensity	46
	305-5	Reduction of GHG emissions	46~47
	305-6	Emissions of ozone-depleting substances (ODS)	[N/A] Due to the nature of the industry, we have not emitted any pollutants
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	[N/A] Due to the nature of the industry, we have not emitted any pollutants
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	39
	306-2	Management of significant waste-related impacts	39
	306-3	Waste generated and types	39, 96
	306-4	Waste diverted from disposal	39
	306-5	Waste diverted to disposal	96
Social			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	97
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	70~71, 97
	401-3	Parental leave	97
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	69
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	72
	403-2	Hazard identification, risk assessment, and incident investigation	72
	403-3	Occupational health services	72
	403-4	Worker participation, consultation, and communication on occupational health and safety	72
	403-5	Worker training on occupational health and safety	72
	403-6	Promotion of worker health	70, 72
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	72
	403-8	Workers covered by an occupational health and safety management system	72
	403-9	Work-related injuries	98
	403-10	Work-related ill health	98

Topic	Index	Description	Page
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	98
	404-2	Programs for upgrading employee skills and transition assistance programs	58, 63, 66~67
	404-3	Percentage of employees receiving regular performance and career development reviews	66, 97
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	97, 99
	405-2	Ratio of basic salary and remuneration of women to men	-
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	[N/A]
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	76, 80
	413-2	Operations with significant actual and potential negative impacts on local communities	[N/A] Due to the nature of the industry, we have not emitted any pollutants
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	60
	417-2	Incidents of non-compliance concerning product and service information and labeling	[N/A]
	417-3	Incidents of non-compliance concerning marketing communications	[N/A]
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	64

TCFD Index

Topic	Disclosure	Page
Governance	The BoD's roles and functions for climate change-related risks and opportunities	18, 82~84
	Management's role in assessing and managing climate change-related risks and opportunities	41~45
Strategy	Climate change-related risks and opportunities identified over the short, medium, and long term	41~43
	The impact of climate change-related risks and opportunities on the organization's businesses, strategy, and financial planning	41
	Resilience of the organization's strategy, taking into consideration different climate change-related scenarios, including a 2°C or lower scenario	42~43
Risk Management	The organization's processes for identifying and assessing climate change-related risks	40
	The organization's processes for managing climate change-related risks	
	How processes for identifying, assessing, and managing climate change-related risks are integrated into the organization's overall risk management	
Metrics and Targets	Metrics used by the organization to assess climate change-related risks and opportunities in line with its strategy and risk management process	46~47
	Scope 1, Scope 2, and, if applicable, Scope 3 GHG emissions, and the related risks	46~47
	Targets used to manage climate change-related risks and opportunities and performance against targets	46

SASB Index

Topic	Disclosure	Page
FN-IN-000.A	Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance	-
FN-IN-270a.1 (FN-AC-270a.2)	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	-
FN-IN-270a.2	Complaints-to-claims	-
FN-IN-270a.3	Customer retention rate	-
FN-IN-270a.4 (FN-AC-270a.3)	Description of approach to informing customers about products	58~60
FN-IN-410a.2 (FN-AC-410a.2, FN-IB-410a.3)	Description of approach to incorporation of ESG factors in investment management processes and strategies	19
FN-IN-410b.1	Net premiums written related to energy efficiency and low carbon technology	-
FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	96
FN-IN-450a.1	Probable Maximum Loss (PML) insured products from weather-related natural catastrophes	-
FN-IN-450a.2	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	-
FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	41~43
FN-IN-550a.1	Exposure to derivative instruments by category: (1) total potential exposure to non-centrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	-
FN-IN-550a.2	Total fair value of securities lending collateral assets	-
FN-IN-550a.3	Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	-

GHG Emissions Verification Statement

KMR

GHG Verification Statement

Independent Verification Statement

DB INSURANCE CO., LTD

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission (Scope 1,2,3) of DB INSURANCE CO., LTD (hereinafter "the Companies") in 2023.

SCOPE

Verification of places of business and emission facilities under the control of the company and its affiliated companies[1].

Note1) Financial Center, Dongjadong, Chodong, Data Center, Yeoju, Dongnae, Daegu, Gwangju, Masan, Rental Office

STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National GHG Inventories
- Guidelines for Reporting and Certification of Emissions under the GHG Emissions Trading System
- WRI/WBCSD GHG Protocol

PROCEDURE

The assurance was conducted by the KMR based on a risk analysis approach and data evaluation.

The data and factors applied to the calculation of GHG emissions were determined to be appropriate based on objective evidence.

- Interview with the person in charge of data and record management
- Reviewed data and record-keeping processes
- Reviewed sources and criteria for emission factors and parameters
- Reviewed additional evidence provided by the company

INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review.

LIMITATIONS

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

KMR-VCV-24-069 #1204, Acehightechcity 1-dong, 775 Kyunginro, Yeongdeungpo-gu, Seoul, 07299, Korea

KMR

GHG Verification Statement

Independent Verification Statement

OPINION

- The assurance opinion is based on our approach and the professional judgment of the assurance practitioner. Nothing has come to our attention that causes us to believe that we have not complied with all material aspects of the Assurance Standard.
- The assurance engagement was performed to satisfy a limited assurance level, and the assurance risk is higher than a reasonable assurance level.
- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated.
- Criticality: meets the criterion, which is less than 5%
- Scope 1,2,3 emissions and Energy consumption

GHG emissions	Direct emission (Scope1)	Indirect emission (Scope2)	Other indirect emission (Scope3)	Total(tCO_2eq)
2023	2,606.019	24,031.246	3,573,506.053	3,600,143
Energy consumption	**Fuel**	**Electricity**	**Steam**	**Total(TJ)**
2023	51.911	502.165	-	554

※ Total and itemized emissions may differ due to rounding

No	Category	Emission(tCO_2eq)
6	Business travel	175.754
15	Investments	3,573,330.299

RESULTS

- Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities.

※ The abovementioned company is responsible for preparing verification data in accordance with the "Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)", and KMR's responsibility is limited to the party in the verification contract according to the agreed contract terms. and is not responsible for other decisions, including investment decisions based on this verification statement.

※ The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.

June 17, 2024

Authorized By

E J Hwang

CEO Eun Ju Hwang

KMR ISO 14064-1

KMR-VCV-24-069 #1204, Acehightechcity 1-dong, 775 Kyunginro, Yeongdeungpo-gu, Seoul, 07299, Korea

Independent Assurance Statement

To readers of DB Insurance Integrated Report 2024

Introduction

Korea Management Registrar (KMR) was commissioned by DB Insurance to conduct an independent assurance of its Integrated Report 2024 (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of DB Insurance. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with DB Insurance and issue an assurance statement.

Scope and Standards

DB Insurance described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 1, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

- GRI Sustainability Reporting Standards 2021
- Universal Standards
- Topic Specific Standards
  - GRI 201 : Economic Performance
  - GRI 203 : Indirect Economic Impacts
  - GRI 205 : Anti-corruption
  - GRI 206 : Anti-competitive Behavior
  - GRI 302 : Energy
  - GRI 305 : Emissions
  - GRI 413 : Local Communities
  - GRI 418 : Customer Privacy

As for the reporting boundary, the engagement excludes the data and information of DB Insurance's partners, suppliers and any third parties.

KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report's performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service's DART and public databases.

Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by DB Insurance to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with DB Insurance on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity

DB Insurance has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Independent Assurance Statement

Materiality

DB Insurance has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness

DB Insurance prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of DB Insurance's actions

Impact

DB Insurance identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021·2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with DB Insurance and did not provide any services to DB Insurance that could compromise the independence of our work.

Korea Management Registrar

SRV1000 Sustainability Committee Assurance

AA1000 Licensed Report 000-129/V3-HW3GR

June 2024 Seoul, Korea

CEO

E. J Hwang

Together, Promise

DB Insurance