

FY2011
Sustainability Report



About this report

This is the second Sustainability Report published by Kyobo Life after its first report was published in July 2011. Kyobo Life publishes its sustainability report to communicate with stakeholders on its sustainability management activities that pursue win-win growth with all its stakeholders.

Report Boundary

The boundary of this Report includes the business activities of Kyobo Life's main office, domestic branches, and Kyobo Life Customer Plazas, but not those of the Company's overseas branches.

Some of environmental data do not include its domestic business sites. In this case, we marked them.

Kyobo Life will gradually expand the report boundary in the future.

Report Period

This report contains the sustainability management activities of Kyobo Life in FY2011. (from April 2011 to March 2012)

Quantitative data go to the three prior fiscal years to help readers compare performance across the years.

Quantitative data from different report periods were marked to be distinguished.

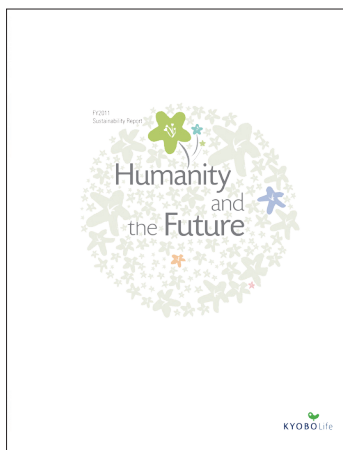
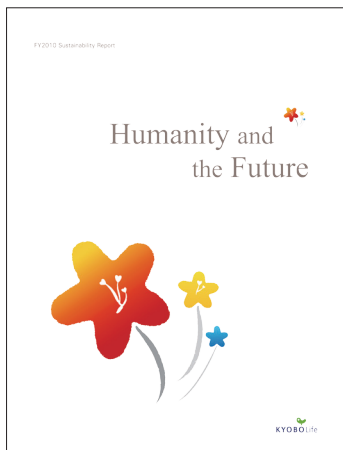
Report Standards

This report honors the G3 Guidelines of the GRI (Global Reporting Initiative) and is based on issues drawn through the engagement of stakeholders and the ten principles of the UNGC (UN Global Compact).

Accreditation

With an eye towards enhancing its reliability, this Report has been verified in terms of contents and data by the Institute for Industrial Policy Studies of Korea which performed the three-principle verification of AA1000AS (2008), and received GRI Application Level Check. Pages 78 and 80 have a third-party verification certificate and a GRI Application Level Check Statement

Contents



Humanity and the Future

Kyobo Life's sustainability management philosophy aims to bring a better future to all stakeholders including customers, financial planners, employees, investors, peer companies, regulatory agencies and the surrounding communities.

The human being is the most important element in the world and companies continue to exist to enrich the lives of human beings, making it only reasonable that companies' management philosophy should also lie in the value of the human being.

Therefore, Kyobo Life named this Report, "Humanity and the Future" to emphasize the importance of human beings, who create the paths to the future and benefit from it.

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CEO's Message



Dear respected stakeholders:

The year of 2011 was quite a tough year for us due to the financial crisis in Europe and an economic slump amid the aftermath of the global financial crisis in 2008. Despite the tough situation, Kyobo Life announced "Vision 2015" to become the company that provides optimum insurance coverage and on-going services. All employees are pulling out all the stops to realize the vision. For example, we implemented the Life Long Care Project to make an improvement to the past business practice which focused on attracting new customers and enhance the quality of our services a great deal on a full scale.

We champion a cause that every person is a precious being and their values should be respected and achieved. This was reflected in this sustainability report. The meaning of the title, "Humanity and the Future" is that Kyobo Life will help people to have their rights and senses of responsibility and duty and create better futures. "Humanity and the Future" is also that Kyobo Life will take the initiative in creating a better society by switching from old material-oriented values to people-oriented values.

Last year, we made four pledges to stakeholders in our first sustainability report published last year. We will tell you the results of the pledges and make clear that we will keep on fulfilling the four pledges.

4 Pledges of Kyobo Life

1. Kyobo Life will always give utmost priority to customer service.
2. Kyobo Life will grow together with its financial planners and employees
3. Kyobo Life will continue to be an attractive investment to investors
4. Kyobo Life will progress together with the government and the community

We are fulfilling our first pledge to always give utmost priority to customer service by carrying out the Life Long Care Project for the enhancement of service qualities throughout all processes from underwriting, to retention, and to payment. But we regret that the number of complaints did not decrease despite these efforts. We will carefully listen to various voices of customers and step up our efforts to quickly apply them in improving products and services. We are fulfilling our second pledge to grow together with our financial planners and employees by increasing opportunities for FPs to grow into specialists in line with the implementation of the Life Long Care Project. To promote two-way communication with employees, we held many business briefing sessions. Through these sessions, the Company reinforced its teamwork. In order to fulfill our third pledge to continue to be an attractive investment to investors, we established more branches in the Seoul metropolitan area around Gangnam and areas with strong growth potential and solidify policies to give more benefits to excellent customers. In addition, with an aim to enhance profitability and stability in the asset management sector, we will build ALM (Asset Liability Management) and a preemptive risk management process more precisely. Kyobo Life is implementing the fourth pledge to progress together with the government and the community in various sectors such as teenagers, education, culture, publication, farming towns and the lower income area through employees' voluntary services and contributions. In particular, we will establish systemic investment standards for socially responsible investment (SRI) which considers social and environmental factors and put them into practice on a full scale

Last year, for the first time in the Korean life insurance industry, Kyobo Life published a sustainability report which received good reviews from the government and civic groups. We won the Prize of the Minister of Knowledge Economy at the 6th Sustainability Management Awards of the Ministry of Knowledge Economy and took home the Grand Prize in the life insurance sector for two straight years in the Korea Sustainability Competition of the Korean Standards Association.

As a member of the UN Global Compact, Kyobo Life advocates the ten principles in the four categories such as human rights, labor, the environment and anti-corruption. Moreover, Kyobo Life will grow into a representative sustainable company that concentrates on the basics of corporate management, overcoming tough business environments.

Kyobo Life will take the lead in the Korean financial and insurance industry, aspiring to become "Respect company that will last more than 100years" and listening to voices of stakeholders.

Thank you.

Chang-jae, Shin CEO and
Chairman of Kyobo Life

慎昌亭

Company Introduction

Kyobo Life has three regions, four divisions, three departments, 56 teams, and one center in its HQ office and a sales organization consisting of 14 divisions and five departments. The Company operates 665 branch offices and 66 Customer Plazas throughout Korea. We have offices in New York, Tokyo and Beijing and an asset management company in the U.S.

Date founded	August 7, 1958	No. of employees	4,529
Location of HQ	No. 1, Jong-no 1-ga, Jong-no-gu, Seoul	Capital	KRW5.1 trillion
CEO and Chairman	Chang-jae Shin	Total assets	KRW62.4 trillion
No. of FPs	19,480	Operating Revenues	KRW10.6 trillion

KYOBOLIFE

KYOBOLIFE BEIJING REPRESENTATIVE OFFICE

KYOBOLIFE TOKYO REPRESENTATIVE OFFICE

KYOBOLIFE NEW YORK REPRESENTATIVE OFFICE

KYOBOLIFE ASSET MANAGEMENT CO., LTD (AMERICA)

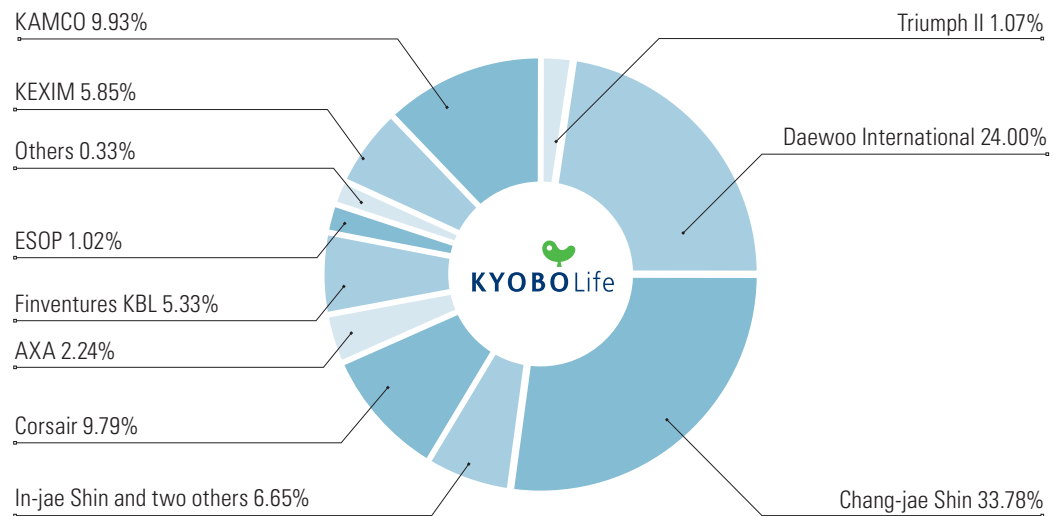
Region	Branches	Customer Plazas
Seoul	204	16
Gyeonggi	116	12
Incheon	34	4
Daejeon	18	2
Chungnam	17	1
Jeonbuk	28	3
Gwangju	17	2
Jeonnam	21	3
Gangwon	19	2
Chungbuk	19	2
Gyeongbuk	37	4
Daegu	31	3
Ulsan	14	2
Busan	46	5
Gyeongnam	36	4
Jeju	8	1

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Major Shareholders

The largest shareholder of Kyobo Life is CEO & Chairman Shin Chang-Jae with 33.78%, followed by Daewoo International (24.00%) and KAMCO (9.93%).

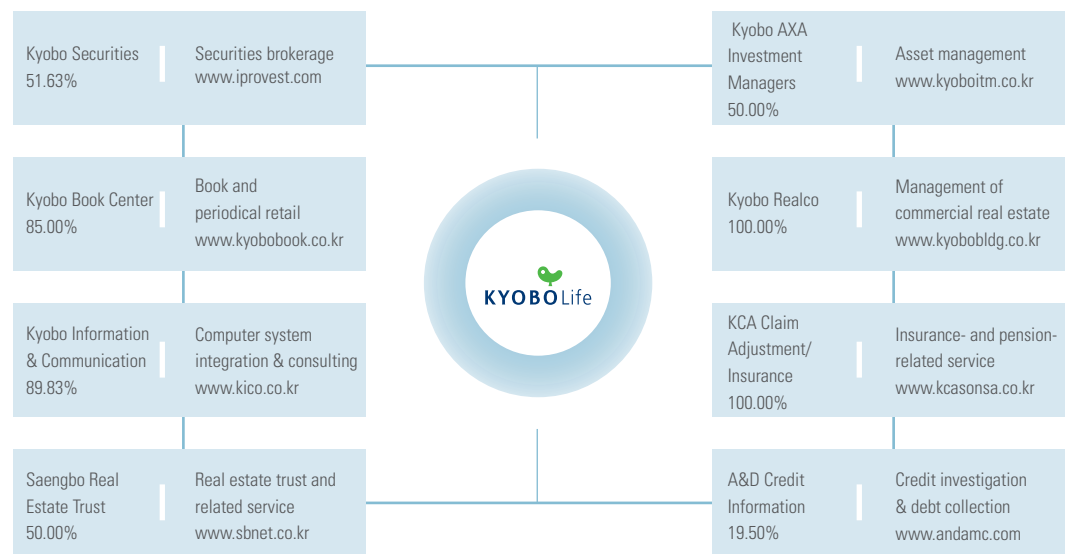
Shareholders



Affiliates

Kyobo Life has an affiliate ownership that is based on life insurance, and together with its affiliates, pursues synergies that help heighten its brand and corporate value.

Affiliates



Vision for Employees

The vision for employees of Kyobo consists of a core purpose, core values and a future where the vision is realized. The core goals are perpetual as long as Kyobo Life exists. The core values are preferential standards on decision-making and actions by members of Kyobo Life. The future where the vision is realized refers to a clear and prime goal which all members of Kyobo Life have to devote their energies during a certain period of time.

Vision System

Vision 2015

The company that provides optimum insurance coverage and on-going services

(No.1 provider in insurance coverage and on-going services)

Vision 2015

Our vision is to become a company that provides optimum insurance coverage and on-going services by 2015.

Customer Centricity

Our mission is
to help people not to despair
hardships in their lives.

Core Purpose

Honesty and Sincerity

Challenge and Creativity

Core Value

Customer Centricity

We give the top priority to our customers

Honesty and Sincerity

We are fully accountable and always endeavor to serve our customers in an honest and sincere manner

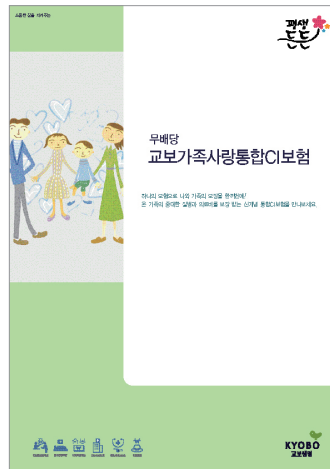
Challenge and Creativity

We strive to accomplish challenging goals with a sense of creativity to develop both the company and ourselves

Main Products

Kyobo Life deals in a wide range of financial products such as insurance, loans, funds and trusts for individual and corporate customers. In particular, we help our customers rationally prepare for various calamities by offering financial planning which focuses on the fundamental areas of life insurance – guaranteeing stable lives of customers' families and helping customers enjoy happy retirement lives,

Introduction of Insurance Policies



Combination life insurance & CI (Critical Illness) insurance | Combination life insurance covers not only its policyholder but his/her family as well. Critical Illness insurance is a product where the policyholder receives part of the insurance payment if he/she is diagnosed with one of the critical illnesses listed in the insurance policy, and his or her beneficiaries are paid the remaining sum upon his or her death. The product is a combination of health insurance and whole life insurance.



Whole life insurance & Term insurance | Whole life and term insurance provides benefits to beneficiaries upon the death of the policyholder. The Company offers various types of whole and term life insurance, including universal whole life insurance that allows adjustments and withdrawals of premiums and term life insurance that provides coverage for a limited period of time.



Annuity & Savings-type insurance | Annuity is used mainly for accumulating cash or for planning a financially stable retirement. Policyholders have an option to be paid monthly payments either during a stated period or until their death. Savings-type insurance is used for accumulating assets and funds.



Educational endowment & Juvenile insurance | Educational endowment helps parents prepare for their children's educational expenses. If parents die, their children will be given doubled educational funds. Parents can choose special contracts to prepare for their children's disability, accidents and diseases. Juvenile insurance strongly covers all accidents and illnesses to which young children are susceptible.



Health insurance & Accident insurance | Kyobo Life's other guarantee-type insurance includes health insurance that makes payments when policyholders get diagnosed with one of the listed illnesses or undergo a medical operation, long-term convalescence insurance that covers any accident- or dementia-related inactivity, accident insurance for accidents, and medication insurance that pays for drugs and medicine.



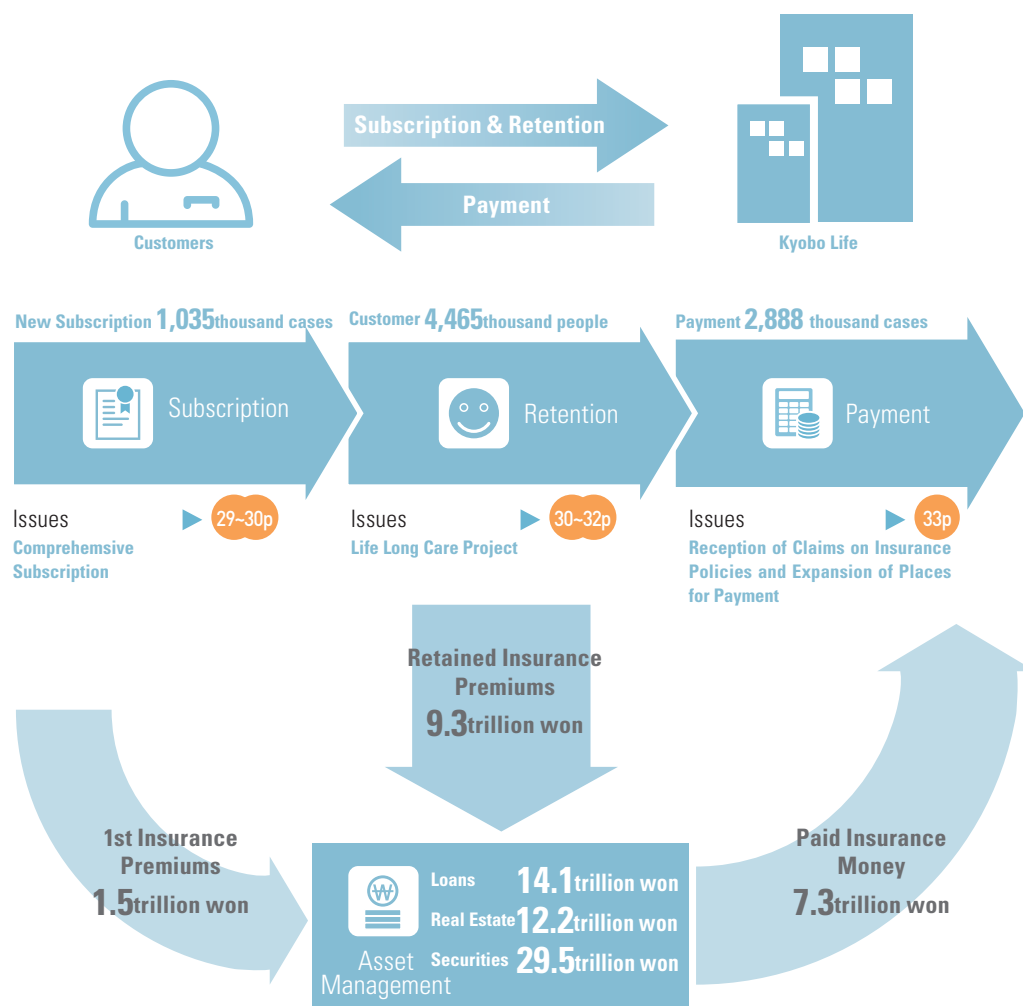
Retirement pension | Following the passage of the law legislating pension systems for workers, the company started providing domestic corporations and public institutions with various retirement pension plans and services, including the management of pension funds and assets.

※ Kyobo Life's home page (www.kyobo.co.kr) provides detailed information on products including insurance policies.

Business Operation

The process of life insurance is composed of three stages — underwriting, retention and payment. We recommend and explain the best solution befitting customer needs and customers' economic power through long-term insurance planning in the underwriting stage and explain contents of insurance policies and breakdowns of future coverage in the retention stage and help them complete remaining processes. We help customers overcome difficulties by paying insurance money in the payment stage. Kyobo Life is stably managing premiums of the customers from a long-term viewpoint.

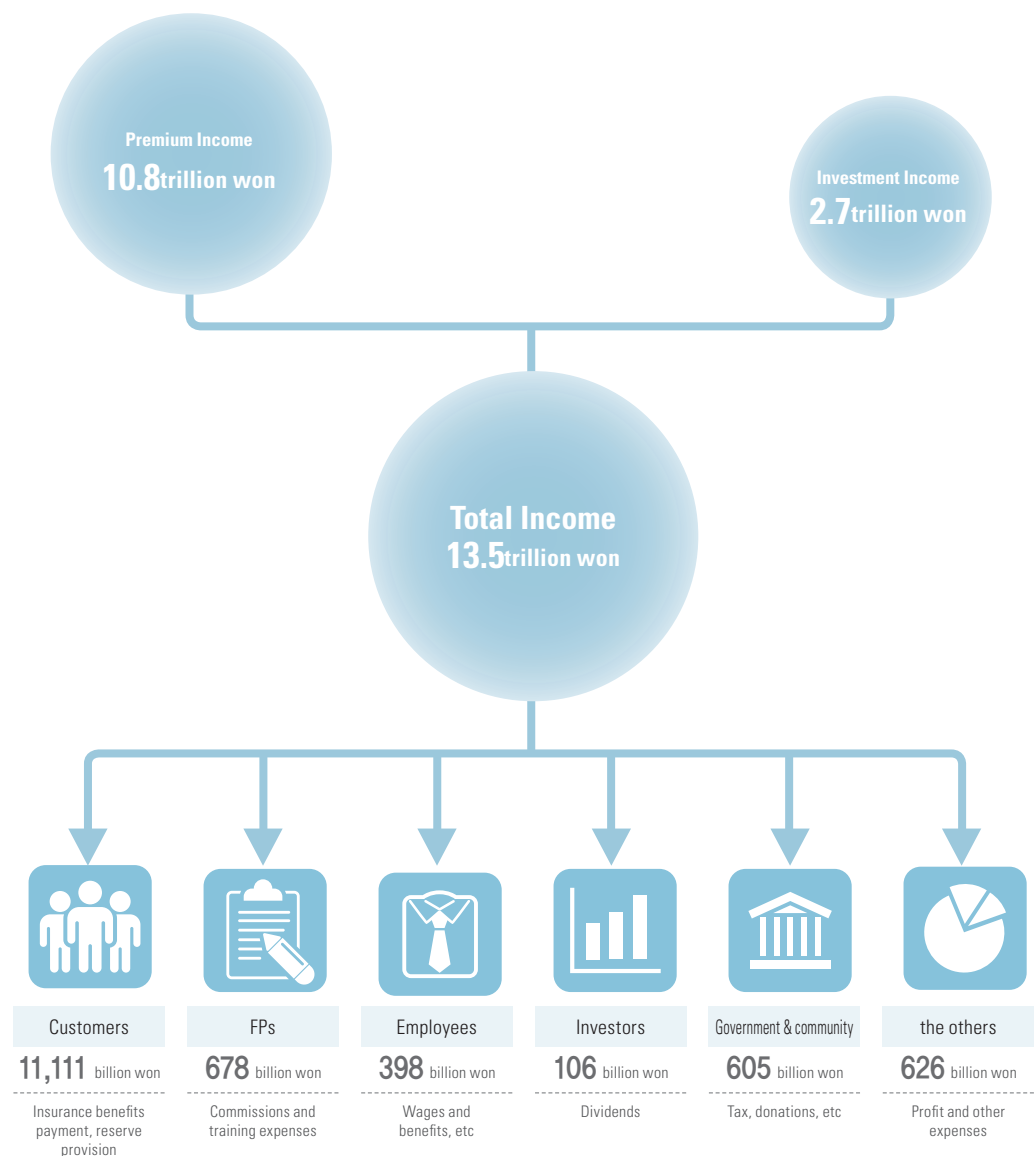
Insurance Business Process



※ Insurance money is sorted into insurance money for accidents (deaths, injuries and hospitalization), prepaid insurance money (money for school expenses, money for health care and money for congratulation), living benefits (refund value, withdrawals and dividends), others (insurance policy loans, retirement benefits and compensation for income loss), maturity and pensions.

Kyobo Life's total revenues arrived at KRW13.5 trillion thanks to insurance premiums, investment income from asset management and other income in FY2011. Kyobo Life distributed the revenues to its stakeholders. The company distributed KRW11.1 trillion in insurance payment, KRW678 billion in FP commission and training expense, KRW395 billion in wage and benefit, KRW103 billion in dividend, and KRW605 billion in central and local government tax and donations.

Distributing Economic Values by Stakeholder

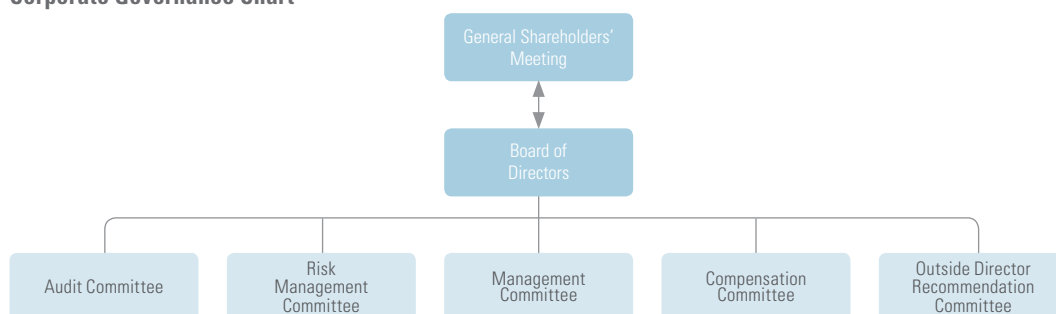


Corporate Governance

The Board of Directors (BOD) is the key decision-making body of Kyobo Life.

Kyobo Life elevates transparency in its corporate governance through the active participation of outside directors.

Corporate Governance Chart



Board of Directors

The Board of Directors deliberates and resolves issues covered in the articles of incorporation, delegated by the General Meeting of Shareholders, or related to the Company's basic policy or business operations and oversees directors' activities.

Composition

Kyobo Life's Board of Directors is composed of eight members, three inside directors and five outside directors. The Company appoints directors at the general shareholders' meeting after screening their qualifications in accordance with related laws including the Insurance Business Law. Outside directors are nominated by the Outside Director Recommendation Committee. The committee reviews candidates' specialties and their interests with respect to those of the Company before recommending them. Therefore, Kyobo Life prevents any possibilities of irregularities on the part of outside directors by taking advantage of their exposure to inside information.

BoD Composition

Separation	Name (Year of Birth)	Position
Inside directors	Chang-Jae Shin (1953)	CEO and Chairman
	Soon Han Lee (1952)	Executive Auditing Director
	Seok ki Lee (1965)	Chief Asset Management Officer
Outside directors	Byong-ho Gong (1960)	Head of Gong Byong-ho Management Research Center and
	Tae-koo Lee (1948)	Lecturer of Business Administration at Kyungwon Univ. (former CEO of POSCO Construction)
	Heong-chul Kim (1953)	Former CEO and VP of Jeil Fire and Marine Insurance
	Jang-woo Lee (1957)	Professor of Business Administration at Kyungbuk National University
	Nicholas B. Paumgarten (1945)	Chairman of Corsair Capital

Operation of the BoD

The regular board meeting is held once a month while an interim board meeting can be convened at the request of the Chairman of the board or the board. In the fiscal years from 2009 to 2011, the BoD held board meetings 23 times. The Company posts on its website its outside directors' activities such as their committee participation, their opinions on matters and voting results every month.

Sustainable Management Items at BOD

Separation	Sustainable Management Items
1st (2011. 4. 19)	• Measures to build preventive labor-management relationships
2nd (2011. 5. 19)	• Results of operation evaluation of internal accounting controls for FY2009
9th (2012. 3. 27)	• On progress on the implementation of anti-money laundering measures • On progress on the implementation of the fair trade compliance program • On evaluation results related to the operation of internal controls in the second half of 2011

Committees Under BoD

The BoD delegates to other committees all business-related functions except for tasks related to general shareholders' meetings and tasks exclusively handled by directors and the BoD. All committees have outside directors on board to maximize the efficiency and quality of their decision-making.

Committees under BoD and Meetings

Separation	Roles	Times		
		2009	2010	2011
Audit Committee	Evaluates the appropriateness of the Company's internal control system. -Maintains its independence from the BoD and other committees as three out of its four members are outside directors.	4	6	6
Management Committee	Deliberates on and resolve matters delegated by the BoD such as key business and financial matters and matters about directors and executives	8	5	6
Outside Director Recommendation Committee	Nominates candidates for outside directors. -Outside directors are appointed at general shareholders' meeting after the recommendations of the Outside Director Recommendation Committee	2	1	2
Risk Management Committee	Resolves important matters concerning risk management -Reports the results of regular risk analyses, risk management measures and risk monitoring to the BoD.	6	9	12
Compensation Committee	Deliberates on and resolve the design and operation of a compensation system for the management and employees. -Maintains independence by making outside directors outnumber other members and managed compensation systems in connection with risks. -Designs the compensation system to satisfy international recommendation to secure soundness.	-	2	3

※The Compensation Committee has operated since FY2010.

Performance Evaluation and Compensation

Annual performances by sectors compared to annual goals are reported to the BoD after the end of a fiscal year. The Company's top management are entitled to compensation based on the evaluation results of their job performance. The ceilings on directors' pays are set at general shareholders' meetings. Their pays are made public at the Company's website.

Sustainability Management System

Kyobo Life's sustainability management is an action on its pledge to grow together with all stakeholders. Kyobo Life has built a sustainability management system made up of ten procedural principles for fulfilling its pledges and 12 key performance indicators.

Sustainability Management Framework

Sustainability Management Philosophy		To pursue prosperity together with all stakeholders			
Vision 2015		The company that provides optimum insurance coverage and on-going services [No.1 Provider in insurance coverage and on-going services]			
Four pledges to stakeholders	Pledges	Always give utmost priority to customer service	Grow together with its financial planners and employees	Continue to be an attractive investment to investors	Progress together with the government and the community
	Principles	1. We will always listen to our customers and manage the company through their eyes. 2. We will continue to improve the quality of our service from underwriting to payment.	3. We will maintain our corporate culture based on joy, confidence and trust. 4. We will provide all employees with equal opportunities and reward them based on fair evaluations. 5. We will enhance the expertise of our financial planners and employees.	6. We will continue to generate additional profits through sustainable growth. 7. We will increase our corporate value with preemptive risk management skills.	8. We will be proactive in leading and participating in community service projects. 9. We will carry out conservation activities in a manner that is reflective of our business. 10. We will grow with our peers through fair competition.
	KPI	<ul style="list-style-type: none"> Persistency rate (13th month) Customer satisfaction index Market share 	<ul style="list-style-type: none"> Education hours per employee. Financial planner/employee satisfaction index Financial planner retention rate (13th month) 	<ul style="list-style-type: none"> Total assets ROE(Return on equity) Financial soundness indicator(Risk-Based Capital) 	<ul style="list-style-type: none"> Social contribution ratio/amount Share of social responsibility investment(SRI) Energy consumption

※ When reporting activities in FY2010, the Company changed market shares from a KPI from investors' viewpoint to one from customers' viewpoint and reflected its total assets in the report as a new KPI from investors' viewpoint.

Sustainability Management-Related Consultative Body

Kyobo Life is operating a consultative body with a view to helping push for sustainability management. The Sustainability Management Consultative Meeting helps its chairman, CEO of Kyobo Life make decisions by discussing major sustainability management issues. Heads of related department and teams express their opinions about the issues in the Working-Level Sustainability Management Consultative Meeting to enhance the efficiency of the Sustainability Management Consultative Meeting.

Sustainability Management Consultative Meeting

Separation	Topic
6th (2011. 04. 25)	Final report on the sustainability management project
7th (2011. 05. 27)	Collecting opinions of stakeholders and revising Code of Professional Ethics and Professional Ethical Action Guidelines
8th (2011. 08. 01)	Results of collecting stakeholders' opinions
9th (2011. 09. 08)	The results of surveys in FY2010
10th (2011. 11. 03)	Analysis of the present state of KPI
11th (2012. 01. 03)	Results of holding meetings with stakeholders
12th (2012. 02. 21)	Analysis of long-term sustainability management KPI and direction of publication of sustainability report

Status of Sustainability Management Tasks

Kyobo Life established and suggested 23 tasks related to its sustainability management system in its first sustainability report. The Company is carrying out the tasks by considering the characteristics of the management environment and the tasks such as reflecting the tasks in companywide tasks.

Progress in Pushing for Tasks

Stakeholders	Task	Highlights	Page
Customers	Retention service innovation project	Carried out Life Long Care Project	▶ 30~32p
	Reinforcing protection of customer information	Steadily pushed for task	▶ 28p
FPs and Employees	Devising measures to enhance financial planners' loyalty	Improved financial planner education system in line with Life Long Care Project and ran various educational programs	▶ 44~46p
	Sharing and managing corporate culture company-wide	Consolidated internal communication	▶ 37~38p
	Creating excellent working conditions (hygiene, safety, health and working environment)	Ran family-friendly corporate culture programs	▶ 40~41p
	Expanding and strengthening duty-oriented HR system	Devised measure to improve duty-oriented HR system (pushed for related communication), implemented duty-oriented promotions and job rotation for employees who performed the duty for a long time.	
	Improving human right-related system	Reflected human right matters in Professional Ethical Action Guidelines	▶ 43p
	Reinforcing programs to support retirees	To be pushed for after FY2013	
Investors	Managing performances each stakeholders	Managed KPI by stakeholders	▶ 22p, 34p, 50p, 62p
	Developing new growth engines	To be pushed for after FY2013	
	Strengthening duty-oriented risk management	Steadily pushed for the task	▶ 55~58p
	Enhancing brand value	Advertised Life Long Care Project and devised measures for improvement through brand survey	▶ 32, 14p
Government and Community	Upgrading specialized social contribution activities	Steadily pushed for the task	▶ 63~71p
	Changing home page to be friendlier with stakeholders	Pushed for the task (To be completed in November 2012)	
	Conducting activities to expand people's awareness of sustainability management	Steady internal and external communication (Winning prizes related to sustainability management)	
	Improving stakeholder engagement process	Completed	▶ 14p
	Building environmental management system	To be pushed for after FY2013	
	Mapping out plan to push for mid- to long-term SRI	To be pushed for in FY2012	
	Managing environmental data (CO2 and energy)	Steadily pushed for this task	▶ 73p
	Forming sustainability management supply chain (purchase, procurement and etc.)	To be pushed for after FY2013	

※The Company combined "the company's and employees' sharing vision and promoting win-win growth," "strengthening fair performance assessment" and "building a human risk management system (recruitment, training and education, change in duties and leaving the Company for another job) among 23 tasks into "expanding and strengthening duty-oriented HR system."

Stakeholder Engagement

Kyobo Life is listening to opinions of stakeholders with the aim of realizing a philosophy of sustainability management, "To pursue prosperity together with all stakeholders"

Conducting Survey

Separation	Method	Objects	Period	Highlights	Page
Customers	Customer satisfaction	2,000 people who bought life insurance over past three years (including 1,000 people who bought life insurance of other companies)	Nov. to Dec. of 2011	<ul style="list-style-type: none"> Customer satisfaction compared to competitors Understanding customer needs on the Company (FPs) 	23p
	Brand	1,500 people who bought insurance or is planning to do so.		<ul style="list-style-type: none"> Life insurance brand index Checking brand image of Kyobo Life 	
FPs and Employees	FP satisfaction	1,470 FPs (including 62 FPs of other companies)	No survey was conducted due to internal reasons.	<ul style="list-style-type: none"> Surveying FP satisfaction and understanding their needs. Drawing FPs' superior and inferior element in competition 	
	Employee satisfaction				
Investors	Reputation	180 opinion leaders in insurance industry	Dec. 2011 to Jan. 2012	<ul style="list-style-type: none"> Popularity, likeability, reputations by properties and elements to improve reputations of life insurers and their CEOs. , 	
Government and Community					

Holding Meetings

Separation	Objects	Period	Method	Highlights
Customers	Panel of customers	Nov. 28 to 28 in 2011 Dec. 12 to 13 in 2011	Meeting	<ul style="list-style-type: none"> Collecting opinions for improvement after experiencing insurance underwriting process Ideas for comprehensive subscription
FPs and Employees	Members of Prime Leaders Club	Jul. to Nov. in 2011	Meeting	<ul style="list-style-type: none"> Competitiveness when taking commissions into account Providing tools for sales Education to forster FPs.
	Salespeople	Jul. to Nov. in 2011	Business briefing sessions and meetings after visiting salespeople	<ul style="list-style-type: none"> Operating duty-oriented HR system Managing HR such as recruitment
Investors	Employees of credit rating agencies and analysts	Mar. to Nov. in 2011	Visit and exchange of opinions via phone and email	<ul style="list-style-type: none"> Communication issues in terms of profitability, growth potential and stability
Government and Community	Recent major policies and systems	Constant monitoring throughout the year	Understanding and monitoring major issues	<ul style="list-style-type: none"> Reinforcing protection of insurance consumers Expanding SRI such as supporting ordinary people
	Workers of non-profit organizations, relevant professors and those in charge of social contributions at companies	Oct. to Dec. in 2011	Visit and meeting	<ul style="list-style-type: none"> Corporate image of Kyobo Life Suggestions on social contribution activities. Activating employees' participation



Meeting with Customers



Meeting with FPs

Materiality Test

Kyobo Life conducted a materiality test through a 2x2 matrix system based on two axes – interest of stakeholders and influences of companies for the purpose of prioritizing contents. The Company placed more weight on major issues drawn through the material test in this report.

Selection of Issues

Kyobo Life selected issues drawn from environmental analyses conducted during the establishment of its sustainability management. The Company classified the issues in accordance with the ten principles of Kyobo Life's sustainability management in order to prevent issues from attaching too much importance to specific stakeholders.

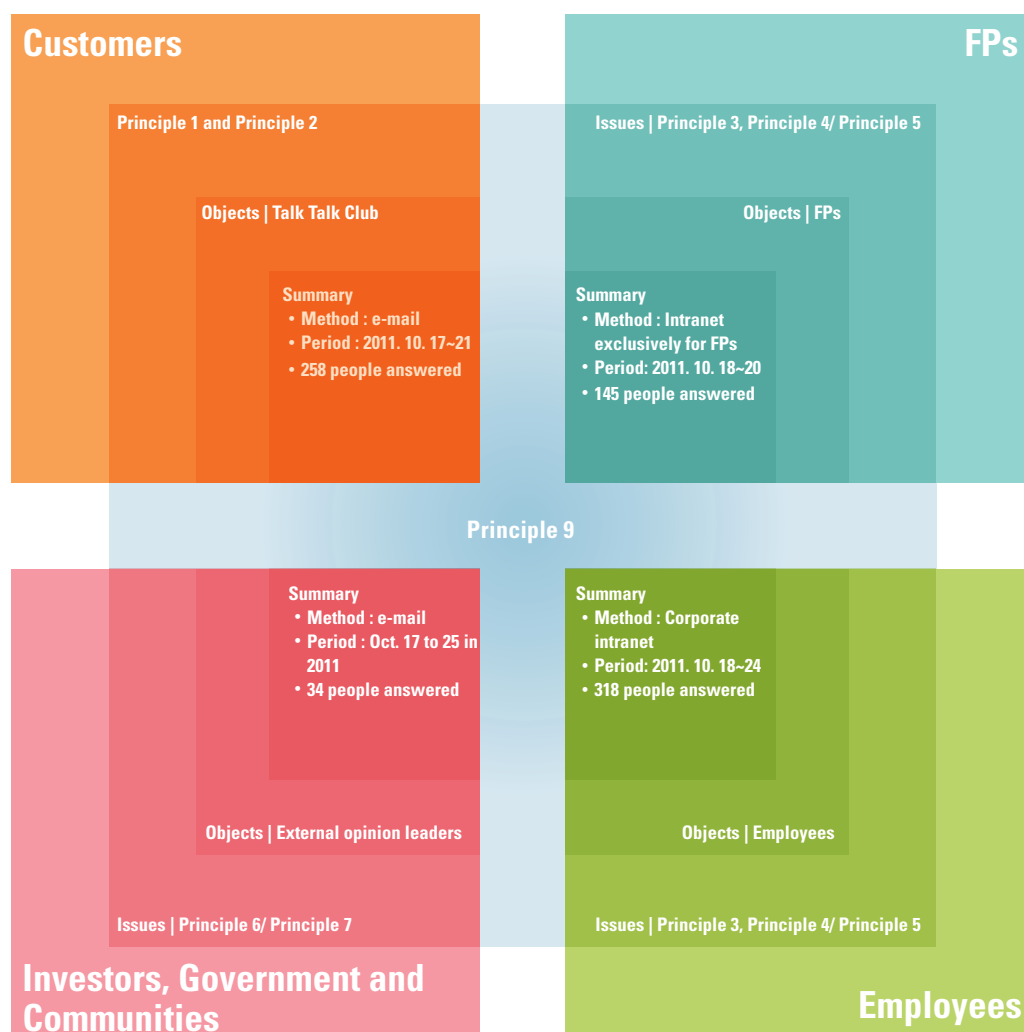
Issues by Principles

Separation		Issues		
Customers	Principle 1	<ul style="list-style-type: none"> Dealing with customers' complaints Protection of customers' information 	<ul style="list-style-type: none"> Developing excellent products Channels to serve customers 	<ul style="list-style-type: none"> Directly listening to voices of customers Customer service
	Principle 2	<ul style="list-style-type: none"> Following comprehensive subscription process Insurance planning capabilities 	<ul style="list-style-type: none"> Retention service Product guides 	<ul style="list-style-type: none"> Payment service Informing of unpaid accident insurance money
FPs and Employees	Principle 3	<ul style="list-style-type: none"> Internal communication Supporting B2B2C marketing 	<ul style="list-style-type: none"> Welfare and benefits Program to support education of FPs children 	<ul style="list-style-type: none"> Consulting channels Protecting human rights
	Principles 4-5	<ul style="list-style-type: none"> Ban on discrimination System to support excellent FPs 	<ul style="list-style-type: none"> Commission system Educational program 	<ul style="list-style-type: none"> Program to foster new FPs Specialized financial education
	Principle 3	<ul style="list-style-type: none"> Internal communication Welfare and benefits 	<ul style="list-style-type: none"> Family-friendly corporate culture Labor-management culture 	<ul style="list-style-type: none"> Consulting channel Protecting human rights
	Principles 4-5	<ul style="list-style-type: none"> Ban on discrimination Internal contests 	<ul style="list-style-type: none"> Duty-oriented HR system Team study program 	<ul style="list-style-type: none"> Self-development program Knowledge exchange
Investors	Principles 6-7	<ul style="list-style-type: none"> Credit rating Focusing on growing markets 	<ul style="list-style-type: none"> Management innovation Risk management 	<ul style="list-style-type: none"> Internal control Preventing insurance frauds
Government and Community	Principle 8	<ul style="list-style-type: none"> Volunteer activities Family love programs 	<ul style="list-style-type: none"> Supporting premature babies Social Company 	<ul style="list-style-type: none"> Teenager support program Support social, cultural, athletic and artistic events
	Principle 9	<ul style="list-style-type: none"> Expanding SRI Saving energy 	<ul style="list-style-type: none"> Promoting environmental awareness Eco-friendly social contribution activities 	<ul style="list-style-type: none"> Eco-friendly volunteer work Environmental data
	Principle 10	<ul style="list-style-type: none"> Self-controlled fair trade compliance Business transparency 	<ul style="list-style-type: none"> Work ethics education Business ethics programs for employees 	<ul style="list-style-type: none"> Dawin Service Supporting partners

Evaluation of Stakeholders' Interest

Kyobo Life evaluated stakeholders' interest on the basis of frequencies of answers to questions by stakeholders. With an eye toward enhancing the reliability of answers, the Company asked only about principles of sustainability management.

Survey of Stakeholders



Evaluation of Influences on Company

Kyobo Life evaluated the influences of issues on the Company according to the frequencies of issues dealt with in the company newspaper, "The Kyobo Community." The period of the evaluation was the recent three years. The Company adjusted weight to make recent issues reflected more in the report.

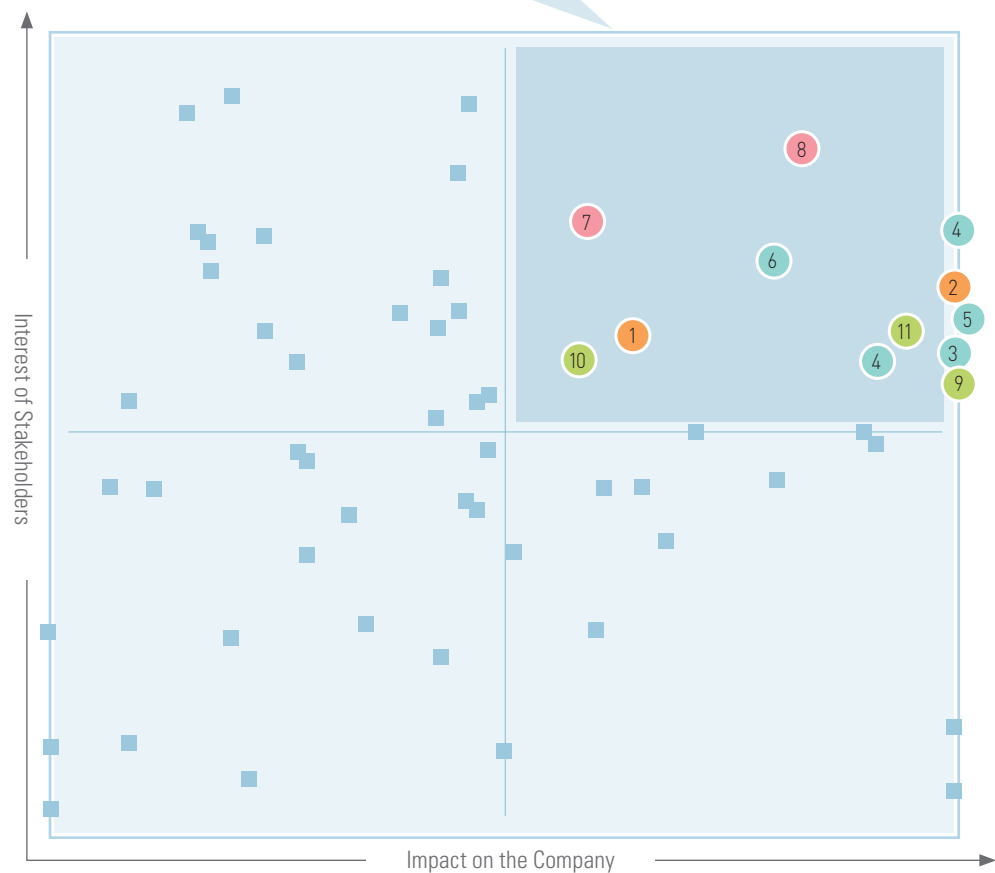
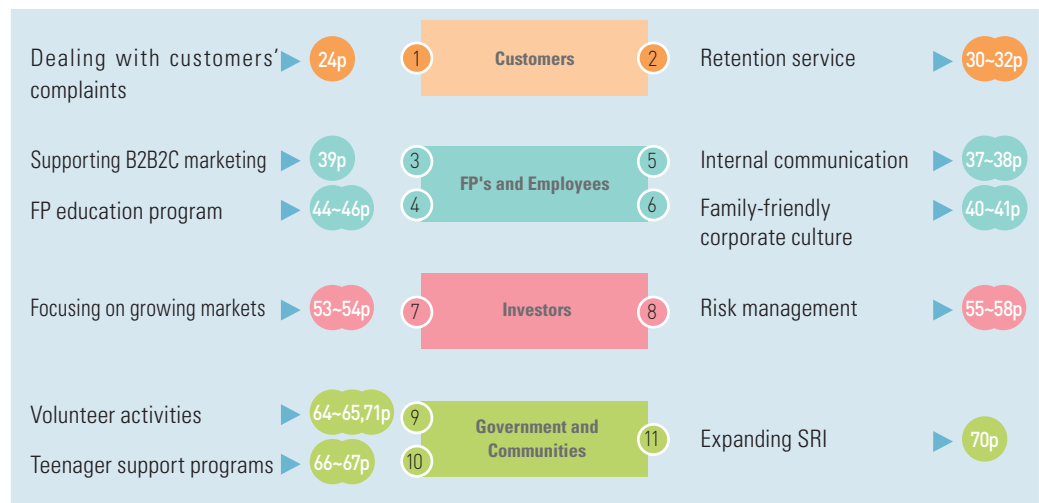
Reflecting Weights by Fiscal Years

Separation	Unit	FY2009	FY2010	2011
Weight	%	20	30	50

Result

Kyobo Life selected 11 out of 60 issues as important issues. The company focused more on these issues in this report.

Results of Material Test



Experts' Discussion

Kyobo Life held a meeting for external sustainability management experts to efficiently implement sustainability management. Some of the discussed items in the meeting were reflected in this report. The others will be used for realizing sustainability management.



Host: Dong-su Kim(Director of the Sustainability Management Center of the Korea Productivity Center)

Summary of Meeting

- Date and Time : 16:30~18:30, October 19 (Wed), 2011
- Place : The Main Conference Room on the 17th floor of Gwanghwamun Building of Kyobo Life
- Participants: Min-gu Jeon(Director of Two Tomorrows), Ho-chang Lee(Professor of Kyunghee University), Won-jae Lee (Director of the Hankyoreh Economic Research Institute), Cheol-hwan So(Manager of CSR Office of Samsung Fire and Marine Insurance), Gyeong-sook Sohn(Head of Social Contribution Team of the Federation of Korean Industries), Chun-seung Yang(Executive director of the Korea SRI Forum)
- Theme: Review of Sustainability Management and Suggestions on Sustainability Management Activities of Kyobo Life



"Kyobo Life had better firm principles on SRI."

Chun-seung Yang

"If a sustainability report contains favorable information only, its value as a report will decrease. It is important for the company to include key parts of unfavorable information and suggest rational alternatives. The report lacks consistency in terms of contents. For example, issues suggested in the front part of the report are not explained later. The report also needs to make more mention of future KPI goals. The report should make clear the Company's position about socially responsible investment and principles of its socially responsible investment. The life insurer needs to promote its activities to cope with climate change and financial education for teenagers."



"Kyobo Life needs to build an environmental management system such as the operation of eco-friendly programs."

Cheol-hwan So

"Although the 2010 Sustainability Report meets the requirements of the GRI, I wish that the report would enhance the balance of the environmental, social and financial parts. Kyobo Life needs to consider a report type that integrates financial and non-financial performances and needs communication via online media including SNS in addition to a printed report. The life insurer needs to build an environmental management system. It will be good to manage environment-friendly social contributions or programs that can make employees' lifestyles environment-friendly. I suggest that outside directors and a panel of sustainability management experts take part in a consultative meeting presided by the CEO and Kyobo Life participates in financial industrial initiatives such as the UNEP or UNPRI."



“A sustainability report should be easy to read and reflect the characteristics of the main business of the company.”

Won-jae Lee

“A sustainability report should be so easy that a middle school student can understand it. The report should also reflect the characteristics of the main business of the company. The main business of an insurance company is insurance policies and asset management rather than environmental management. But the product and SRI sections in the report need expanding. Although the GRI satisfaction rate is high, there are several differences in requirements of the GRI Guidelines and those written in the report.



“Balanced reporting is very important.”

Min-gu Jeon

“In relation to SRI, Kyobo Life should suggest more concrete and quantitative data on environmental items such as investment in new and renewable energy. Kyobo Life needs to reinforce its support for marginalized people or the development of products and services for them and make more efforts to tackle climate change. Completing the government’s roles on decreases in labor and social welfare benefits due to low childbirth and an aging population can become an opportunity for financial institutions. Balanced reporting really matters. In light of this, I wonder how the Fair Trade Commission’s fine on Kyobo Life in this year will be described in the upcoming report.”



“It will be better for Kyobo Life to suggest a new vision for social contributions.”

Kyeong-sook Sohn

“As for the social contribution sector, I think, Kyobo Life’s report needs differentiation from other reports, compared to Kyobo’s rich contents. In addition, the Company now needs to suggest a new vision or direction about social contributions which Kyobo Life has pushed for over the past ten years. Including interviews in the report will make the report reader-friendlier and easier to read. Kyobo Life is advised to make contents easy to understand and contain basic items. They may consider a method to include compact information in the report and details in attachments.”



“Kyobo Life should increase concrete information and data satisfying the guideline.”

Ho-chang Lee

“The composition of the report that divides the stakeholders into four groups and suggests ten principles possesses reader-friendliness as one of its strong points. Examining the report from the economic, environmental and social angles of sustainability management, this report may seem a little bizarre. Kyobo Insurance should enhance the reliability of information by increasing detailed information befitting the GRI Guidelines and making clear information sources or correcting wrong parts. The report lacks relations among performances. In this connection, it is needed to suggest a process model on the main business.”





Customers *and the Future*

Kyobo Life will always give utmost priority to customer service.

We will always listen to our customers
and manage the company through their eyes.

We will continue to improve the quality of our
service from underwriting to payment.

Kyobo Life will always give utmost priority to customer service.

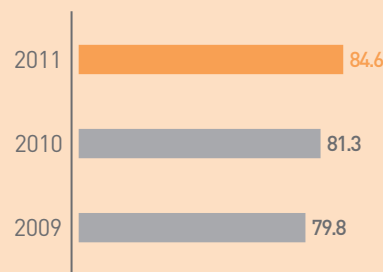
Pledge 1. We will always listen to our customers and manage the company through their eyes.

Pledge 2. We will continue to improve the quality of our service from underwriting to payment.

Progress on the Pledge (KPIs)

Persistence ratio (13th month)

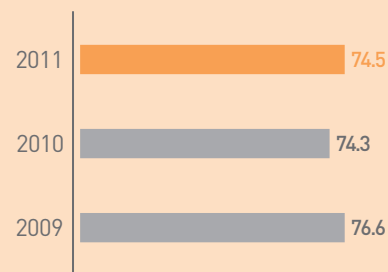
Unit : %



※ Persistence ratio = (retention / new insurance premiums) × 100

Customer satisfaction index

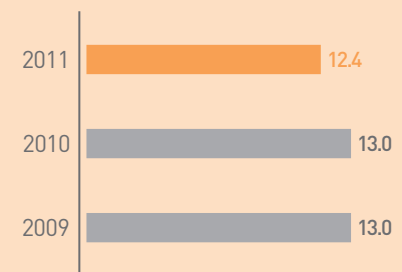
Unit : Points



▶ 23p

Market share

Unit : %

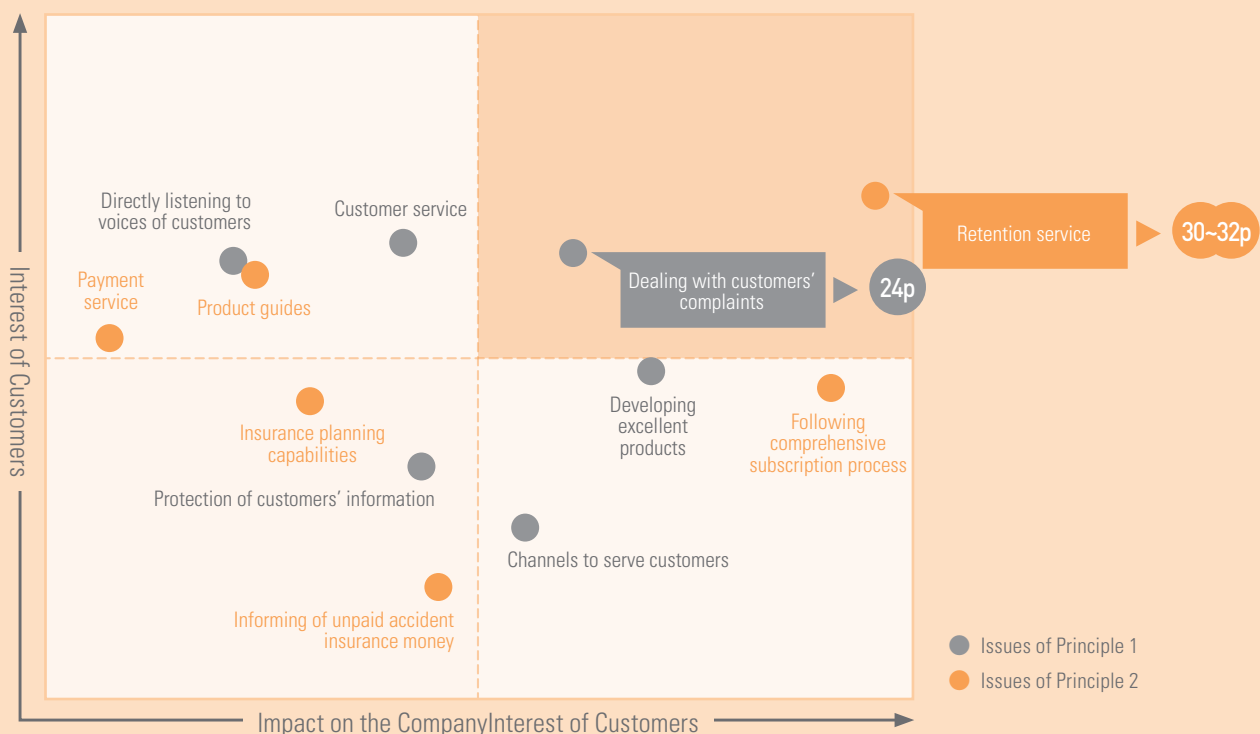


※ Market share (premium income) for 2011 is as of the end of February, 2012

※ Kyobo Life replaced customers retained, a KPI from customers' viewpoint with a market share which was a KPI from investors' viewpoint when the Company reported its activities in FY2010.

Results of Materiality Test

※ The summary of the materiality test is available on page 15~17



We will always listen to our customers and manage the company through their eyes.

Customer Satisfaction Index Survey

Kyobo Life has conducted a customer satisfaction index (CSI) survey in order to practice core value, “customer satisfaction” since 2000. The Company is quickly responding to change in customers and the market such as grasping customer satisfaction levels and customer needs and devising measures through the CSI survey. The 2011 CSI of 2,000 people who bought life insurance across the nation over the past three years showed an increase of 0.2 points from the previous year. Kyobo Life will continue to and strive to enhance customer satisfaction such as drawing tasks to improve by analyzing satisfaction and improvements by items and implementing the tasks in 2012.

Matters to be improved

Year	Unit	Attitude in facing customers	Underwriting process	Insurance policy	After-sales service	Corporate image	Payment	Loans	Customer Plaza service	Customer Plaza environment	Call center service
Customer satisfaction	points	77.9	74.4	73.9	73.9	76.9	76.5	73.2	77.4	78.0	74.5
Importance	%	14.7	14.0	26.2	14.1	12.9	12.1	0.8	1.0	0.9	3.3

Efforts for Dealing with Customers' Dissatisfaction

Kyobo Life inducted to the Hall of Fame of Customer Satisfaction while winning the Grand Prize at the Customer Satisfaction Management Awards from the Korea Management Association for five straight years in recognition of its active customer satisfaction-oriented management. But in 2010, the grade of its handling complaints fell to Grade 3 and the Company received excessively many customers' complaints (a key indicator of customer satisfaction management), compared to other companies. Accordingly, Kyobo Life's dedication monument in the hall of fame was covered on November 5, 2011.

This expressed the will of Kyobo Insurance to listen to customers' voices more carefully and to deal with customers' complaints more actively.



Kyobo Life's dedication monument in the hall of fame was covered

The Financial Supervisory Service's grading based on customer complaints

Separation	Unit	2009	2010	2011
Kyobo Life	Grade	2nd (satisfactory)	3rd (average)	3rd (average)
		1st (excellent) : 0	1st (excellent) : 0	1st (excellent) : 0
		2nd (satisfactory) : 5	2nd (satisfactory) : 4	2nd (satisfactory) : 5
		3rd (average) : 5	3rd (average) : 5	3rd (average) : 7
		4th (unsatisfactory) : 1	4th (unsatisfactory) : 5	4th (unsatisfactory) : 2
Competitors	Grade	5th (bad) : 8	5th (bad) : 5	5th (bad) : 5

Complaint Reception and Handling

Process | With an eye toward coping with complaints of customers more efficiently, Kyobo Insurance improved its process to handle customers' complaints in January 2012. Such complaints are collected via a wide variety of channels and put into the "Soritgui System," a VOC (Voice of Customer) management system of Kyobo Life. The complaints are automatically delivered to the head of a related organization and a service recovery specialist in charge of handling them. Then the service recovery specialist informs customers of the reception of the complaints. The specialist and the head visit and talk over the complaint with the customer in person in order to understand a complaint more accurately. The Company has enabled the head who knows the complaint best handle the complaint on his own by cooperating with the service recovery specialist. The head input the results within three days after receiving customers' complaints and the service recovery specialist decides the final treatment after reviewing its adequacy. Afterwards, the Company conducts post-treatment management such as informing the customers of the results.

※ "Soritgui": A pure Korean word meaning brightness to understand other people's words or songs.



CEO's Visit to Call Center

Recertification of CCM | The Fair Trade Commission recertified the CCM (Consumer Centered Management) of Kyobo Life on June 28, 2011. The CCM is a system to evaluate if a company composes all corporate activities from consumers' point of view and steadily improves its related activities. The Fair Trade Commission decides the certification through the evaluation of the construction and implementation of a self-regulatory system and an internal control system and the implementation of related education every two years. This recertification is the second for Kyobo Life since the first certification on July 1, 2007.



Certificate of Excellent Consumer-Centered Management

Customer Service through Call Center

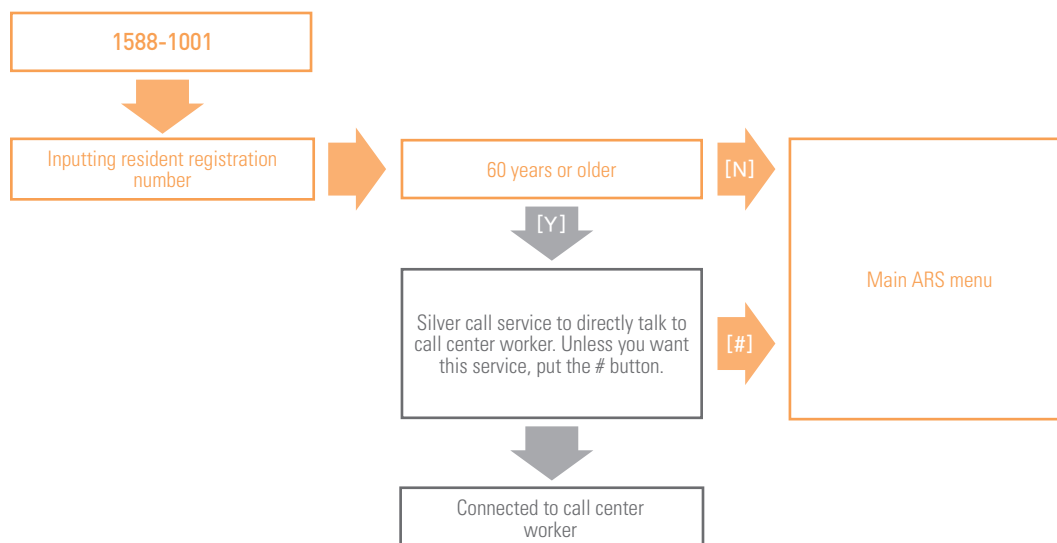
Kyobo Life is strengthening its customer service through the call center to elevate customers' convenience. As the scope of the work of the call center expands from answering questions and complex office processes, the Company is offering specialized services by dividing call center numbers by services.

Call Center Numbers by Services

Insurance	1588-1001	Loan	1588-1010	Bancassurance	1588-1099
Retirement pension	1588-0770	Changing contract	1588-3693	Indirect investment securities (beneficiary certificates)	1599-7899

Silver Call Service | The Silver Call Service is offered on the basis of an ARS(Automatic Response Service) system. This service may be difficult for senior citizens to use. With a view to reducing such inconvenience, when a customer over 60 years old makes a call to the call center, our Silver Call Service directly put the customer through to an employee of the call center in the early stage of the ARS system.

Flow Chart



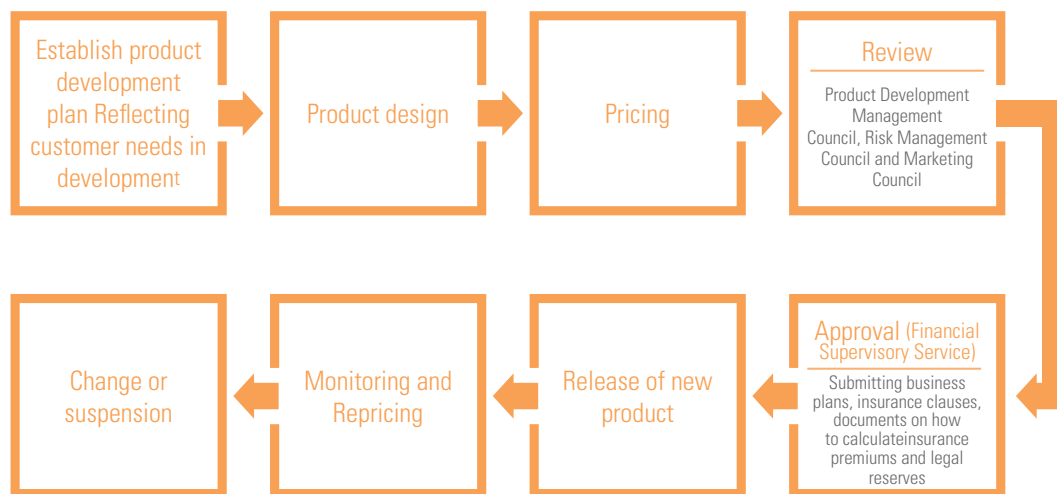
Product Development

All insurance policies of Kyobo Life are developed on the foundation of scientific rationality such as the law of large numbers and the equivalence principle. The Financial Supervisory Service approves new products after checking whether or not they are fairly designed.

After a certain period from the release of a product, we make endeavors to maintain the fairness of product design by analyzing a difference between expected experience rate and real experience rate during the product development period and repricing products.

- ※ Law of large numbers: The average of the results obtained from a large number of trials should be close to the expected value, and will tend to become closer as more trials are performed. People can decide accident probabilities of individuals.
- ※ Equivalence principle: Equivalence principle means that the insurance premiums are calculated in such a way that the expected present value of the premiums is equal to the expected present value of the benefits.

Product development process



Product development

Separation	Unit	2009	2010	2011
Main and special contacts	case	29	15	16

Launching (Nonparticipating) Kyobo Happy Preparation Insurance for Funerals | Senior citizens

want to prepare for a beautiful finish as much as they want to live happily. Kyobo Life developed and launched (Nonparticipating) Kyobo Happy Preparation Insurance, a whole life insurance that mainly covers deaths of senior citizens by considering needs of senior citizens who want to prepare for their funerals in September 2011.





In addition to paying death benefits, (Nonparticipating) Kyobo Happy Preparation Insurance helps bereaved families hold funeral ceremonies by offering services in partnership with a funeral company







Kyobo Happy Preparation Insurance for Funerals

Development of Specialized Services | Kyobo Life is developing and offering specialized services such as the Health Care Service and the Kyobo Educare Service to customers. The Kyobo Educare Service is an educational service that examines developments of children by growth stages through industry-academy cooperation and in partnership with outstanding companies. The Health Care Service manages the health of customers who underwrite specific insurance policies whose insurance money is above a certain level. As of March 2012, the Kyobo Educare Service and the Kyobo Healthcare Service were offered to 160,265 and 612,340 customers, respectively.

Kyobo Educare Service

 Physical Growth	Diagnosis and examination of children (intelligence, character, aptitude, creativity), aptitude test for parents, counseling on fostering children (one to one on the Internet), offering fostering information and development diagnosis (paid service)
 Reading	READ Test (reading, vocabulary and reading behavior), Internet library, reading coaching by parents and e-learning
 Experience Education	Children's experience (reading Camp, English Camp, Economics Camp and Overseas Cultural Camp) and family experience (family cultural travel)
 Learning	Study of English and Chinese letters and career mentoring (study, career and studying abroad)

Kyobo Healthcare Service

 Everyday Healthcare Service	Health consultation (with specialized doctors), providing health information (Internet, short text messages and email) and making health check reservations for customers.
 Treatment Support Service	When customer is diagnosed with cancer, heart disease, cerebrovascular disease and high blood pressure-related disease and diabetes) Hospital / doctors information service, nurse's house call, second opinion service and medical legal advisory service (when medical accident takes place)
 Disease Management Education Service	Nurse's house call (minimizing sequel and complication by providing service shortly after operation) and offering the latest health information by diseases
 Family Support Service	House call to take care of premature babies, making health check reservations for customers and giving special treatment and offering cancer-related information



Educare Service



Health Care Service

Lifelong Asset Management Seminar

Kyobo Life runs the Lifelong Asset Management Seminar by delivering economic and financial information and the real value of life insurance to customers. The type of the seminar vary depending on characteristics of customers and organizers. We have useful and accurate information delivered to customers via education programs by wealth managers who are asset management specialists at Noblie Center across the nation and external specialists.

Types and Themes of Lifelong Asset Management Seminars

Organizer	Events	Ten Principles
HQ	<ul style="list-style-type: none"> •Seminar for VVIP customers (once a year) •Joint seminar with media companies 	① Efficient asset management strategies in preparation for volatility in financial market ② Lifelong asset management strategies through financial planning
Regional HQ	<ul style="list-style-type: none"> •Seminar for VIP customers (once a year) 	③ Happy retirement planning ④ Tax-avoiding strategies
Support Team	<ul style="list-style-type: none"> •Specialized seminars by characteristics of customers (once a quarter) •Seminar connected with Dawin Service (when necessary) 	⑤ CEO plans for happy future ⑥ Efficient asset management strategies for hospital CEOs. ⑦ Measures for efficient asset management for self-employed
FP Branch	<ul style="list-style-type: none"> •Specialized seminars by characteristics of customers (once a month) •Seminars managed by FPs (when necessary) 	⑧ Asset management strategies for customers who compensations for their land ⑨ Efficient asset management for senior citizens ⑩ Financial management strategies for lessors



Lifelong Asset Management Seminar (FP HQ)



Lifelong Asset Management Seminar (Support Team)

Protection of Customer Information

The protection of customers' information in business activities is becoming more and more important with the enforcement of the Personal Information Protection Act in September 2011 and etc. Kyobo Life has been actively carrying out customer information protection activities establishing a department specialized in the protection of customer information and operating a DRM (Digital Rights Management) system to say nothing of the observance of related laws. The Company has been implementing the companywide Customer Information Protection Self-Evaluation System where each department sets major tasks for the protection of customer information and evaluate and improving the protection. The information protection specialist and head of each department conduct the evaluation of protection. The customer information protection department regularly monitors evaluation by each department. We praise and reward outstanding departments and warns heads of poorly performing departments to have more awareness of the importance of customer information protection. In addition, we are implementing education programs on the protection of customer information for all our financial planners and employees on a regular base. Beginning in FY2012, Kyobo Life is planning to reinforce education programs on the protection of customer information in compliance with a law to expand education hours

Education on Customer Information Protection

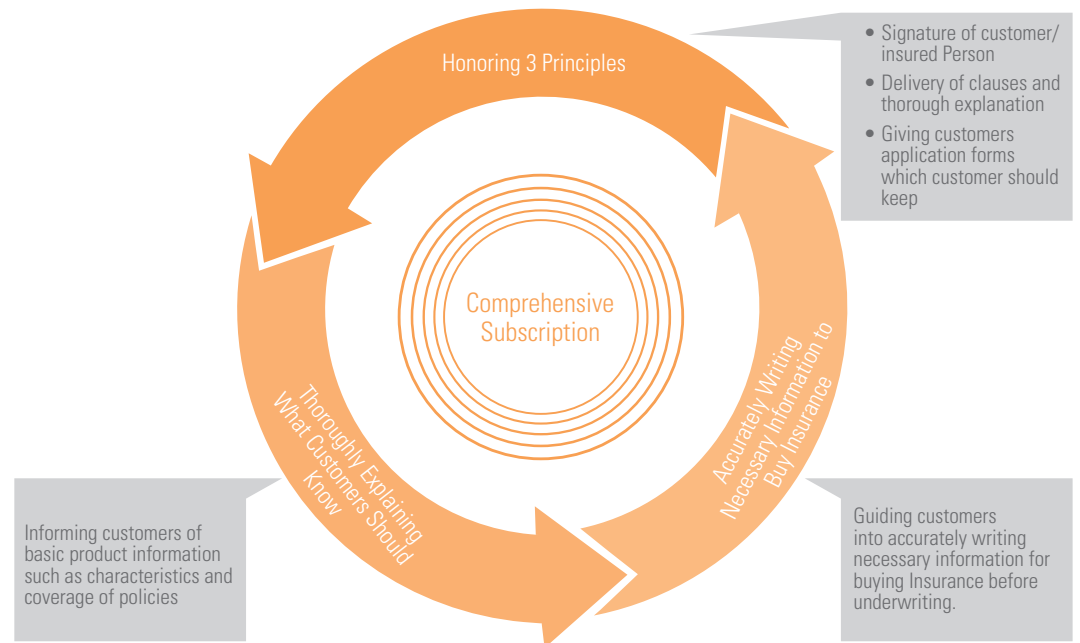
Separation	Unit	2009	2010	2011
Average per person	Hour	4	4	4
Completion rate	%	100	100	100

We will continue to improve the quality of our service from underwriting to payment.

Beginning of Customer Satisfaction, Comprehensive Subscription

The Comprehensive Subscription Process refers to the customer assistance mechanism that helps customers correctly perceive the value of life insurance and buy products that meet their needs. This process is possible only through the observance of the three basics, the thorough explanation of what customers should know and the sincere notification of mandatory pre-underwriting information. Kyobo Life always provides repeated education for all financial planners. The company makes up for weak points in the subscription system to make this process smooth. Moreover, we emphasize the full implementation of comprehensive subscription by reflecting failure in comprehensive subscription in our internal punishment standards. A revision of the Insurance Business Law has made it mandatory for financial planners to receive education programs on the production of insurance customers and the extirpation of incomplete sales. Since May 2011, all financial planners of Kyobo Life have taken a 25-hour-long cyber education program on related laws, ethics and dispute cases of the Korea Insurance Institute. The Company urges its financial planners to thoroughly complete the course by taking a strong measure to disable financial planners who did not complete the course from selling products.

Things to Do for Comprehensive Subscription



Diagnosing Appropriateness of Variable Insurance | As buyers of variable insurance take risks from insurance premium management, it is quite important to recommend insurance policies suiting customers by analyzing their preferences in buying insurance on the basis of information such as customers' ages, wealth and purposes of buying insurance. This is called "diagnosing appropriateness of variable insurance." This diagnosis has become obligatory since January 2011 due to the Insurance Business Law and its enforcement ordinary.

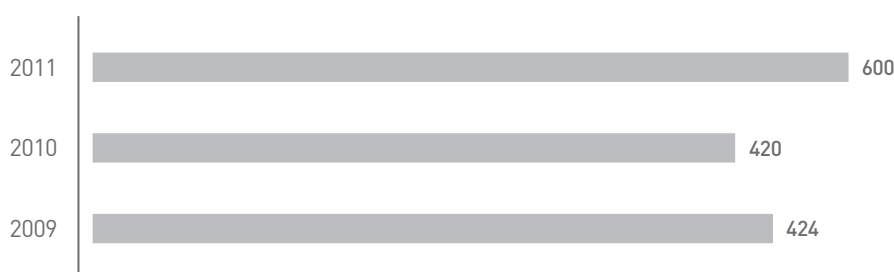
Kyobo Life has ordered heads of branches to finally confirm the implementation of the diagnoses to prevent the diagnoses from being carried out for form's sake. The Company had the appropriateness thoroughly checked by segmenting questions for diagnoses.

System to Review Product Advertisements and Insurance Guide Materials | Roles of product advertisements and insurance guide materials are quite significant in explaining intangible insurance policies. But if wrong information is delivered to customers via wrong advertisements and materials, a big loss can occur. To prevent such risks, Kyobo Life provides only advertisements and materials approved through its own review system for customers. We take into account customers' positions in producing advertisements and materials such as enlarging precaution parts such as guarantee conditions to be more noticeable and explaining complicated terminologies in simpler terms to help customers understand them better, not to speak of checking whether or not advertisements and materials honor related laws and regulations through the review system. In addition, the Company is operating a separate internal reporting channel along with thorough education in order to eradicate the use of unapproved materials. If unapproved materials are used, the Company punishes financial planners and managers who used them in compliance with internal regulations.

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Reviewing Product Advertisements and Insurance Guide Materials

(Unit : Case)

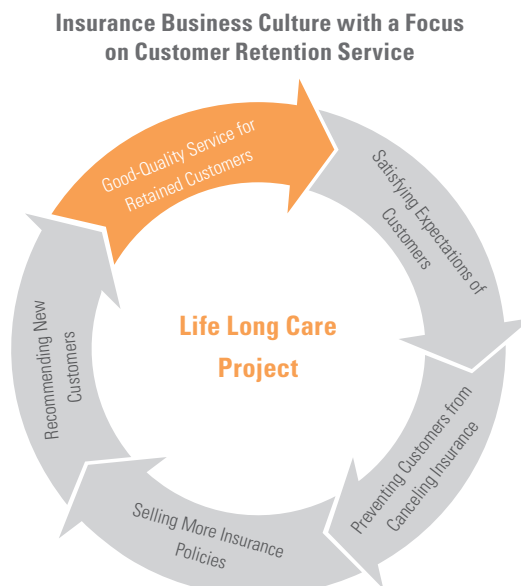


※ Data collection began in June 2009

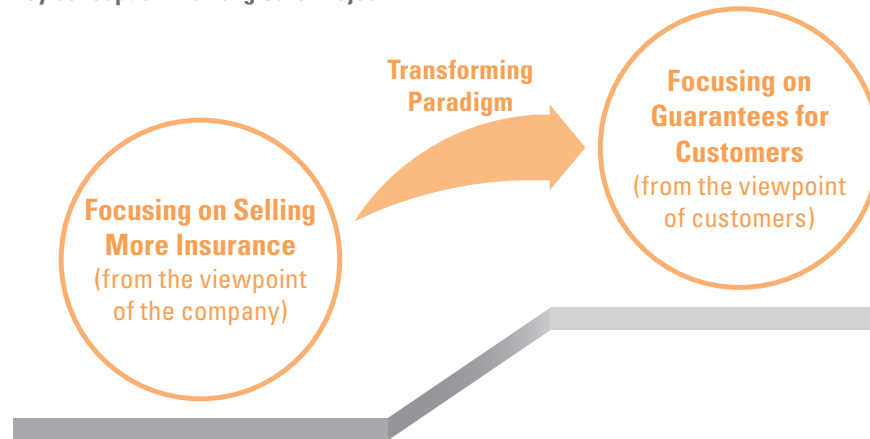
Life Long Care Project

Kyobo Life's VISION2015 is to become a company that provides optimum insurance coverage and on-going services. Optimum insurance coverage and on-going service means offering financial guarantees and mental stability to customers throughout all insurance processes of underwriting, retention and payment. With the aim of becoming a company that provides optimum insurance coverage and on-going services, the Company pushed for the "Life Long Care Project" aimed at strengthening services in the retention stage weaker than the underwriting and payment stages.

Contents | The core concept of the Life Long Care Project is to change the paradigm of insurance sales -- a switch from a new insurance-oriented sales culture to sell more insurance policies to a customer service-oriented insurance business culture to secure more customers.



key concept of Life Long Care Project



To this end, Kyobo Life went ahead with establishing four major activities by the financial planners to retain policy holders. The four major activities are informing customers of their insurance coverage, providing information about unclaimed payments, cleansing customer information, and analyzing the protections and informing customers about various products and services.

All financial planners of Kyobo Life should offer these four services by visiting customers once or more times a year.



Carrying Out Services of 4 Major Activities to Retain Policy Holders

4 Major Activities to Retain Policy Holders



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다

※The Point System for Standard Life Long Care Service Activities : A system to give points by items about the four major activities to retain policy holders by items and turn the points into cash.

Reception of Claims on Insurance Policies and Expansion of Places for Payment

Different from claims on general financial products, customers need to submit documents that prove reasons for payment when they claim insurance money. Such submitted documents are used as basic materials for fair judgments on insurance money payment. 66 nationwide Customer Plazas are in charge of receiving claims and payment. ▶ 4p

But if a customer's neighborhood does not have Kyobo Life Customer Plaza or the customer has difficulty visiting the place, it will be troublesome to claim or receive insurance money. We are putting forth efforts to address such a problem.



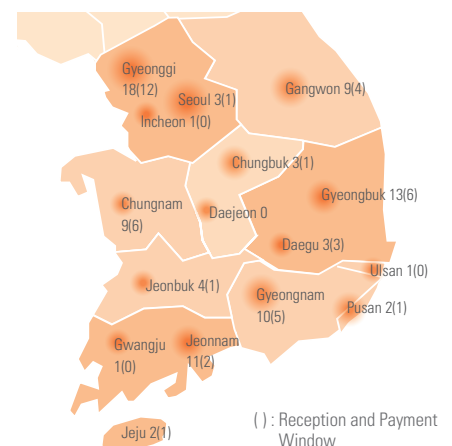
Operation of Reception Windows In Addition to Customer Plaza

Kyobo Life is operating 89 windows to receive claim in addition to Customer Plaza. Claim documents received through these windows are sent to and processed by nearby Customer Plazas. Among them, 44 windows are capable of handling simple payment services to increase customers' convenience.

Reception and Payment Services through Visit

Kyobo Life is operating a system to help customers who are unable to visit the windows claim and receive insurance money. The "Proxy Insurance Claim Service" is a service where a financial planner visits a customer and receives claim documents from the customer and delivers the documents to a Customer Plaza. The "Payment Service through Visit" makes employees or financial planners visit a customer and pay insurance money to the customer when the customer asks for the service.

Reception Windows by Regions



Kyobo Life will grow together with its financial planners and employees

We will maintain our corporate culture
based on joy, confidence and trust.

We will provide all employees with equal
opportunities and reward them based on fair
evaluations.

We will enhance the expertise of
our financial planners and employees.

***Financial Planners &
Employees***  ***and the Future***



Kyobo Life will grow together with its financial planners and employees

Pledge 3. We will maintain our corporate culture based on joy, confidence and trust.

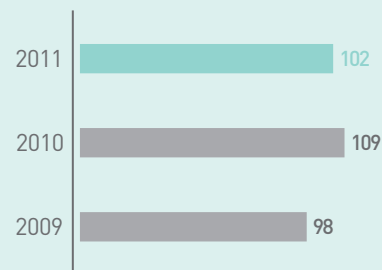
Pledge 4. We will provide all employees with equal opportunities and reward them based on fair evaluations.

Pledge 5. We will enhance the expertise of our financial planners and employees.

Progress on the Pledge (KPIs)

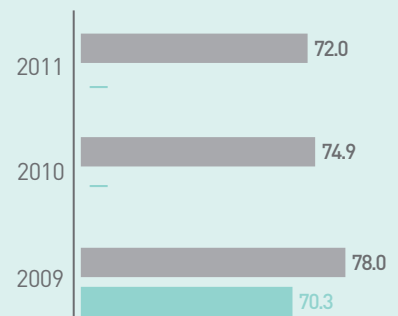
Education hours per employee

Unit : Hour



Financial planner/
employee satisfaction index

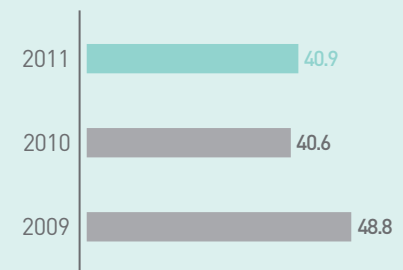
■ FPs ■ Employees Unit : Points



※ Employee satisfaction survey was not conducted in FY2010 and FY2011 due to internal circumstance.

Financial planner retention
rate (13th month)

Unit : %



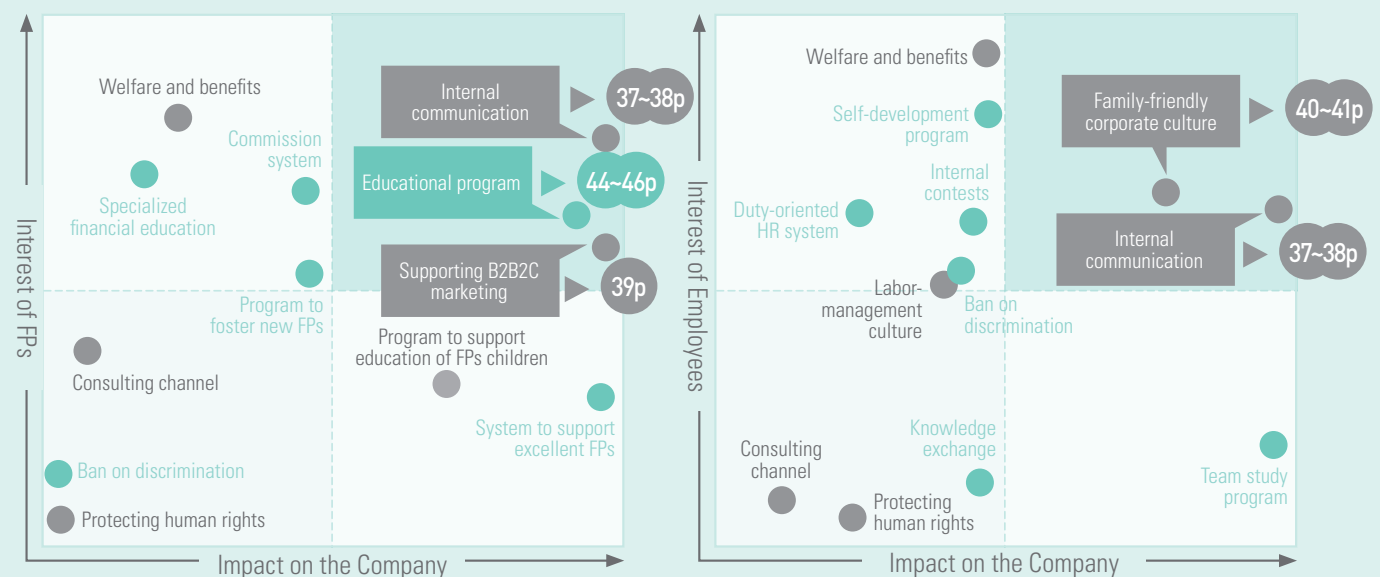
※ Financial planner retention rate = (Existing FPs / appointed FPs) × 100

※ 13th month retention FP: An FP who has one or more new contracts that the FP has sold and 10 or more retained contracts on his or her 13th month as an FP.

Results of Material Test

※ The summary of the materiality test is available on page 15-17.

● Issues of Principle 3 ● Issues of Principle 4-5



※ "Protecting human rights" was classified into an item in Principle 3 during the materiality test. But the item was treated as a Principle 4 item in the main body.

We will maintain our corporate culture based on joy, confidence and trust.

Internal Communication

Kyobo Life is striving to create a corporate culture based on joy, confidence and trust by strengthening internal communication between the management and employees, employees and financial planners (FPs) and employees in the headquarter building and employees in sales branches.

Management's Direct Communication with FPs | The management listens to voices of FPs by taking part in the workshop of the "Prime Leaders Club," a club of excellent FPs. The workshop is held four times a year and participated in by about 100 members. They exchange opinions on their difficulties and the major issues of the Company with the management. Discussed items are reflected in policies in consideration of their importance and urgency. The management has two regular meeting with "FP Honorary Executive Members" a year. In July 2011, the Company gave FP Honorary Executive Members employee ID cards as a token of its will to listen to voices of FPs more carefully.



Presenting Honorary Executive Members Employee IDs to FPs



Business Status Briefing Session

Business Status Briefing Sessions | Kyobo Life holds business status briefing sessions to help employees better understand its business status and promote internal communication. Employees share the business performances of all sectors such as insurance sales and asset management and learn the business environment such as domestic and international economic forecasts through the briefing sessions. The program of the session includes a time for questions and answers between employees and the management. We enhance the reliability of the communication session through explanations by executives and summaries by the CEO.

Business Status Briefing Sessions

Separation	Period	Time	Place	Main Contents
1st	August 23 to 26, 2011	5	HQ, Gyeseongwon	<ul style="list-style-type: none"> • Business performances and environment • Key business policies
2nd	Oct. 17 to 19, 2011	2	Gyeseongwon	<ul style="list-style-type: none"> • Communication related to HR management and employee benefits • Status of customer complaints and items to be intensively executed
3rd	2012. 2. 2 ~ 2. 20 Feb. 2 to 20, 2012	7	HQ, Gyeseongwon	<ul style="list-style-type: none"> • Q&A • General summaries by CEO

In-House Satellite Broadcasting and Company Newspaper |

Kyobo Life is sharing key corporate issues and information with all FPs and employees by producing and airing in-house satellite broadcasting programs and publishing an in-house newspaper. Every morning from Monday through Friday, the Company airs in-house satellite programs for 20 minutes. On Monday, the Company broadcasts "Kyobo Newsweek" which rounds up its major news. From Tuesday to Thursday, employees can watch various types of marketing programs such as success stories and special lectures by celebrities. Beginning in June 2011, the Company broadcast marketing support programs at the headquarters with the aim of helping employees at the corporate headquarters. Employees are able to watch programs and read their manuscripts on the corporate intranet. "Kyobo Community," a corporate newspaper of Kyobo Life is distributed at the headquarters and sales branches twice a month. The newspaper recorded its 233rd issue in March 2012. "Kyobo Community" delivers the Company's major news, interesting news from reporters at different locations, features and columns and health news and so on to employees and FPs. All stories are available in the form of pdf files on the intranet.

Operating "Compliment Corner" |

In order to promote sound communication, Kyobo Life operates "Compliment Corner" where employees can give compliment points through the company intranet to those who deserve. Each quarter, employees with high points are invited to a "complimentary luncheon" with the CEO. The luncheon began in 1999 and the number of invited employees reached 718.

The Company also promotes the joy of sharing by donating compliment points accumulated during the year to social welfare organization at the end of every year. In January 2012, 3,246 employees donated 104,958 points which were converted to money (one point: KRW10). The money was delivered to "Happy Morning Reading," a non-profit organization to donate books to children of low-income families.



Complimentary Luncheon

Participation in Compliment Corner

Separation	Unit	2009	2010	2011
No. of participants	Persons	3,716	3,247	4,451
Points	Points	96,395	126,924	136,059
Participation rate	%	86.2	74.2	98.3

Club Activities |

Kyobo Life supports various in-house club activities in order to promote friendships among employees and to foster a pleasant corporate culture. As of March 2012, 30 clubs were active nationwide, and all their members totaled 1,238. The Company supports with various fees involved in club activities such as fees to use facilities, invite lecturers and plan and hold events for the purpose of encouraging employees take part in such activities.



Club Activity

Supporting B2B2C Marketing

Joint Marketing to Promote B2B2C Marketing

Year and Date	Partners
2011. 04. 12	The Korea Federation of Teachers' Associations
2011. 05. 23	Korea Transportation Safety Authority(3rd)
2011. 06. 17	Korea Rural Community Corporation
2011. 08. 23	The Association of Korean Oriental Medicine
2011. 11. 30	Supreme Court of Korea
2012. 01. 17	Korea Health and Welfare Information Service
2012. 02. 07	Road Traffic Authority

B2B2C is a combined and shortened form of "Business to Business (B2B)" and "Business to Customer (B2C)." In this system, a company becomes the first customer and employees of the company become the second customer. In the case of Kyobo Life, a group that Kyobo Life offers retirement pension service is the first customer and employees of the company who receive services from FPs of Kyobo Life are the second customer. The strengthening of B2B2C marketing is meaningful in that the activity base for FPs expands into customers of retirement pensions. The activation of B2B2C marketing should be premised on an increase in groups which want to introduce retirement pensions. To this end, Kyobo Life is actively endeavoring such as preferentially providing the Dawin Service Program which offers know-how in customer satisfaction such as education, consulting and advice and carrying out marketing connected to many associations and groups.



Joint Marketing

Kyobo Life selects FPs specialized in retirement pensions among FPs who have fund investment consultant licenses and licenses to sell retirement pensions. FPs specialized in retirement pensions deliver retirement pension management reports to employees of groups which introduced retirement pensions and offer a guarantee analysis service. It is very important to offer an investor protection process through FPs specialized in retirement pensions as DC retirement pensions can change depending on performances of reserve management. Furthermore, the Company is actively implementing education programs to expand FPs' B2B2C marketing-related capabilities. ▶ 46p

Enhancing Employee Quality of Life

Programs for Employee Welfare and Benefits

Separation	Contents
Stable Life	Legal welfare and benefits (four major social insurance policies), scholarships, paying transportation charges, free life insurance for employees, individual support for employees' buying retirement pension plan, support for employees' family events, gifts for those who retire, paying for clothing expenses
Housing Stability	Loans to buy and rent houses, offering company houses and dormitories.
Healthy and Cultural Life	Healthcare, rest homes, athlete meet for employees and clubs for employees

No Kyobo Life employees engage in work and activities which are dangerous and cause diseases. Its salary system does not discriminate people due to their genders. As of March 2012, the basic salary for a newly recruited worker with a college degree is 262% of the legal minimum salary in 2012. We are running various programs for employee welfare and benefits to elevate productivity through employees' immersion into work.

Cafeteria Plan | A cafeteria plan refers to an employee welfare and benefit program where employees can select welfare and benefit items according to their needs within a certain boundary. Annual individual amounts of money depend on employees' positions and years of service. Employees can use their money with cafeteria cards. Kyobo Life limited purposes of card use to welfare and benefit items set by the Company, self-development, healthcare, physical training and cultural life items to prevent the financial source from being used for inappropriate purposes.

Support for Pensions for Employees | Kyobo Life pays 50% of national pension contributions and part of individual pension contributions for employees. In addition, in accordance with the pension laws, the Company puts aside a sum worth a one-month salary every year with a third-party financial institution and provides the accumulated sum either in a lump sum or in a monthly annuity upon employees' retirement. The pension system consists of defined benefit (DB) and defined contribution (DC).

Family-Friendly Corporate Culture

Kyobo Life has been pursuing the value of the love of a family while judging that the love of a family has the essence and value of life insurance. In recognition of these projects, the Company received a "Presidential Award for Excellent Family-Oriented Company" in 2,000 from the Ministry of Health and Welfare and an S grade, the highest grade in the next year. We will continue to do everything we can do to spread the love of family externally and promote a family-friendly corporate culture internally.

Supporting Employees' Purchase of Life Insurance | Kyobo Life helps employees and their families practice the love of a family by supporting their purchase of life insurance. All employees are covered by "Vision Plus Accident Insurance" with one year maturity which covers accidental deaths, general deaths, medical costs and cancer diagnoses. The Company pays all insurance premiums for this insurance of employees. Employees are able to choose special contracts of the insurance to cover their spouses and children. Premiums for special contracts are used as employee welfare points for the cafeteria program.

Paying Life Insurance Premiums for Employees

Separation	Unit	2009	2010	2011
Insurance premiums	KRW1,000	709,282	898,814	904,409

Supporting Healthcare of Employees and Their Families | All employees of Kyobo Life are able to have their health checked thanks to the support of their company. The Company also supports employees and their families when they receive anti-flu shots at seven healthcare centers across the nation. Moreover, we opened "Health Consultation Room" on our corporate intranet for employees. Specialized doctors at the Kyobo Life Healthcare Centers answer questions from employees.

Healthcare Support

Separation	Unit	2009	2010	2011
Employee health check-up	Person	2,497	3,790	2,734
Anti-flu shot	Person	897	2,064	2,207
Use of Health Consultation Room	Case	46	33	20

Operating Family Love Day Program | Kyobo Life encourages all employees to leave their office at 6:00 pm and spend time together with their family members by designating the third Wednesday of every month as "Family Love Day." So thanks to this program, they are able to share love with their family members first. The Company is operating "Family Love Day" under the management of the head of each business unit in consideration of characteristics of duties and work schedules not to have a negative impact on business performances.

Supporting Employees with Allowances for Childcare | With an eye toward supporting employees' family love, Kyobo Insurance pays KRW50,000 per child as an allowance for childcare to employees with preschoolers once a month since July 2011. In nine months until March 2012, the Company gave 1,398 employees childcare allowances amounting to KRW763.9 million. To reach its goal, Kyobo Life gives childcare allowances even to employees on parental leave.

Operating Childcare Information Room | Kyobo Insurance opened and is running “Childcare Information Room” where employees can freely exchange childbirth and childcare information on its intranet. The menu of the room consists of childbirth information, childcare information and a market of products for childbirth and childcare.

Free Use of Gyeseongwon in Summer Vacation | Kyobo Life helps employees and their families practice family love by allowing them to use Gyeseongwon, the employee training center of Kyobo Life free of charge during summer vacations in July and August. Employees who can use the center are decided on a first-come-first-served basis. Participating families are able to use rooms and facilities of the center for three days and enjoy free breakfasts every morning.

Family Love and Happiness Camp

Separation		Unit	2009	2010	2011
Participating families	Time	Time	8	6	4
	FPs		111 (537)	144 (610)	92 (403)
	Employees	Family (person)	42 (172)	70 (319)	45 (192)
	Total			214 (929)	137 (595)

Family Love Photo Contest | In November 2011, Kyobo Life held the Family Love Photo Contest for employees under the theme of “Our Family Full of Happiness and Love” in order to spread the meaning of family love. 182 employees submitted 467 photos to the contest. The Company selected 11 works as prizewinners. We held the Kyobo Life Photo Exhibition with prize-winning photos and printed them in the company newspaper.

Prizewinners



Picnic



First Meeting

Labor-Management Relations for Coexistence

Kyobo Life has championed the freedom of association and the right of collective bargaining. Kyobo Life views labor unions as business partners and accordingly pursues labor relations that are mutually beneficial. As of March 2012, the Kyobo Life labor union consists of 3,034 employees, or 74% of the workforce. The labor-management conference holds meetings and discussions every quarter to actively address major issues like employment, safety and salaries as well as annual wage bargaining and collective bargaining every two years. The collective agreement stipulates that a major change take place in the Company, the Company immediately report it to the labor union in accordance with Article 7 of the agreement. The management is maintaining an amicable labor-management relationship by sharing suggestions on major meetings with the labor union in advance. The management and the labor union discussed matters such as an improvement in the profit sharing system, a clerical employee career development plan and the establishment of the “FUN” culture.

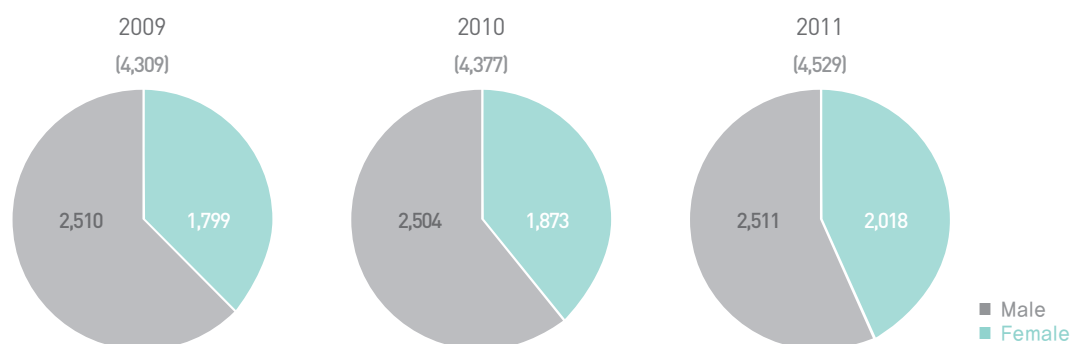
We will provide all employees with equal opportunities and reward them based on fair evaluations

Current Executives & Employees Status

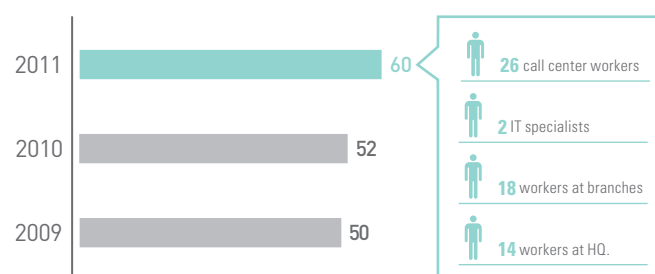
As of the end of FY2011, the number of Kyobo Life employees stood at 4,529 while Kyobo Life had 19,000 FPs. Female employees accounted for 44.6% of the total workforce. The Company was hiring 50 physically challenged people. 163 employees retired during FY2011. Female FPs accounted for 80.0%.

Employee Status

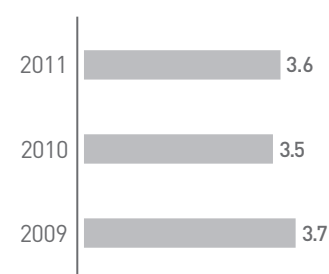
Regular employees (Unit : persons.)



Physically Challenged Employees (Unit : persons.)

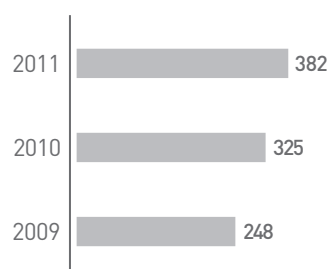


Retirement rate (Unit : %)

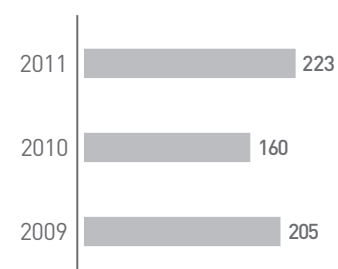


New Employees

Recruitment (Unit : persons.)

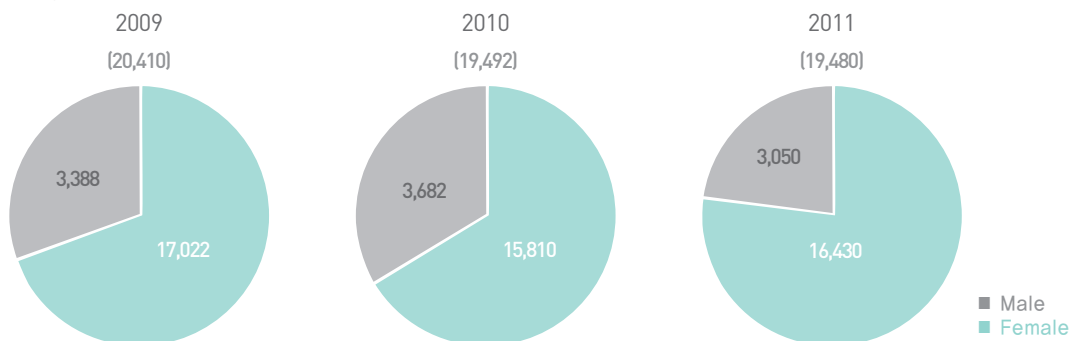


Irregular employees (Unit : persons.)



FP Status

(Unit : persons.)

**Efforts for Protecting Human Rights**

Kyobo Life supports and respects the protection of human rights internationally announced. The Company put an emphasis on it by reflecting items related to human rights protection in the "Professional Ethical Action Guidelines" revised in June 2011 and is striving not to be implicated in human rights violations.

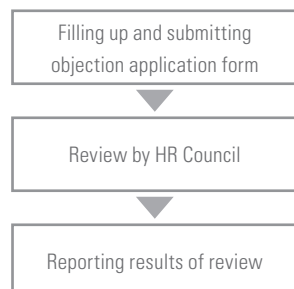


Education to Prevent Sexual Harassment

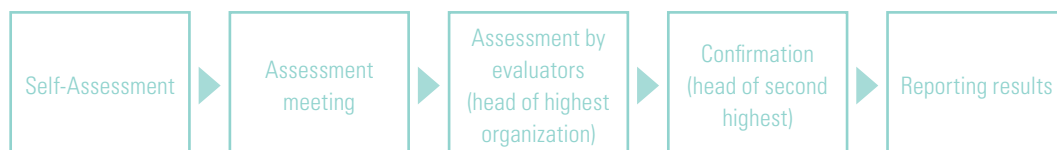
Prevention of Sexual Harassment in Office | Kyobo Life is actively making efforts to prevent sexual harassment at workplaces while recognizing it as an example of human rights violations. The prevention of sexual harassment is much emphasized during the education of managers managed by the compliance officer. Moreover, sexual harassment prevention education is implemented for all FPs and employees.

Abolishing Employment Discrimination | When recruiting employees, the Company provides job opportunities regardless of genders, ages, religious faith, or places of birth. All employees are given opportunities only on the basis of their ability and performances in the process of their employment, promotion, reward, education, and retirement.

Ban Child Labor and Forced Labor | Kyobo Life not only prohibits labor employment of youths aged 15 and below but enforces limitations on the employment of teenagers aged 18 and under. The Company also bans all types of forced labor against workers' will.

Fair Assessment**When making objection**

Kyobo Life regularly conducts the measurement of employees' capabilities and the assessment of their performances. The measurement of employees' capabilities is to measure individual ability required to achieve a goal and conduct business. The assessment of their performances is to assess the results of employees' work to achieve their individual goals in connection with goals of the Company and their bosses. In the case of performance assessment, the Company tries to make assessment fairer by allowing employees to object to assessment results. Objections are reviewed by the HR Management Council and make change in assessment grades or are dismissed.

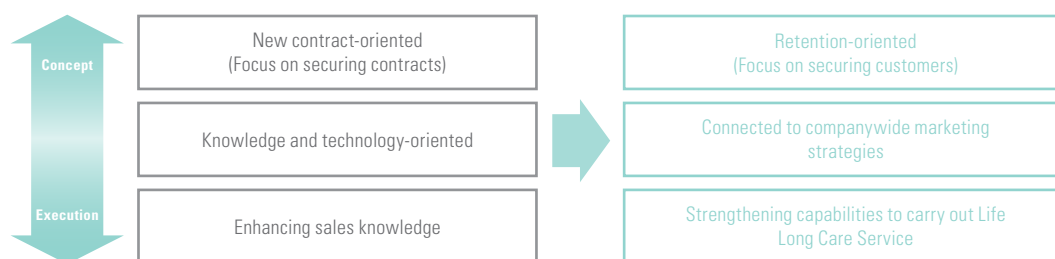
Assessment Process

We will enhance the expertise of our financial planners and employees.

Educational Programs for FPs

Kyobo Life believes that the Company must increase capabilities of FPs to achieve its corporate vision. The Company helps FPs grow into experts recognized by customers by providing various and effective educational programs. We checked and improved our FP education programs in line with our companywide “Life Long Care Project” in FY2011. FPs are enhancing their service capabilities by watching in-house satellite broadcasting programs on marketing at branches every morning and receiving education on the Life Long Care Service.

Direction of Nurturing Excellent FPs in FY2011



Training Programs Meeting Needs of FPs | Kyobo Life has run Theme Courses since the latter half of fiscal year 2011 to better meet the needs of its FPs. The courses are characterized by the on-site employees' selection of training topics and the main office's support for related contents and costs after review and examination.

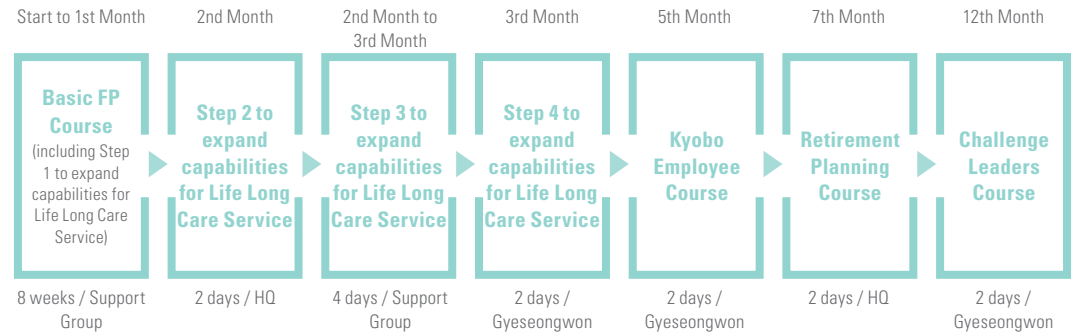
Additionally, it has provided Open Weekend Courses to assist planners outside Seoul and Gyeonggi Province, who have relatively less opportunities for their own development. Training program schedules are notified on a monthly basis and then any planners can make a voluntary application.

Weekend Open Courses

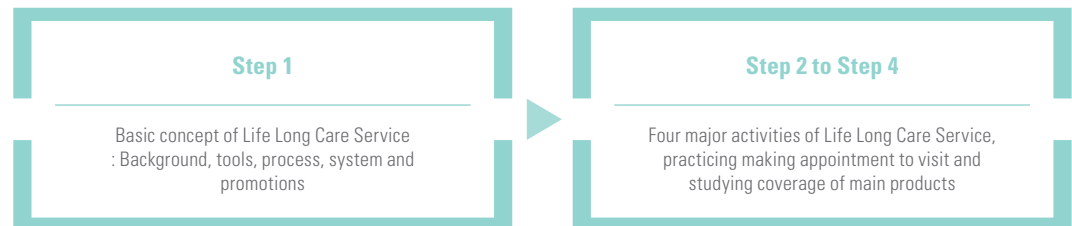
Date	Place	Person	Details
Apr. 9, 2011	Gyesung Training Center	332	• 7 Habits of Successful Leaders
May. 7, 2011	Gyesung Training Center	361	• Successful FPs, Innovative FPs
Jun. 11, 2011	Gyesung Training Center	323	• Customer-specific Approaches
Jul. 9, 2011	Busan FP HQs	563	• Storytelling-based Customer Consulting
Aug. 13, 2011	Gyesung Training Center	201	• Financial Literacy (inheritance, asset transfer and real estate), Retirement Planning Strategies
Sep. 3, 2011	Daegu FP HQs	398	• Research and Case Studies: Trust Products and Variable Insurances
Oct. 8, 2011	Gyesung Training Center	239	• Understanding of Major Diseases
Nov. 5, 2011	Jeolla FP HQs	276	• Studies on Smile and Success

Education of Newly Recruited FPs | It is quite important to provide systematic education to newly recruited FPs to help them grow into specialized FPs. New FPs who completed the Basic FP Course in eight months, receives the BTP (Basic Training Program) at each branch and education programs by a step-by-step cultivation system for one year. We have been running a cultivation course around capability enhancement for the Life Long Care Project since FY2011.

Cultivation Process for New FP



Course to Expand Capabilities for Life Long Care Service



※ Four major activities of Life Long Care Service: Informing of coverage of purchased policies, checking and informing of unclaimed insurance money, customer information cleansing and guarantee diagnoses and offering information on

M-learning Programs | Kyobo Life is providing different M-learning programs as the usage of smart phones and tablet PCs is on the rise. With the help of the SMART Sales Support program, employee capability enhancement can overcome the constraints of time and space. The program includes various useful contents such as product information, daily drills, professional qualification, underwriting tips, retirement pension information and m-learning on insurance & taxes.



SMART Sales Support



Workshop to Promote B2B2C Marketing

Programs for Enhancement of B2B2C Marketing Competence | FPs' competence enhancement is essential for successful B2B2C marketing. Kyobo Life is helping its planners shore up their B2B2C marketing competence with a variety of programs. ▶ 39p

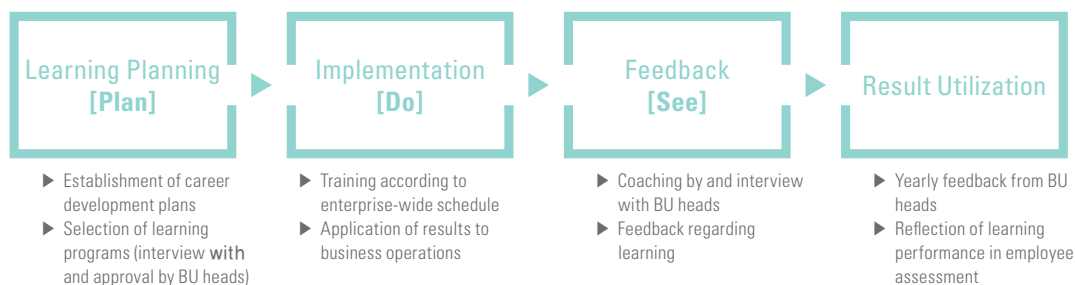
Those who have been qualified for selling variable insurance but not for retirement pension products can make use of its online curriculum. By passing the tests for the Certified Fund Investment Advisor and the Retirement Pension Planner after completing it, they can qualify themselves for the position of a financial planner specialized in retirement pension plans. To maximize the ability of them, who are the key to B2B2C marketing, each HQs is offering training programs about retirement pension management reporting and the Gyesung Center is providing a two-day working level program.

Also, those retirement planners at each support operations unit have organized retirement annuity study groups to share their know-how and best practices. During the six-month period starting from May 2011, 39 study groups were formed nationwide, led by the heads of the support operations units.

Support for Employee Capability Development

Kyobo Life offers sorts of programs for employee capability development and leads all of its personnel to establish and engage themselves in related plans. During the course, business unit heads take the leading role and evaluate their members' training completion. The results are reflected in screening for promotion for higher motivation.

Training Process for Competence Enhancement



Essential Training Programs | The essential training is divided into enterprise-wide programs for all employees, class-specific ones for those in certain positions and task-specific ones having the purpose of job skill improvement.

Topics of the enterprise programs have revolved around important issues of each year relevant to all employees. For example, that of 2009 was the significance and ways of customer privacy protection and 2010 was customer satisfaction management. In 2011, the program covered the revised code of ethics.

Competence Enhancement Programs for Female Employees | Kyobo Life has run dedicated programs for its female workers since FY 2011.

The Sponsor & Buddy for assistant managers and those higher in ranks serves the goal by matching in-house personnel with them and helping them deal with their troubles. 81 assistant managers at the main office joined the test operation between February and April 2012 and the program is scheduled to be expanded corporate-wide from FY 2012.

Additionally, the In-house Insurance College is slated to be opened in that fiscal year. It will furnish female employees with essential knowledge regarding insurance and finance while facilitating their efforts for job skill improvement.

Team-based Training Programs | This type of programs are categorized into Action Learning, CoP (Community of Practice) and Sociodrama. The first one is to deal with present topics of each business unit through mutual learning among its members. The second group is about creating outcomes and the third is to find out internal conflicts and solutions in the form of role plays. Every employee participates in at least one of the programs.

Team-based Program Overview

Program	Action Learning	CoP			Sociodrama
		Project	Problem-solving	Competence Development	
Unit	Main Office div./dept.	Main Office and field unit			Main Office div./dept.
Number of Team Members	6 to 8	4 to 8		5 to 10	8 to 10
Topic	Issues related to each division or department among major corporate strategies of FY 2011	Current issues relevant to the goals and performance of each business unit	Tasks for improvement found in daily business activities	Employee competence enhancement	Solution of conflicts occurring in daily business activities
Number of Participants	130 (20 teams)	67 (11 teams)	932 (124 teams)	1,758 (301 teams)	79 (11 teams)



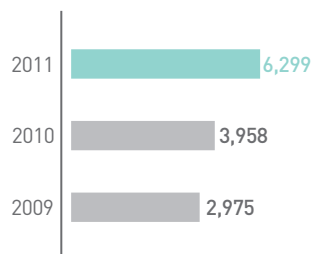
CoP



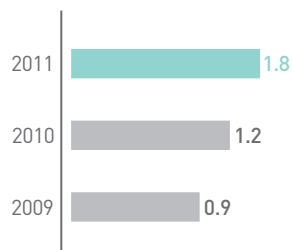
Sociodrama

Posting Status

Total (Unit : Case)



Per Person (Unit : Case)



Self-directed Learning Programs | The idea of these programs is for employees to take part on their own volition in the online, reading-based learning, certificate qualification courses or joint programs with the Korea Insurance Institute. The corporation is offering related expenses as part of the participants' salaries. Every employee enrolls in one of the programs at the least.

Subsidies Given to Program Participants

Amount	Unit	2009	2010	2011
Total		982,568	1,093,871	1,077,867
Per person	1,000 won	289	322	312

Knowledge Activities | This refers to posting best practices, know-how, process improvement cases and fresh business tips on the knowledge exchange market of the intranet. Every employee posts at least one article and knowledge assessors evaluate the postings to grade them and filter out disqualifiers.



A collection of stylized, colorful flowers and stars in shades of pink, orange, blue, and green, scattered across the left side of the page. One large pink flower with a white center is positioned above the title.

Investors * *and the Future*

**Kyobo Life will continue to
be an attractive investment to investors.**

We will continue to generate additional profits
through sustainable growth.

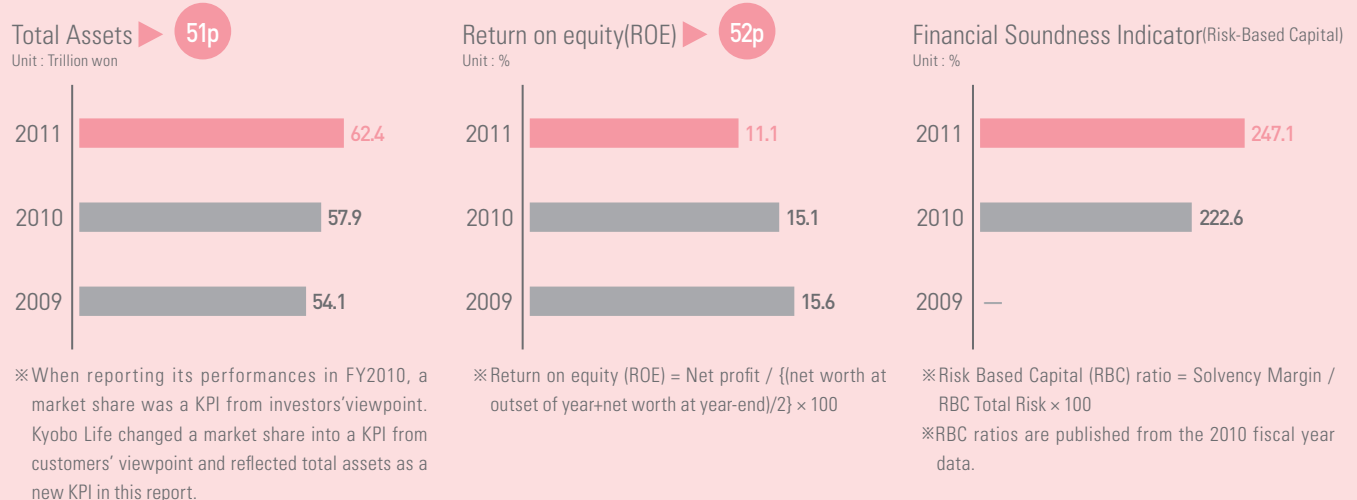
We will increase our corporate value
with preemptive risk management skills.

Kyobo Life will continue to be an attractive investment to investors.

Pledge 6. We will continue to generate additional profits through sustainable growth.

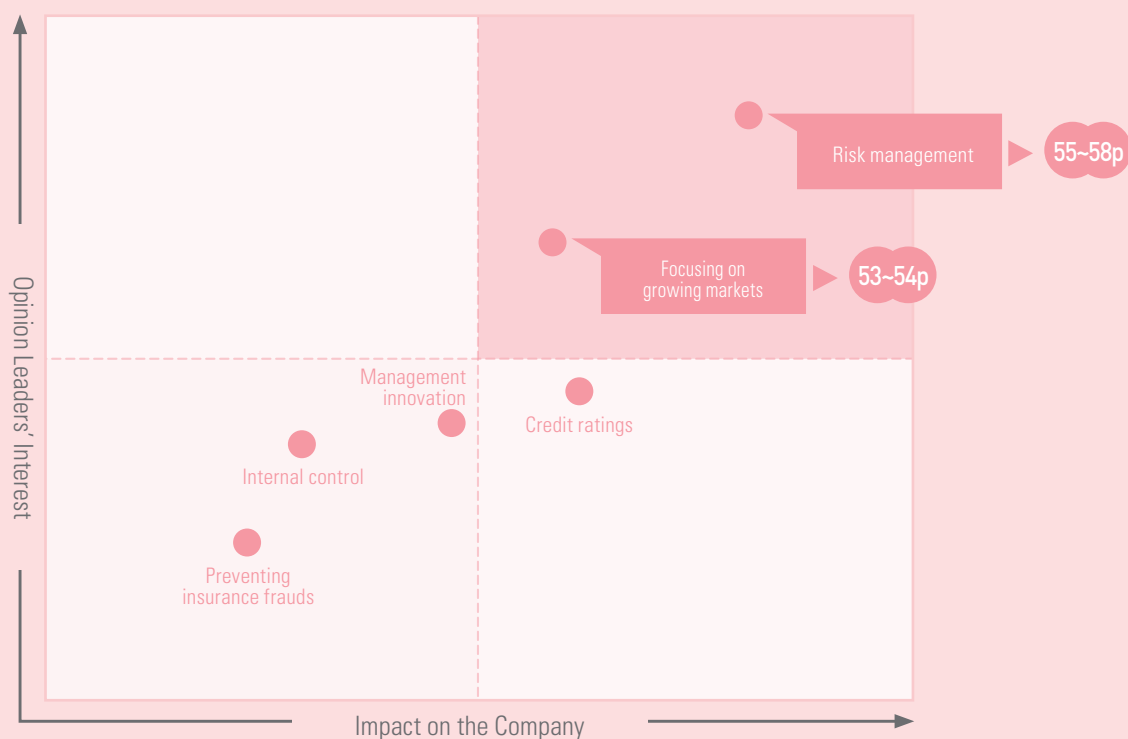
Pledge 7. We will increase our corporate value with preemptive risk management skills.

Progress on the Pledge (KPIs)



Results of Materiality Test

※ The summary of the materiality test is available on page 15-17.

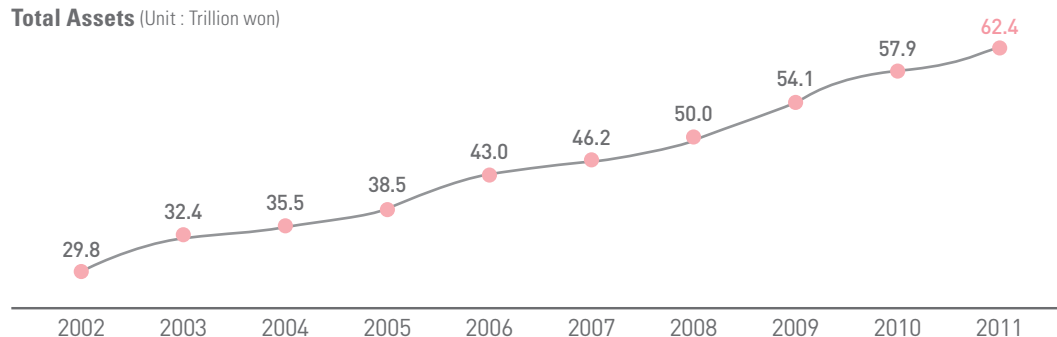


We will continue to generate additional profits through sustainable growth.

Growth Potential

Kyobo Life has been enjoying a continuous increase in assets through the expansion of highly profitable guarantee-type product portfolios, the securing of excess profits through volatility in a low interest rate-based financial market, asset management based on preemptive risk management and etc.

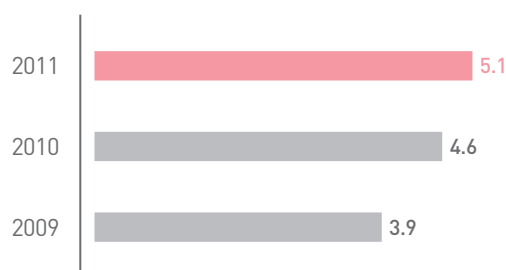
Total Assets (Unit : Trillion won)



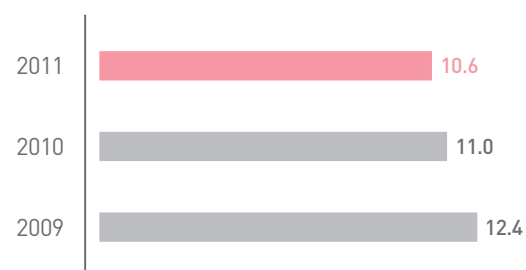
In FY2011, Kyobo Life posted KRW62,361 billion in total assets, KRW5,139 billion in total shareholders' equity and KRW10,620 billion in operating revenues while maintaining the industry's leading position in terms of size in Korea. In FY2011, its total assets and shareholders' equity expanded KRW4,476 billion and KRW542 billion, respectively, compared to the previous year.

Growth indicators

Total Assets (Unit : Trillion won)



Operating revenues (Unit : Trillion won)

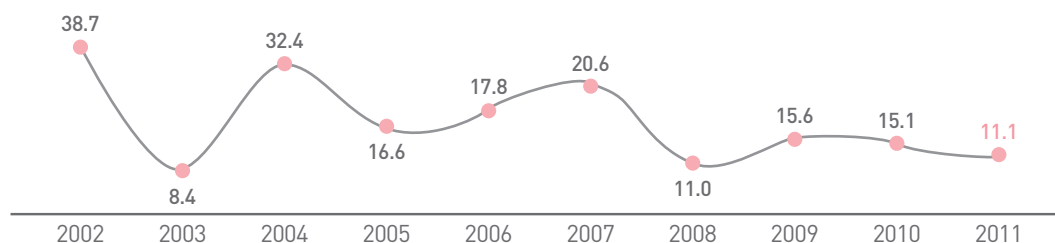


※ Operating revenues equals sales of general companies.

Profitability

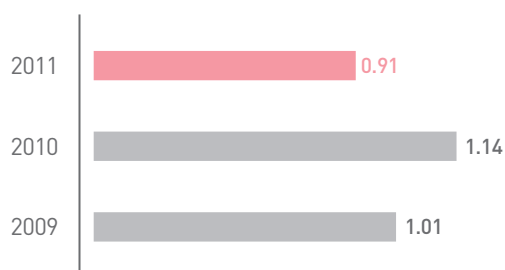
Despite grave crises such as a credit card crisis and a global economic crisis, Kyobo Life steadily expanded its total shareholder's equity through profit-oriented management and thorough risk management. The company has been maintaining stable ROE at a level higher than 11% level on average since FY2007.

ROE (Unit : %)

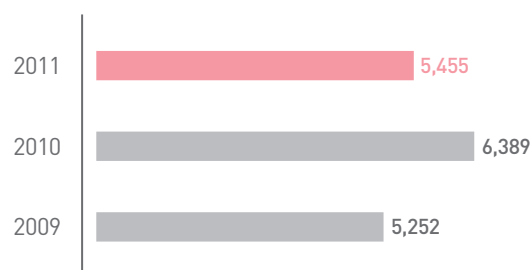


Affected by a financial crisis-triggered global downturn, the overall profitability of financial business was weakened. Notwithstanding, Kyobo Life enjoy strong profitability, chalking up ROA of 0.91%, ROE of 11.1% in FY2011 and KRW546 billion in net income in FY2011.

ROA (Unit : %)



Net income (Unit : 100 million won)



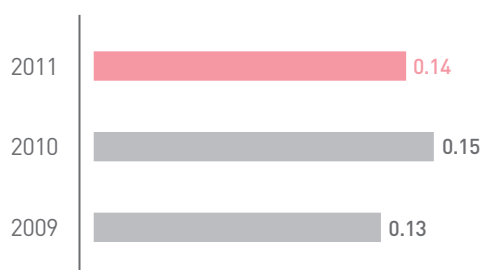
※ ROA = Net income / ((Beginning assets + Ending assets) / 2) × 100

Stability

Kyobo Life is expanding its total shareholders' equity by pushing for steady profitability-oriented management and maintaining stable capital adequacy through risk management. An RBC ratio indicates capital adequacy. ▶ 50p In FY2011, its RBC (Risk Based Capital) ratio is steadily improving by growing 24.5%p to 247.1%, which is far above the regulatory minimum of 100%. Its non-performing assets ratio, a measure of the adequacy of asset management, stood at 0.14% as of FY2011.

Stability indicator

Non-performing assets ratio (Unit : %)



- Non-performing assets ratio = (non-performing assets / assets classified for asset soundness) × 100
- Assets classified for asset soundness: Assets classified by asset soundness classification standards of insurance companies.
- Non-performing assets: The combined amount of 20% of assets classified into "fixed," 75% of assets classified into "collection questionable" and 100% of assets classified into "estimated losses" among assets classified for asset soundness

Focusing on Growing Markets

Kyobo Life selected a focus on growing markets as one of its major tasks for FY2011.

The Company selected as four major growing markets, the retirement life guarantee insurance market, the Gangnam and Seoul Metropolitan Markets, the wealthy class market and the retirement pension market.

Retirement Life Guarantee Insurance Market | Kyobo Life has promoted sales of retirement life guarantee insurance and family life guarantee insurance according to its steady push for marketing strategies that concentrated on the essence of life insurance. The company is striving to develop specialized products for trends in the market and reinforce capabilities to map out plans for retirement lives to expand its business in the retirement life guarantee insurance market with relatively big growth potential. In June 2011, we published the “Korean Senior Report” which analyzed lifestyles of senior citizens for the first time in Korea in order to expand our capabilities on retirement life guarantee and secure a marketing theme in the senior market. Furthermore, in November 2011, we held the “2011 Senior Trend Forum” with the participation of about 460 people such as about 200 customers with strong needs for retirement life guarantee, representatives from government organizations and people from the academic world.



2011 Senior Trend Forum

Gangnam and Seoul Metropolitan Markets | Kyobo Life picked 16 target zones with the intention of promoting its business in the big, lucrative and competitive Gangnam and Seoul Metropolitan Markets. In FY2011, the Company made a foray into 13 zones among them. With an eye toward successfully entering the growing markets, we will post outstanding human resources in strategic positions to realize self-controlled marketing befitting market situations and push forward with financial support and support for an improvement in infrastructure.



Opening VIP Center

Selection of and Business in Growing Markets

Separation	Establishing Support Teams	Sales Offices	Relocation of Branches
Growing Markets	Yongin and Suwon	Yangju, Namyangju (Jinjeop), Yangcheon-gu (Mok-dong), the Gangnam area (VIP), Cheongwon-gun (Ochang, Osong), Seongnam (Bundang), Gimhae, <u>Changwon</u>	Hwaseong (Dongtan), Busan (Haeundae), Ulsan, Daegu (Sangin), <u>Gunsan (Susong)</u>

※ The underlined regions are not entered yet.

Wealthy Class Market | Kyobo Life established wealthy class marketing strategies and the Nobiliaire Support

Team to differentiate its expansion in the high-income bracket in FY2011. The Company is offering products and services befitting customers of the wealthy class around Nobiliaire Center with rich know-how in marketing for affluent customers across the nation in accordance with a strategy to become a company with the best customer asset management in the wealth class market. As a part of the strategy, we improved the Rapport Program, a customer relation management program through which the management and customers meet each other. The Rapport Program is run in the forms of a meeting between customers and the management, a group meeting which offers communities among customers, a non-face-to-face program that offers special services on important days such as birthdays and anniversaries of customers.

In February 2012, we held a Rapport Program event under the theme of “Going Together with Friends” with the participation of 400 people such as customers, executives and financial planners in an effort to promote the Rapport Program.



Rapport Program (Group Meeting)



Rapport Program (Meeting between Top Management and Customers)

Retirement Pension Market | Kyobo Life is reinforcing its competitiveness in the corporate market and the glob-

al market by putting the utmost efforts not only into selling retirement pensions but also into doing its best in the retention service. The company suggested a solution to run a retirement pension system by carrying out quarterly communication with customers and upgraded its IT system for retirement pensions to enable customers to conveniently use services. In May 2011, we improved processes to provide retention services for customers of DC (Defined Contribution Retirement Pension) and IRA (Individual Retirement Account) services at Customer Plazas across the nation. In addition, we are steadily expediting B2B2C marketing projects to enhance its marketing competitiveness in the retirement pension market. ▶ 39p



Retirement Pension Retention Service

We will increase our corporate value with preemptive risk management skills.

Risk Management

A "risk" refers to an uncertainty which can become an opportunity factor or a risk factor for reaching a management goal. "Risk management" means a process to grasp and manage such uncertainties. Effective risk management is very instrumental in reaching a business goal. Kyobo Life is adopting an ALM policy that set risk limits that can have an impact on its capital in advance and monitor the observance of the limits and considers both debts and assets in order to maximize its corporate value in the mid- to long-term. In addition, the Company is measures risks that can take place in general management activities such as insurance sales and asset management and managing total risks at a certain level by utilizing risk management methods such as evading, accepting, shifting and alleviating risks

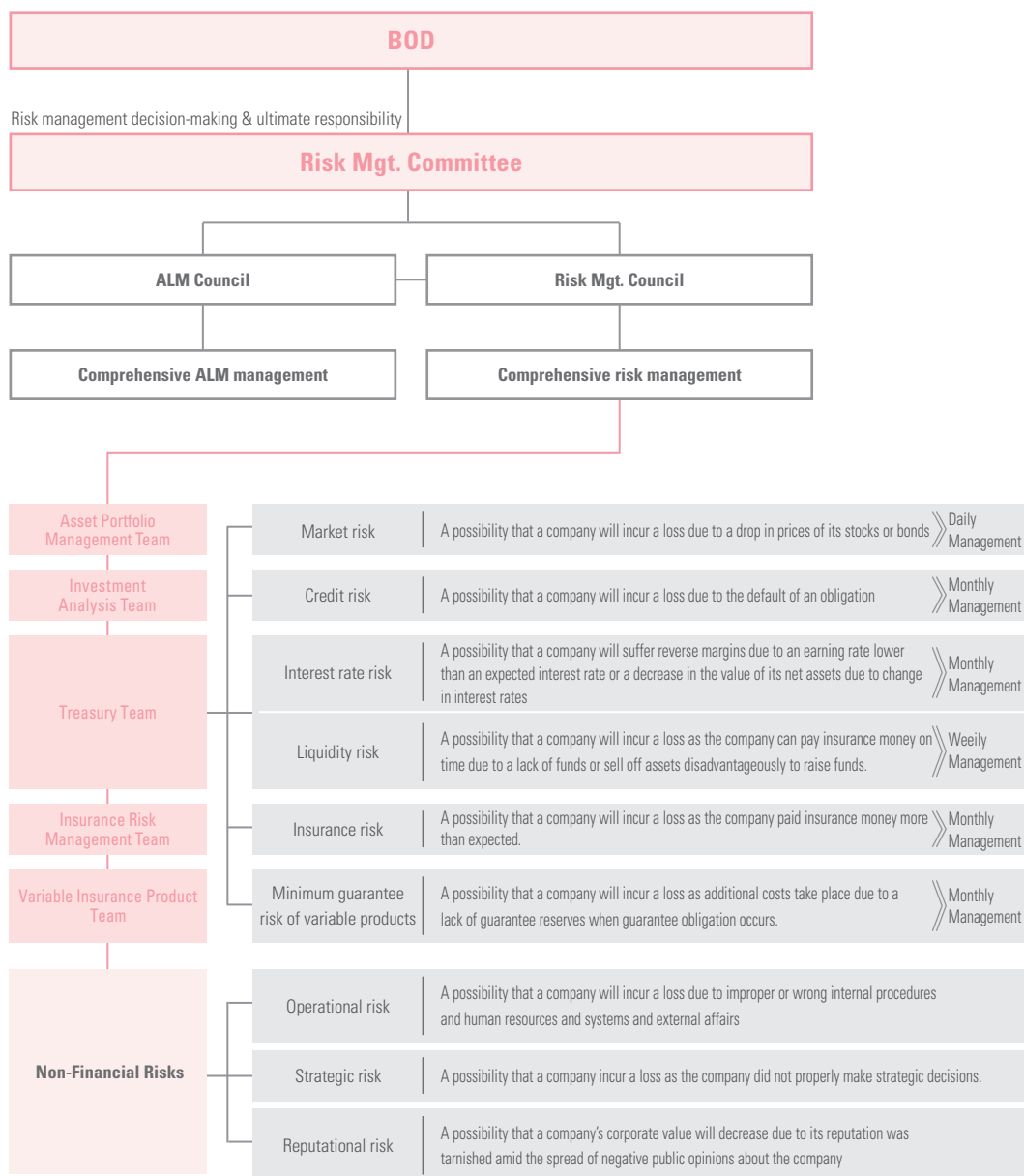
Risk Management Process | The risk management process of Kyobo Life is 1) recognition 2) measurement and evaluation 3) responses and control and 4) monitoring.

Risk Management Process



Risk Management Organization | The Risk Management Committee resolves important matters on risk management such as risk management policies and risk limits. The Risk Management Committee consisting of three outside directors and one inside director held its meeting 12 times in FY2011. The company made public the agendas and resolutions of the meeting on the home page (www.kyobo.co.kr). The Risk Management Council discusses the resolutions of the Risk Management Committee and subjects concerning risk management. The ALM Council is an organization to deliberate major ALM issues such as interest rate risks or secondary reverse margins. The Risk Management Team plans and assesses risk management. Risk management is executed by individual risk management teams.

Risk Management Structure and Risk



Risk Management Activities | Risk limit management means an activity to make Risk Management Committee

set the amounts of risks that the Company can afford to have compared to its risk capital and the integrated risk management department and individual risk management team maintain a proper risk level. Kyobo Life grasps risk volume through the daily monitoring of market risks and the monthly monitoring of credit, interest rate, insurance, liquidity, guaranteed minimum in variable insurance, strategy, reputation, as well as operational risks. When risk volume reaches a certain level compared to a risk limit, the Company is preemptively responding to change in the environment by taking step-by-step measures such as evading, accepting and alleviating risks. Risk preview is a process for the Risk Management Department to review a risk before making an important decision on the risk from a viewpoint of risk management. The company materialized the process by reflecting the contents of the process in the internal intranet document production procedure. Those in charge of non-financial risks at departments carries out tasks such as the recognition and assessment of operational risks by their departments, mapping out and executing management plans and the education of employees on related contents with the heads of their organizations. The Risk Management Team supports the activities of non-financial risk managers through regular education.

Insurance Risk Management

The expected risk rate of insurance depends on the basics of insurance. This rate involves accidents in the future. The basics are “the bigger coverage is, the higher the premium is (the principle of equivalence)” and “people with the same risks must gather for insurance (the law of large numbers).” An insurance risk means a possibility that a loss will take place as paid insurance money is more than insurance money by an expected risk rate. Insurance risk management aims at closely following the basics of insurance throughout the whole process of the insurance business. The Company can protect the interest of customers and secure stable profits through insurance risk management. The Company has been implementing insurance risk management from a companywide viewpoint while recognizing the importance of insurance risk management.

Insurance Risk Management

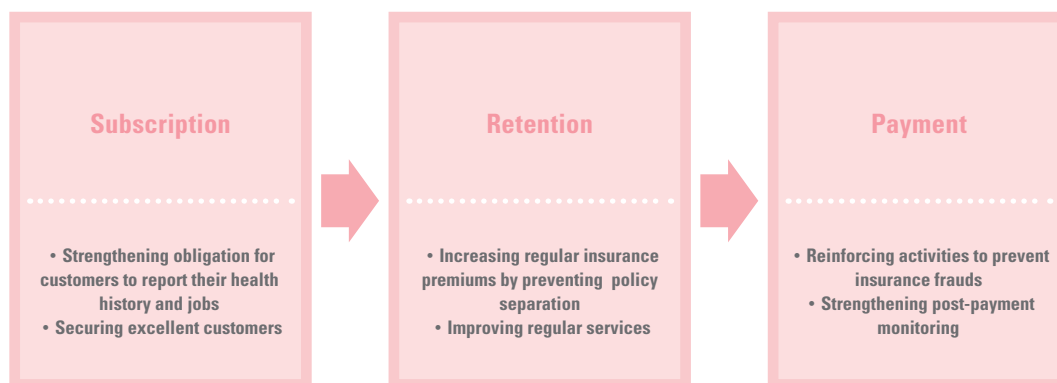
Separation	Unit	2009	2010	2011
Mortality profit ratio	%	15.1	19.2	16.4
Mortality profit ratio (Industry average)		11.0	12.2	10.7

※ Mortality profit ratio = $\{(\text{Risk premium} - \text{Accident insurance money}) / \text{Risk premium}\} \times 100$

※ Risk premium: Insurance premiums which an insurance company receives in order to pay insurance money when an accident occurs.

※ The source of the industrial average: The Financial Supervisory Service (The data in FY2011 were based on public notices in December 2011)

Insurance Risk Management Points by Insurance Business Process

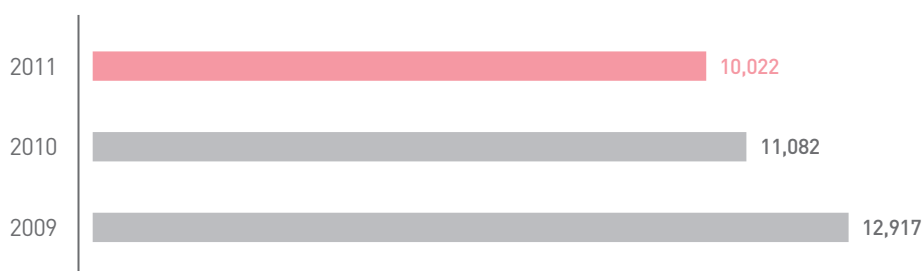


Subscription Stage | This stage blocks those who caused insurance accidents before from buying insurance and limits coverage for customers with high risks by making customers report accurate information for buying insurance to the Company. Life is consolidating insurance risk management in the subscription stage by applying underwriting standards and processes to customers and financial planners according to risk levels and capabilities for comprehensive membership.

Retention Stage | This is a stage to help customers understand the value of insurance well and retain insurance. It is also quite meaningful in terms of insurance risk management to promote four major activities to retain policy holders through the Life Long Care Project. ▶ 30~32p

Payment Stage | This is a stage to make insurance money quickly paid to customers. It is important to prevent insurance money from being paid for improper occasions or when accidents do not occur. In particular, undue payouts of insurance money due to insurance frauds cause financial damages to insurance companies as well as to customers. In addition, such insurance frauds harm society. Kyobo Life is systematically conducting activities to prevent insurance frauds through the SIU (Special Investigation Unit), a department exclusively responsible for insurance fraud prevention and exposure.

Prevention of Insurance Frauds (Unit : KRW million)



Internal Audit

The Company regularly audits, checks, and evaluates its general management activities, and forms reasonable alternatives in order to minimize its managerial risks and contribute to sound managerial results. The audit activities of Kyobo Life are carried out methodically and periodically under annual audit plan with the approval of the Audit Committee. The Company enhances the efficiency of its audit by selecting the priority audit items with grasping the weak sector including managerial risk of the audited department and the problematic sector and etc. in advance. In addition, we are subject to a regular inspection by financial regulators.

Results of Inspections by Financial Regulators

Separation	Unit	2009	2010	2011
Fines	KRW million	22	2.5	-
Disciplinary actions	Persons	2	4	2

※Those punished in FY2010 include two retired employees.

Internal Control

Internal controls mean all systems, procedures, work and activities by employees with a view to reaching management goals. Kyobo Insurance established as internal controls guidelines, basic items for legal compliance, sound asset management and the protection of policyholders which employees must follow in the course of their job performance. We appointed a compliance officer who monitors the observance of internal control standards and reports the results of investigations into violations to the Audit Committee and manages an internal control system. The compliance officer reinforces the management of internal controls by carrying out tasks such as advanced checks of major tasks in terms of legal compliance, the establishment and revision of the employee code of ethics, legal compliance education for employees and the establishment and enforcement of anti-money laundering policies. The Company appointed a compliance manager at each organization and ordered him or her to assist the head of his or her organization and the compliance officer.

As of the end of March 2012, 267 compliance managers were active across the nation.

Prevention of Financial Accidents | A financial accident means an act or an accident that gives financial damage to the Company or customers or deranges financial order through illegal and unfair acts. Financial accidents take place in various forms — embezzlement, breach of trust, swindles, speculation and graft. We prevent financial accidents through strong internal control activities such as obeying an approval process, stamping out the unfair collection of insurance premiums, protecting customer information, thoroughly managing payment work and strengthening the management of financial planners and employees, the establishment of standards on the prevention of financial accidents and the strengthening of related education. We take proper measures against those who cause financial accidents in accordance with internal standards.

Financial Accidents

Separation	Unit	2009	2010	2011
No. of accidents	Accidents	8	3	4
Amount	KRW million	128	294	67

Anti-Money Laundering | Money laundering means disguising or hiding the illegal acquisition of assets and the disposal of assets for tax evasion. Anti-money laundering activities aim to prevent financial companies from being used in such money laundering to increase social risks. The Company conducts anti-money laundering activities in the Specific Financial Transaction Reporting Act such as “obligation to identify customers” to identify the identities of customers who deal with and provide the services of Kyobo Life, “suspected transaction reporting” to report any transactions suspected of as money laundering to the Korea Financial Intelligence Unit and “large cash transaction reporting” to report cash transactions over KRW20 million/case to the Korea Financial Intelligence Unit collectively. The compliance officer takes charge of reporting about anti-money laundering activities. We make anti-money laundering activities effective by proving education programs on anti-money laundering once or more times a year.

Anti-Money Laundering Education in FY2011

Objects	No. of Times	No. of Participants	Summary
Those in charge of legal compliance	4	427	Introduction to anti-money laundering systems, change in laws and regulations and roles of employees
Tellers at Customer Plazas and those who support FP branches	10	619	Introduction to anti-money laundering systems, change in laws and regulations and checking customers and reporting suspected transactions
FPs who violated a regulation to check customers	86	2,271	Introduction to anti-money laundering systems, checking customers and punishments against violators

Kyobo Life will progress together with the government and the community

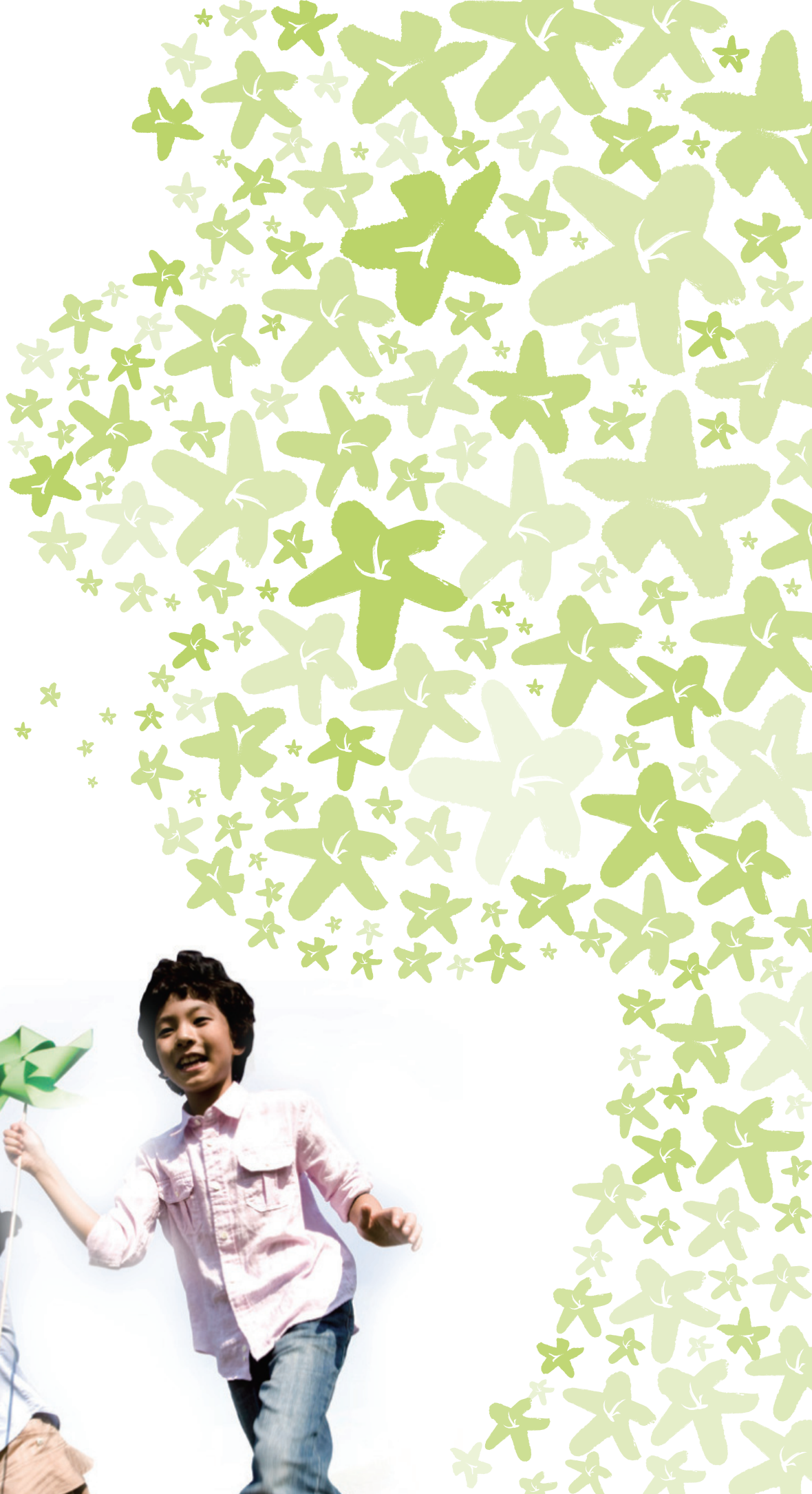
We will be proactive in leading and participating
in community service projects.

We will carry out conservation activities
in a manner that is reflective of our business.

We will grow with our peers
through fair competition.

***Government &
Community*** 

*and the **Future***



Kyobo Life will progress together with the government and the community

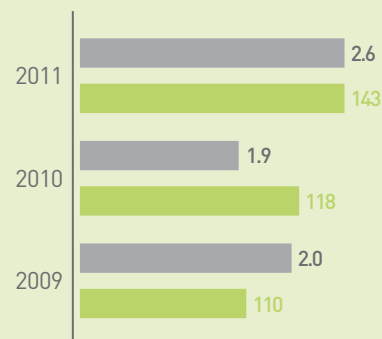
Pledge 8. We will be proactive in leading and participating in community service projects.

Pledge 9. We will carry out conservation activities in a manner that is reflective of our business.

Pledge 10. We will grow with our peers through fair competition.

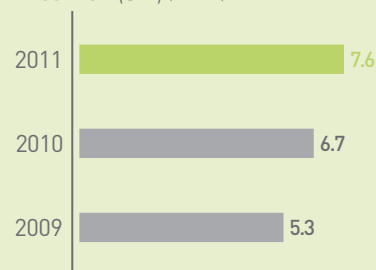
Progress on the Pledge (KPIs)

Social contribution ratio/amount ▶ **63p**
 ■ Ratio (Unit : %) ■ Amount (Unit : KRW million)



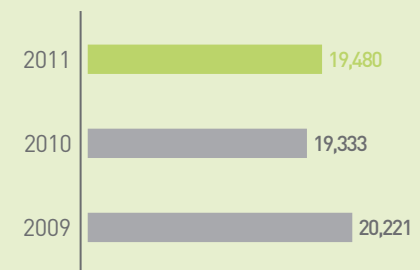
※ Social contribution ratio: financial support on community service/net profit (decreased due to an increase of net profit)

Share of Social Responsibility Investment(SRI) (Unit : %) ▶ **70p**



※ Share of Social Responsibility Investment : (SRI investments / general account assets) × 100

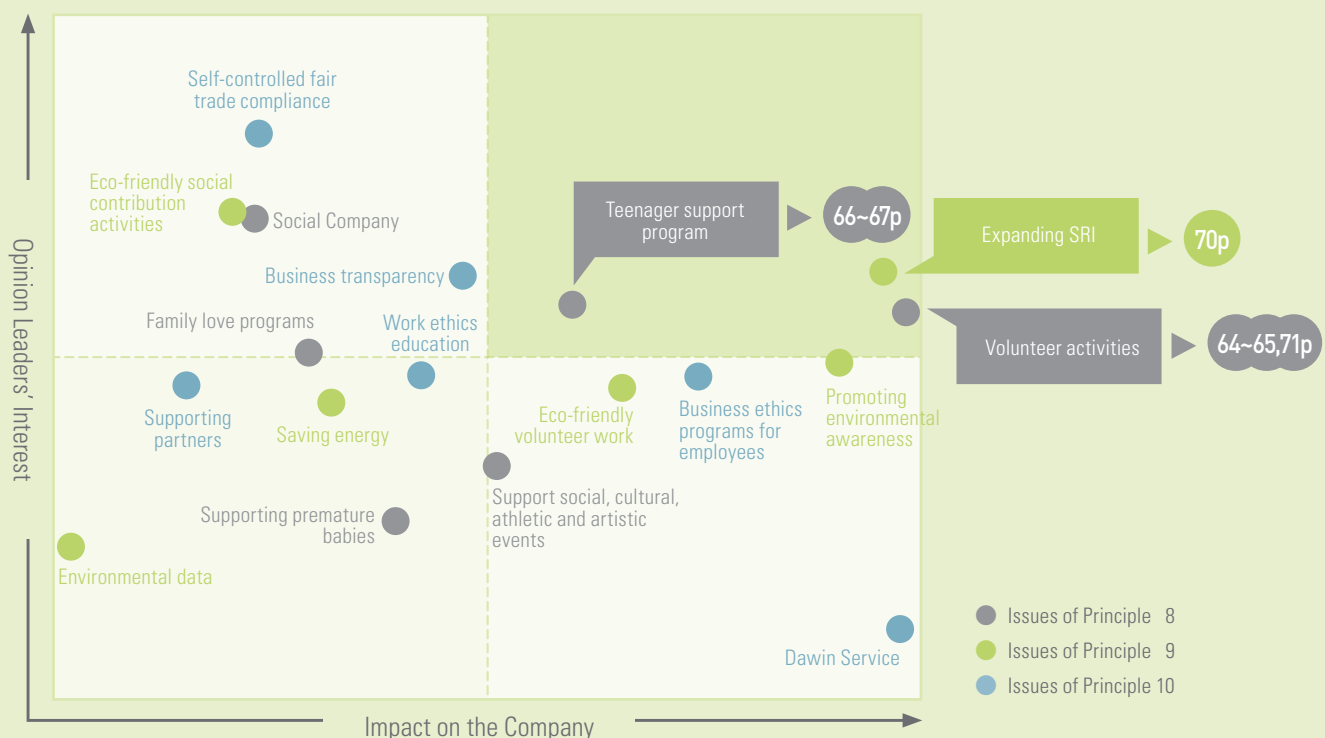
Energy Consumption ▶ **72p**
 Unit : TOE



※ TOE (Tonnage of Oil Equivalent) : Energy unit; the amount of energy generated when one ton of oil is burned)

Results of Materiality Test

※ The summary of the materiality test is available on page 15~17.



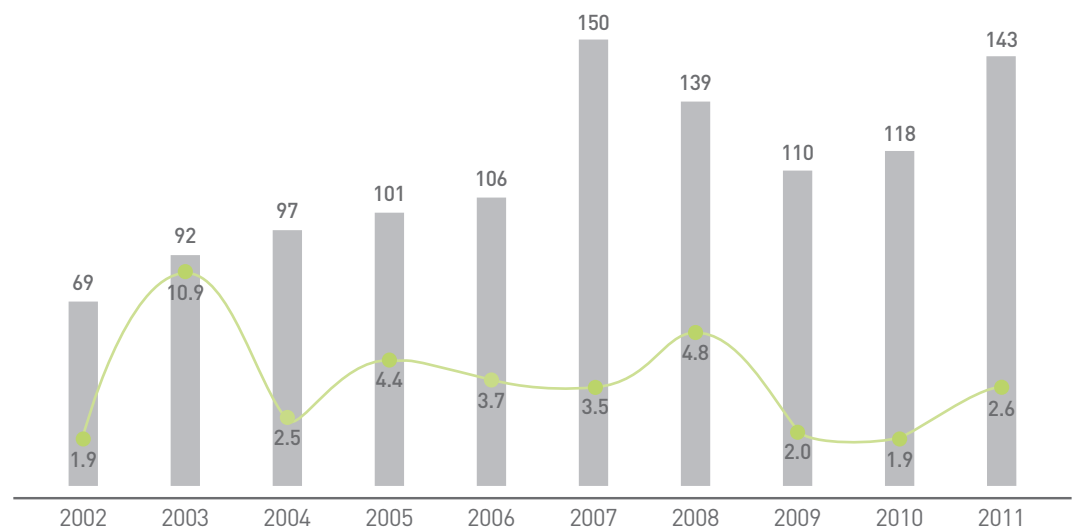
We will be proactive in leading and participating in community service projects.

Promotion of Social Contribution Activities

Kyobo Life has been steadily carrying out social contribution activities which contribute to social contribution issues connected to the characteristics of the insurance business such as health, a retirement life and educational welfare. Over the past ten years, the Company has spent KRW11.3 billion on social contribution on average a year. This amount equals 3.0% of its net income. We are planning to steadily reinforce social contribution activities such as increasing funds for social contribution.

Support for Social Contribution Activities

● Financial Support for Social Contribution Unit : 100 million won ■ Community Support Rate Unit : %



Amounts by Sectors

Separation	Unit	2009	2010	2011
Social Welfare	Million won	7,029	6,859	9,762
Education		1,995	1,604	1,442
Culture		1,313	1,633	1,528
Environment		121	232	487
Others (Health Care, Farming Areas and Etc.)		543	1,505	1,103
Total		11,001	11,833	14,322

Activities by Kyobo Dasomi Volunteers

Kyobo Life's financial planners and employees with a sense of duty to prevent people in trouble due to a lack of money, knowledge and poor health from losing heart are participating in various volunteer activities. 154 voluntary teams consisting of financial planners and employees formed sisterhood ties with social welfare organizations across the nation and carries out in various community service activities by visiting social welfare centers, daycare centers, local children centers and facilities for senior citizens and the disabled every month.

Volunteer Work

Separation	Unit	2009	2010	2011
No. of Registered Volunteer Teams	Team	217	251	217
Annual Volunteer Work Hours	Hour	65,627	54,958	52,465
No. of Annual Participants	Person	13,902	11,787	12,134
Participation Rate	%	52.6	48.0	50.1

With an eye toward supporting the self-controlled operation of each volunteer work team, the Company runs education programs for volunteer work leaders every year. Participants are able to augment their capabilities as leaders and seek desirable directions of volunteer work activities through presentations on exemplary volunteer work cases, special lectures and discussions.

Education Programs for Volunteer Work Leaders

Separation	2009	2010	2011
Date	Oct. 15, 2009	Jun. 16 and 17, 2010	May 24 and 25, 2011
Place	Small Auditorium of HQ Building	Employee Training Center	Employee Training Center
No. of Participants	65 volunteer work leaders and social workers of social welfare centers	60 volunteer work leaders and social workers of social welfare centers	80 volunteer work leaders and social workers of social welfare centers
Theme	Developing ability to plan volunteer work programs	Power to change society	Planning desirable volunteer work programs befitting beneficiaries
Highlights	Sharing excellent volunteer work cases, planning volunteer work programs and communication with social workers	Understanding beneficiaries, planning volunteer work programs, managing trouble, network with volunteers and special lectures	Presentations on excellent volunteer work cases, planning volunteer work programs, special lectures and discussions



Dasomi Volunteer Service



Education of Volunteer Service Leaders

Kyobo-JA Volunteer Economic Education Team

Kyobo Life is conducting knowledge-based volunteer activities by utilizing the financial expertise of financial planners and employees. The Company launched the Kyobo-JA Volunteer Economic Education Team in partnership with JA Korea, a non-profit organization. The team helps children and teenagers understand basic economic and financial principles through education on the market economy and corporate management. These activities not only expand the significance and effects of volunteer work but also promote a positive image of the Company by building up emotional bonds with local schools.



Kyobo-JA Volunteer Economic Education Team

Activities of Kyobo-JA Volunteer Economic Education Team

Separation	Unit	2009	2010	2011
Volunteers	persons	108	207	192
Schools	schools	14	7	7
Classrooms	Classrooms	121	123	130
Students	persons	4,235	4,500	4,550

Happy Book Reading | “Happy Book Reading” is a volunteer work program that helps children enjoy reading and form the habit of reading books. Kyobo Life guides children in their reading such as donating books to local children centers and reading books for children and helping them write book reports. Since 2010 the Company has donated a total of 3,100 books to local children centers and a total of 80 employees has read books for 150 children through these book reading activities.



Happy Book Reading

Dasomi Global Volunteer Work Corps | The Dasomi Global Volunteer Work Corps consisting of 22 financial planners and employees carried out voluntary service activities by building schools to help children to learn for a better future in underdeveloped farming areas in Vietnam from June 13 to 18, 2011. The corps built a school building with two classrooms and toilets and water supply facilities that can seat about 80 students and house for poor farming families in Ben Tee where students had to walk about ten kilometers and which was using a double- or triple-shift school system. In particular, the value of this project expanded thanks to financial planners who took part in the project instead of choosing to travel abroad, a prize for them in recognition of the Company's winning the Grand Prize at the 2011 Customer Satisfaction Awards.



Dasomi Global Volunteer Work Corps

Teenager Support Program

Kyobo Life supports teenagers, hopes and dreams of our society to help them grow into talented people who can create a better future in various ways.

Teenager Volunteer Work Camp - Pursuing Happiness Together | This program aims to help teenagers improve their understanding of the disabled and instill community spirit in them through community activities with the disabled. Participating teenagers will be able to grow into exemplary citizens via volunteer work for three days during summer vacations.

Teenager Volunteer Work Camp

Separation	2009	2010	2011
Period	Jul. 20 to Aug. 19, 2009	2010. 07. 19 ~08. 19	2011. 07. 20 ~ 08. 12
Place	Gapyeong, Jangbong Island, Jecheon, Iksan, Yeosu, Andong and Geoje Island and etc.	Gapyeong, Jangbong Island, Jecheon, Iksan, Yeosu, Andong and Geoje Island and etc.	Gapyeong, Jangbong Island, Jecheon, Iksan, Yeosu, Andong and Geoje Island, Asan, Yongin and etc.
No. of Camps	18	22	21
No. of Participants	1,050 (640 teenager volunteer, 410 disabled people)	1,308 (812 teenager volunteer, 496 disabled people)	1,142 (713 teenager volunteer, 429 disabled people)
Highlights	"Forest Camp" to make friends with blind people, "Forest & Being One" "Beautiful Home Stay" where teenagers experience a community life with the disabled.		



Teenager Volunteer Work Camp



Kyobo Life Hope and Love Scholarship

Kyobo Life Hope and Love Scholarship | "Kyobo Life Hope and Love Scholarship" gives support to teenaged orphans, teenagers from Group Homes and teenagers who are the heads of their families so that they can continue to study at school, overcoming social prejudices and economic difficulties. Kyobo Life helps them become sincere members of society by running programs such as camps and volunteer work and supporting local communities and alumni associations of scholarship students with a scholarship program for them. Since 2003, we have given scholarships of KRW3,038 million to 215 students.

Connect-Chains-of-Love | Employees donate a portion of their salaries and the company matches the same amount of the money to establish and operate a fund of love in accordance with this program. The fund is used for five specialized support projects for children of poor families -- providing meals, paying tuition fees, paying medical and psychiatric treatment costs and supporting cultural and athletic activities. From 2000 to March 2012, approximately 1,800 employees took part in the program and raised a fund of KRW2.58 billion.

Financial Education Network for Teenagers | Life took part in the Financial Education Network for Teenagers of the Financial Supervisory Service. Lecturers of its employee training center provided education suiting students on basic financial and economic knowledge, desirable allowance management and credit and rational consumption for students of elementary and middle schools in and near Cheonan where the center is located among schools that applied to the Financial Supervisory Service for the financial education program. From 2010 to 2011, we gave the education to students of nine schools 36 times and elevated their satisfaction by operating an experience program at the center.

Northeast Asia Excursion for University Students

Students | Kyobo Life supports an excursion program for college students to develop their visions as a future driving force by visiting Northeast Asian countries as historic and economic partners and competitors. A total of 950 college students have participated in the annual program to add to their experiences and establish their visions since 2002.



Northeast Asia Excursion for University Students

Northeast Asia Excursion for University Students

Separation	2009	2010	2011
Period	Aug. 4 to 13 in 2009 (10 days)	Aug. 4 to 11 in 2010 (8 days)	Aug. 4 to 11 in 2011 (8 days)
Place	China	China (Inner Mongolia)	Tibet, China
No. participants	99	77	78
Catch Phrase	Build Road to Future from Ancient Tea Route Connecting West and East	Have Big Dream in Mongolia Empire!	Fly Highest and Farthest from Tibet!

Family Love Farming Experience Program

"Family Love Farming Experience Program" lets participants families with children not only promote strong harmony among family members and know the value of agriculture and farming villages and the importance of our agricultural products through various farming experience programs. This program helps farming villages participating in this program develop their income sources. Income of KRW547 million has arisen directly from the program such as program fees over the past three years. The villages also generate additional income by developing other programs on the basis of this program.



Family Love Farming Experience Program

Family Love Farming Experience Program

Separation	Unit	2009	2010	2011
Participating families	family	640	711	720
Participating people	people	2,529	2,796	2,822
Participating villages	village	12	11	16
Times	times	68	73	78

Dasomi Support for Premature Babies

This program supports premature babies to recover and stay alive and helps the families to jump over birth-related hardships as the only private program to support premature babies. Therefore, Kyobo Life supports premature babies by paying their healthcare costs and running programs for their families through this initiative. The support program is funded by regular donations from Kyobo Life, its financial planners and general citizens' donations through the Beautiful Foundation, a key partner for this program. This program aided in the healthy growth of 1,415 premature babies by raising funds of KRW4,366 million from September 2004 to March 2012.



Dasomi Support for Premature Babies

Dasomi Support for Premature Babies

Separation	Unit	2009	2010	2011
Participating Financial Planners	Persons	5,891	5,947	6,834
Support Funds (Donations by financial planners and Kyobo Life)	100 million won	6	6	6
Supported Children	Persons	286	290	146

Development of Insurance for Sharing Social Value

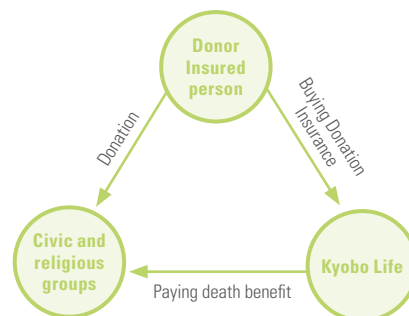
Kyobo Life is striving to develop social insurance policies for sharing social value. In January 2011, Kyobo Life established a system to give 1% discounts to discount insurance premiums for families with two or more children. This system shows the Company's effort to contribute to solve a low birthrate problem, one of the major social issues in Korea. In addition, we indirectly make social contributions through the development and sales of insurance products for socially weak people.



Donation Insurance Agreement

Donation Insurance | Donation insurance is a product that entrusts the rights of an insurance contract to a group by designating the group as a beneficiary of the death benefit. This policy has merit of donating a large sum of insurance money to desired organization without other legal procedures through the payment of small amounts of insurance premiums.

Summary of Donation Insurance



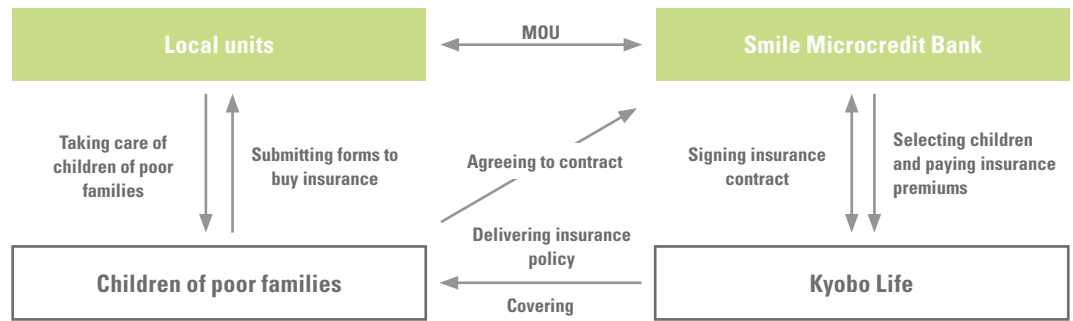
Donation Insurance Sales

Separation	Unit	2009	2010	2011
Sales	Policies	138	114	58
Death benefits	100 million won	20.3	17.8	9.0

Insurance for Children of Low-Income Families | (Nonparticipating) Kyobo Hope and Love Insurance was

developed to give the benefits of insurance to children of low-income families by utilizing dormant insurance money. Smile Microcredit Bank (www.mif.or.kr) selects children who will be covered by insurance and reports them to Kyobo Life and 95% of the insurance premiums with idle insurance money from the Dormant Savings Management Foundation. This policy was developed in 2008. A total of 2,780 insurance contracts had been signed and a total of KRW2.67 billion was paid as insurance premiums until March 2012.

Summary of (Nonparticipating) Kyobo Hope and Love Insurance



Products Exclusively for the Disabled | No discrimination is given to disabled people's buying insurance.

Kyobo Insurance decides whether or not it will underwrite insurance for the disabled by generally judging various risks in the same manner that the company does for able-bodied people. But, we develop and sell policies exclusively for the disabled by considering the disabled who receive relatively less benefits of insurance.

Sales of Products Exclusively for the Disabled

Separation	Unit	2009	2010	2011
Sales of Products Exclusively for the Disabled	Policies	10	10	14

※ Sales of insurance policies increased as the company began to sell them through its facing channel in the second half of FY2010. Before, they were sold only through the direct channel.

Strengthening Industry-Academy Network

Kyobo Life is making efforts for the academic development of life insurance. In recognition for such efforts, the IIS (International Insurance Society) has given the "Shin Yong-ho World Insurance Academic Prize" named after the founder of Kyobo Life to those who made great contributions to research on the development of the insurance industry since 1997. Since 2005, the Shin Yong-ho Memorial Foundation supported by Kyobo Life has been awarding the Daesan Insurance Grand Prize to individuals and groups that contributed to the advancement of the Korean insurance sector and helped the sector enhance its international competitiveness. The Company is strengthening an industry-academy network by allowing the Korean Insurance Academic Society and the Korea Risk Management Society to use its employee training centers as venues for their academic symposiums. We will provide 550,000 yuan every year until 2013 by signing an MOU on research funds for carrying out a life insurance project with the China Insurance Academic Society.



Award Ceremony for Shin Yong-ho World Insurance Academic Prize



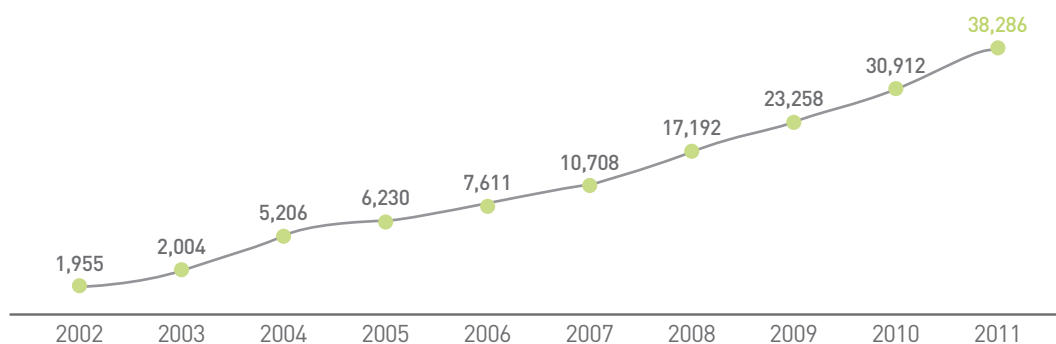
Support for Symposium by Korea Insurance Academic Society

We will carry out conversation activities in a manner that is reflective of our business.

Expanding Socially Responsible Investment

Kyobo Life is expanding socially responsible investment (SRI) suitable for the realization of the goals of asset management by life insurers and social contributions. Kyobo Life's SRI began as investment in SOC projects including roads and ports. Of late, Its SRI has been diversifying into eco-friendly SOC projects including waste-water treatment facilities, waste incineration facilities and new and renewable energy development to which stakeholders such as the government and local communities are paying more attention to.

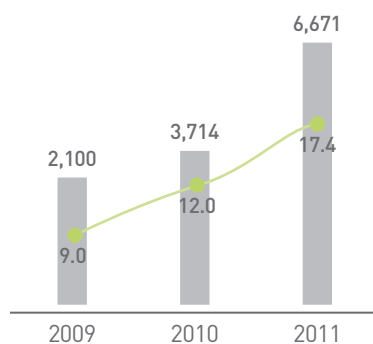
Amount of SRI Unit : 100 Million Won



The Company's SRI in proportion to its total assets in FY2011 was 7.6%, an increase of 0.9%p from FY2010. Our environmental investment and its share of SRI in FY2011 are steadily increasing. Kyobo Life will establish the principles of SRI and build related systems and processes in FY2012 in order to practice systematic and active SRI.

Environment Investment

■ **Environmental Investment** Unit : 100 Million Won
● **Environmental Investment** Unit : %



Eco-Friendly Social Contribution Activities

Kyobo Life champions the principles in the environmental sector which the UN Global Compact provides, a preventive approach to environmental issues and the implementation of measures that expand environmental responsibilities and the development and spread of environment-friendly technology. Internally, we increase employees' awareness by reflecting the protection of the environment in the Professional Ethical Action Guidelines for Employees revised in June 2011 and providing employees with education. Externally, we are actively carrying out eco-friendly social contribution activities that utilize the characteristics of the insurance business.



Kyobo Environmental Awards

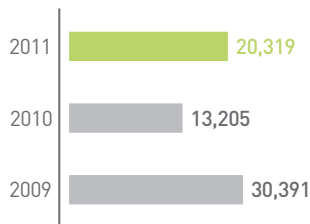
Kyobo Environmental Awards | It is an event that selects and awards those who have largely promoted environmental awareness and contributed to making an eco-friendly society. The organizers select winners by assessing the durability of activities, social meanings and effects and tangible results in the three categories – environmental education, life-friendly culture and ecological alternatives Award

Environmental Activities of 2011 Award Recipients

Separation	Winners	Activities
Environmental Education	Korea Environmental Education Center	<ul style="list-style-type: none"> Systemized various areas of environmental education by running various programs such as ecological experience-based education, nurturing environmental teachers and international exchanges. Steadily produced and diffused environmental education materials and contents.
Life-Friendly Culture	Kim Jin-song (Carpenter and art critic)	<ul style="list-style-type: none"> Made environment-friendly artwork such as using dumped natural wood instead of lumber. Sought ways to balance nature and mankind through various exhibitions and books.
Ecological Alternative	Juju Olle Foundation	<ul style="list-style-type: none"> Created 22 courses of roads for a walk in four years. The combined length of 22 courses is 357km (About one million walked on the roads in 2010). Contributed to publicizing the nature, culture and history of Jeju Island by establishing Jeju Olle Academy.

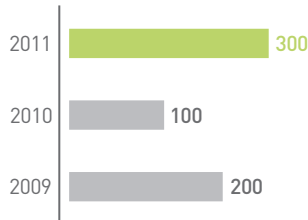
Supjarami Activities

Participants Unit : persons



Amount of Financial Support

Unit : Million Won



"Supjarami," Experience-Based Ecological Education Project Team

Kyobo Life launched the Kyobo Dasomi Forest Guide Volunteers consisting of retired senior citizens who guide teenagers about forests and give them environmental education in 2003. The Company helped retired senior citizens live productive retirement lives by offering them jobs to work as experience-based ecological education experts and children develop their ecological sensitivity by offering nature experience programs. "Supjarami," is an experience-based ecological education project team based on the Kyobo Dasomi Forest Guide Volunteers. "Supjarami" was certified as a Social Company by the Ministry of Employment and Labor in June 2011. "Supjarami" is the second Social Company founded by Kyobo Life after its Dasomi Foundation, Korea's first Social Company.



"Supjarami," Experience-Based Ecological Education Project Team



Recovering Branch Roads in Bukhan Mountain

Eco-Friendly Dasomi Family Volunteer Activities | Kyobo Life helps participating families recognize the value of families and the importance of environmental protection by running an environment-friendly family volunteer activity program.

Eco-Friendly Dasomi Family Volunteer Activities in FY2011

Program	Date	Participating Families	Place	Highlights	Financial Support
Making Forests Green	Mar. 26	15 families (56 people)	Namhansanseong	Making nameplates for trees, planting trees and trekking	6 million won
Recovering Branch Roads in Bukhan Mountain	Jun. 11	15 families (55 people)	Mt. Bukhan National Park	Cleaning Dulle Path in Mt. Bukhan and experiencing forest ecology	6 million won
Protecting Sea	Sep. 24	15 families (61 people)	Ganghwa Island	Understanding beach of Ganghwa Island and monitoring waste at sea	6 million won
Wild Animal Protection Project	Nov. 12 to 13	16 families (62 people)	Cheolwon-gun	Understanding wild animals, observing red-crested cranes and eagles and volunteer work at animal protection center	10 million won

Energy Conservation Activities

With the aim of reducing energy use for heating and cooling, Kyobo Insurance keeps the indoor temperatures of its buildings across the nation including its headquarters building in Gwanghwamun of Seoul under 26° in summer and 20° in winter. The Company purchases energy-efficient electronic equipment such as energy-efficient computers, monitors and LCDs in an effort to reduce the use of electric power which takes the lion's share of energy use. All employees are steadily engaging in the Three-Point Energy and Material Saving Movement -- turning off unneeded lights and computers and recycling office supplies. Such efforts went rewarded. Our energy use has been steadily decreasing.

Energy Consumption

Separation	Unit	2009	2010	2011
Direct Energy	Gas	2,440	2,406	2,114
	Oil	889	887	774
	Sub-total	3,329	3,293	2,888
Indirect Energy	Electric power	16,850	15,998	16,554
	Community heating	41	42	38
	Sub-total	16,891	16,040	16,592
Total		20,220	19,333	19,480
Compared to Previous Year		-372	-887	+147

※ Community heating was classified into "direct energy" in the previous report. But beginning in this report, it was classified into "direct energy."

CO2 Emissions

Separation	Unit	2009	2010	2011
Direct		8,458	8,369	7,339
Indirect	tCo2	111,062	105,454	109,104
Total		119,520	113,824	116,443

Kyobo Life remodeled its headquarters building to make it environment-friendlier in 2010. The Company will be able to reduce energy more significantly by finishing the remodeling designs of its buildings in Daejeon and Numun-dong of Gwangju. The remodeling projects are scheduled to begin in 2012. We made the buildings more energy-efficient by improving wall and windows and decrease the unnecessary use of energy by introducing automatic control facilities and a refrigerative system. Eco-friendly and cutting-edge technologies were introduced including changing concrete walls to glasses, air-conditioning system for ventilation in every floor and heat insulation walls inside the building. Moreover, we minimized the use of energy for lighting by introducing a dimming control system and making use of highly efficient fluorescent lights. The two buildings are expected to cut down on energy costs by about 35% and CO2 emissions by about 25%. Kyobo Life is planning to implement the remodeling of all its buildings to make them eco-friendly.



Eco-Friendly Remodeling

Managing Environmental Data

The life insurance business is even less affected by the threats of and opportunities from climate change, compared to other business. Nonetheless, Kyobo Life is putting forth efforts not only to reduce cost but also to minimize negative environmental impacts through environmental data management.

Summary of Environmental Data



※ Data of 53 buildings managed by Kyobo Realco out of 66 buildings which belong to Kyobo Life (But data on office paper, toners and waste were only those of the headquarters building).

Use of Water

Separation	Unit	2009	2010	2011
Total Use	TON	571,623	544,399	545,169
Recycled Amount		22,747	18,117	17,850
Recycling Ratio	%	4.0	3.3	3.3

Use of Office Paper and Toner

Separation	Unit	2009	2010	2011
Office Paper	Box	2,875	3,480	3,819
Toner	Toner	3,090	3,656	3,921

※ The use of paper and toners increased due to an increase in human resources and outsourcing services

Waste

Separation	Unit	2009	2010	2011
Total Amount of Waste	TON	1,596	523	703
Amount of Recycled Waste		346	253	281
Recycling Ratio	%	21.7	48.4	40.0

※ Waste means general waste from the office buildings of Kyobo Life

We will grow with our peers through fair competition.

Running Fair Trade Compliance Program

Kyobo Life declared self-obedience for fair trade in September 2006 and since then, has run a fair trade compliance program. This program means a general operating system through which a company abides by related regulations by building fair trade-related systems. The fair trade compliance officer manages this program. The officer is appointed by the Board of Directors with the CEO's recommendation.

Program Highlights

Separation	Highlights
Improving systems and processes	<ul style="list-style-type: none"> • Expanding objects for deliberation through expansion of regulations on duties of compliance officer (May 2011) • Reinforcing internal control on product advertisements and product guide materials through establishment of advertisement approval regulations (Oct. 2011) • Revising fair trade compliance manual (Jan. 2012) • Establishing process to deal with investigation by Fair Trade Commission (Feb. 2012)
Training	<ul style="list-style-type: none"> • Education by classes: Those in charge of fair trade compliance (once a half year), heads of organizations and newly recruited employees • Anti-collusion education: Managers and employees of key teams such as Product Development Team and Accounting Team • Education on prevent violations of law on life insurance advertisements: Those in charge of advertisements • Education in accordance the government's selection of companies as business groups allowed to execute limited cross-shareholdings: Relevant employees of Kyobo Life and its sister companies
Monitoring	<ul style="list-style-type: none"> • Monitoring industrial meetings to prevent collusions (every month). • Monitoring implementation of review of retirement pension advertisements • Checking unfair trade practices among sister companies in advance

Fine for Collusion | In December 2011, the Fair Trade Commission levied fines on 16 life insurers for colluding on the expected interest rate and notified interest rate of personal insurance while ordered them to correct them. The commission regarded exchanges of product information that had been customarily done in the life insurance industry from 2001 to June 2006 as collusion. Life insurers under tight regulations of financial regulators have been able to easily exchange information with one another until June 2006 when the commission launched the investigation. Since June 2006, Kyobo Life banned exchanges of information on prices and payment conditions among life insurers that can be regarded as collusion like the applied interest rates and make it obligatory for employees to receive approval from the compliance officer before taking part in meetings in the life insurance industry. Moreover, the Company is endeavoring for fair trade compliance such as declaring self-obedience for fair trade. In the future, we will make our internal control process more sophisticated and steadily reinforce the education of employees on fair trade laws and regulations and the monitoring of their observance of the laws and regulations.

Violations of Fair Trade Laws and Regulations (FY2009~FY2011)

Item	Date	Measures Taken	Reason
Unfair Trade Cases	2010. 2. 25	Warning	Not giving sales codes when FPs leave for another company for a certain period of time
Collusion	2011. 12. 15	Fine of KRW134.7 billion	Colluding on expected and announced interest rates of individual insurance policies

Win-Win Growth with Partners

Kyobo Life is geared towards growing together with partners through the establishment of transparent trading practices with its partners.

When picking partners, the Company considers items such as their legal compliance, standards on personal information management and efforts for ethical management, for example, the establishment of their codes of ethics and audit reports in addition to prices, qualities and conditions.

We help our partners make their cash flows smooth by paying for their products and services in cash.

Clean Contract System | Kyobo Life practices a clean contract system that establishes transparent agreements by not demanding or receiving bribes between company members and contractors during contract phases including purchasing, servicing and construction. The clause is reflected in the Company's standard contract to improve the implementation of the system. We send guidelines on the system to companies that recorded deals amounting to KRW20 million or more in the previous year, twice a year.

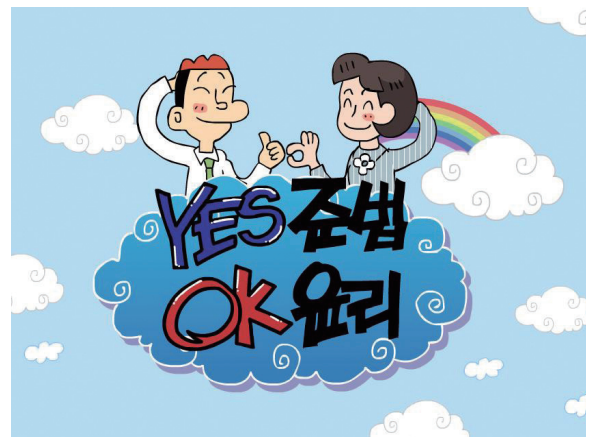
Clean Communication | In December, 2011, Kyobo Life implemented "clean communication" with managers and employees of 76 partners for the purpose of consolidating its transparent and fair purchase process and seeking win-win growth with partners. The company also held a ceremony for declaring win-win partnership to resolve to carry out transparent and fair purchases along with the importance of purchase policies and information security and a clean contract system. We are planning on steadily conducting communication with partners with the aim of discovering excellent competitive partners and laying the foundation for win-win growth in the future.



Clean Communication

Business Ethics Implementation System

Kyobo Life is opposed to all types of corruptions such as profiteering and bribes. The Company has been laboring to put into practice business ethics including an anti-corruption campaign and declaring its Code of Professional Ethics, a first for a life insurance company in April, 2000. In June 2011, we reinforced the implementation of employees' work ethics by revising the Code of Professional Ethics which declares our business philosophies on the basis of core goals and value and professional ethical action guidelines based on the code



Business Ethics Cartoon

Business Ethics Programs for Employees | Kyobo Life is running various business ethics programs for employees with the intention of enhancing their business ethics. The Company encourages senior managers to take the initiative and set an example for other employees through the compliance officer's communication with executives and regular education of managers by calling or visiting them. All employees are sharing key compliance and ethical issues by running compliance and ethical education programs by organizational units every month. We watch cartoons and animations explaining difficult issues via our intranet and a satellite broadcasting system and repeatedly share them every Monday morning.

In FY2011, we developed a cyber course, "Qualifications for Being Kyobo Employees" and educated all employees on professional ethical action guidelines

Business Ethics Education Time Per Employee

Separation	Unit	2009	2010	2011
Managers	Hour	13.5	13.5	16.5
Non-managers			15	18

Kyobo Life is regularly giving service education to security personnel for its buildings. The main points of the education are items that they have to pay attention to including the prevention of human right violations when they deal with guests

Education of Security Personnel

Separation	Unit	2009	2010	2011
No. of Security Personnel	Persons	242	242	244
Participating rate	%	100	100	100

Reporting Core Value Violations | Using a whistle-blowing system, "Reporting Core Value Violations," employees can notify illegal or unjust behaviors to the CEO or an independent compliance officer when the employees judge that such behaviors were connected to their bosses or their bosses connive at them. Through this system, the Company is able to prevent various accidents or deal with them earlier. Moreover, this system is able to stiffen the morale of employees through fair settlement.



Gift-Return Center

Gift-Return Center | The Professional Ethical Action Guidelines for Employees of Kyobo stipulates that employees must refuse to accept gifts from external stakeholders and if they received gifts, they must immediately return them to them. When it is difficult for them to send back the gifts in person, they send them to the Gift-Return Center. Then the center returns them to the external stakeholders with polite messages. The gifts are donated to social organizations when the providers refuse to accept them or it is hard to return them.

Returned Gifts

Separation	Unit	2009	2010	2011
Returned Gifts	Gift	10	10	14

Appendix

- **Third Party's Assurance Report**
- **GRI Application Level Check Statement**
- **Index (GRI, ISO26000, BEST)**
- **UN Global Compact**
- **Kybo Life's Code of Professional Ethics**
- **Awards Related to Sustainability Management**
- **Association Memberships for Sustainability Management**
- **Financial Highlights**

Third Party's Assurance Report

To the Management of Kyobo Life Insurance

The Institute for Industrial Policy Studies (hereafter "Auditor") was engaged by Kyobo Life Insurance to review information specified in its FY2011 Sustainability Report (hereafter "Report") to provide an independent third-party assurance on the reported content. On the basis of the above, the Auditor presents the following independent statement of assurance.

Responsibility and Objective

Kyobo Life Insurance is responsible for all information and claims contained in the Report regarding the establishment of its sustainability management goals, performance management etc. The responsibility of the Auditor is to deliver the findings from its assurance undertaking to the management of Kyobo Life Insurance. The key objective of the assurance is to check whether there are any material bias or errors present in the Report; assess whether the underlying data collection system is in proper working order; while undertaking in an overall review of the Company's process for identifying issues of material importance to sustainability management as well as the produced results so that the Auditor may deliver recommendations that can help improve the quality of future reporting.

Assurance Type and Scope

For the purpose of this assurance, the Report was reviewed against the following reporting criteria.

- 1) AA1000 Assurance Standard (2008)¹
- 2) BEST Reporting Guidelines²
- 3) GRI G3 Sustainability Management Reporting Guidelines³

Scope of Assurance

- Compliance with the three core AA1000S (2008) principles of Inclusivity, Materiality, and Responsiveness
- GRI-checked GRI reporting level/BEST Guideline reporting level

Assurance Type/ Level

- Type I/Moderate
- A+/Level4

Assurance Criteria

- The three AA1000AS (2008) principles and IPS Assurance Manual standards IPS Performance Indicators Assurance Criteria™
- GRI G3 Sustainability Management Reporting Guidelines

¹AA1000AS IS AN ASSURANCE STANDARD FOR SOCIAL AND SUSTAINABLE REPORTING DEVELOPED BY THE U.K.-BASED INSTITUTE OF SOCIAL AND ETHICAL ACCOUNTABILITY IN NOVEMBER 1999 THAT PROMOTES CORPORATE SOCIAL RESPONSIBILITY, BUSINESS ETHICS AND RESPONSIBLE BUSINESS PRACTICES, AIMING TO IMPROVE THE QUALITY OF SOCIAL AND ETHICAL ACCOUNTING, AUDITING AND REPORTING. THE 2008 AMENDED VERSION ENTERED INTO EFFECT AS OF 2010.

²BEST SUSTAINABILITY MANAGEMENT GUIDELINES: THE BEST SUSTAINABILITY REPORTING GUIDELINE WAS JOINTLY DEVELOPED BY THE SM FORUM, THE MINISTRY OF KNOWLEDGE ECONOMY (MKE), THE KOREA CHAMBER OF COMMERCE AND INDUSTRY (KCCI), AND THE INSTITUTE FOR INDUSTRIAL POLICY STUDIES (IPS) IN 2006 AND PROVIDES FOR FIVE LEVELS OF REPORTING COVERAGE AND DEPTH (LEVEL 1 ~ 5).

³THE GLOBAL REPORTING INITIATIVE (GRI)'S SUSTAINABILITY REPORTING GUIDELINE WAS JOINTLY CONVENED BY THE COALITION FOR ENVIRONMENTALLY RESPONSIBLE ECONOMIES (CERES) AND UNEP IN 1997. BUILDING ON THE G3 VERSION WHICH WAS LAUNCHED IN OCT. 2006, THE NEWLY REVISED G3.1 VERSION WAS RELEASED IN MAR. 2011 WITH AN EXPANDED EMPHASIS ON HUMAN RIGHTS, GENDER, AND THE LOCAL COMMUNITY. G4, THE FOURTH VERSION IS SET TO BE INTRODUCED IN 2013.

Work Undertaken

- A Review of media reports related to Kyobo Life Insurance
- Data sampling and Evaluating the sources of publicly disclosed information and internal parties involved
- Verifying the performance data collection systems and processes for each function
- Ensuring the financial data in the Report and Kyobo Life Insurance's audited financial reports correspond
- Assessing response process to material issues
- Conducting interviews with each functional manager
- Completing on-site due diligence focusing on the head office(Seoul), Korea from Apr. 5, 2012 to Apr. 6, 2012
- Evaluating the Report for the extent of adherence to the GRI/BEST Guidelines

Limitations

For the purpose of this assurance, among the range of local and global workplaces that the Company manages, the Auditor chose to carry out an on-site review of the Company's Headquarters in Seoul. The review was based on available and disclosed data for the relevant reporting period and did not include online data. Financial information validated by a third party auditor-related data was not included within the scope of this assurance.

Assurance Findings

Based on the assurance scope and criteria outlined above, we provide the following conclusions. The Auditor did not find the Report to contain any material misstatements or bias. The reported performance data was also found to be adequately derived and reported upon without distortion based on the Company's underlying system for data collection and reporting. The material findings from the Auditor are included herein, and a detailed account of the results and follow-up recommendations has been submitted to Kyobo Life Insurance.

[Inclusivity] Are procedures for stakeholder strategy-setting and engagement adequate at Kyobo Life Insurance?

The Auditor found Kyobo Life Insurance to recognize the importance of stakeholder participation in the development and implementation of a responsible and strategic corporate response toward sustainability management. We confirmed that Kyobo Life Insurance has been incorporating stakeholder engagement findings in its decision making process by carrying out stakeholder-specific satisfaction studies and workshops to assess issues of material importance to its respective stakeholder groups while reflecting their varying levels of interest.

- Relative to last year, the Company has broadened the scope of its communication channels with various stakeholders while engaging sustainability management experts via workshops to reflect their input and findings in Kyobo Life Insurance's sustainability management policies and initiatives while also providing an account of the results in this year's sustainability report.
- The Company has expanded its communication channels via its internal and external stakeholders by carrying out internal business update sessions as well as direct meetings between members of management and Kyobo Life financial planners etc., to help management and staff better understand the current status of Kyobo Life Insurance's business.

Going forward, the Auditor suggests broadening the scope of its communication channels further to better collect and reflect stakeholder views, while also outlining case studies showing how the collected input was reflected back into the business activities of Kyobo Life Insurance as well as the outcome of other various initiatives.

[Materiality] Does the Report contain information of the highest material importance to Kyobo Life Insurance's stakeholders?

It is the Auditor's view that the Report does not omit or exclude any information of material importance to the stakeholders of Kyobo Life Insurance in their assessment of material issues specific to the Company. We confirmed materiality testing carried out based on stakeholder interests and potential corporate impact, with efforts by the Company to incorporate the results into its sustainability report after sorting them into different categories based on the ten principles of sustainability management.

The following points were found to be particularly commendable.

- Relative to last year's report, the Company defined key materiality issues from an expanded pool of potential issues, reflecting stakeholders' level of interest internally and externally while enhancing the level of coverage on issues identified to be of material interest to stakeholders.
- The Report sorts and presents issues of material importance specific to different stakeholder groups for clear understanding.

For future reporting purposes, the Auditor suggests providing year-on-year data comparing achieved outcomes against established targets for key material issues, while better managing any issues found to be weak or lacking.

[Responsiveness] Does the Report provide an adequate response to stakeholder demands and areas of interest?

It is the Auditor's view that Kyobo Life Insurance has been working to be proactive in collecting stakeholder requests while providing an active response to stakeholder interests and concerns. The following points were found to be particularly commendable.

- The Company provides a time-series account of its commitments to stakeholder groups based on a Disclosure on Management Approach as part of its continued responsiveness toward stakeholders.
- Provides a progress report on various sustainability management initiatives to show the extent of the Company's response toward stakeholder requirements and areas of interest.

Going forward, the Auditor suggests providing a more detailed account of key responses by the Company regarding key material issues after assessing stakeholder requirements and issues of interest.

[GRI Application Levels]

The Assurance Provider found the Report to apply to GRI G3 Reporting Framework at the level of A+.

	C	C*	B	B*	A	A*
G3 Profile Disclosures	Report on: 1.1 – 2.10 3.1 – 3.8, 3.10 – 3.12 4.1 – 4.4, 4.14 – 4.15	Report on all criteria listed for Level C plus: 1.2 3.9 – 3.13 4.5 – 4.13, 4.16 – 4.17	Same as requirement for Level B	Same as requirement for Level B	Same as requirement for Level B	Same as requirement for Level B
G3 Management Approach Disclosures	Not Required	Management Approach Disclosures for each Indicator Category	Management Approach Disclosures for each Indicator Category	Management Approach Disclosures for each Indicator Category	Management Approach Disclosures for each Indicator Category	Management Approach Disclosures for each Indicator Category
G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.	Report on a minimum of 20 Performance Indicators, at least one from each of: Economic, Environmental, Human rights, Labor, Society, Product Responsibility	Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or; b) explaining the reason for its omission.	Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or; b) explaining the reason for its omission.	Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or; b) explaining the reason for its omission.	Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or; b) explaining the reason for its omission.

[BEST Fulfillment Levels]

The Assurance Provider found the Report to fulfill 94.2% of the reporting requirements necessary to qualify for a Level 4 Report (from among Level 1 ~ 5).

Trend of the Kyobo Life Insurance Sustainability Report Fulfillment

Reporting Year	2011	2012
Publications	1 st	2 nd
Level	Level 4	Level 4
Fulfillment	91.3%	94.2%

※ Assurance findings were converted uniformly into fulfillment ratios as measured against Level 1 through 5 requirements.

Recommendations

Relative to the prior year, the Auditor found Kyobo Life Insurance's FY2011 Sustainability Report commendable on the following counts. The Report 1) provides materiality assessment findings in an easy to understand graph format; 2) reflects the Company's ongoing commitment toward the systematic implementation of sustainability management via its sustainability management deliberation committee; and 3) reflects continuous efforts by the Company to manage performance indicators to track implementation of its ten sustainability management principles which are based upon the Company's sustainability management framework.

For future reports, the Auditor suggests the following considerations.

- Make continuous efforts to uncover new issues aligned to the characteristics of the insurance industry
- Strengthen management of performance-related information to better respond to issues relevant to the environmental dimension
- Provide year-on-year trend data on material issues and indicate the extent of the Company's response
- Provide a full account of contents required by sustainability management guideline indicators

Based on the recommendations contained herein as well as the letter of recommendation submitted separately to members of Kyobo Life Insurance management, the Auditor recommends building a more systematic and improved platform for sustainability management and reporting in the future.

Independence

Apart from this independent assurance undertaking, the Auditor was not involved in the preparation of any part of the Report, and has no commercial affiliation with Kyobo Life Insurance that might compromise our independence.

Qualifications of the Auditor

Commissioned by Kyobo Life Insurance as the Auditor for this assurance undertaking, the Institute for Industrial Policy Studies (IPS) was established in 1993 and has since developed into a specialized institution with broad expertise in the areas of business ethics, CSR, and sustainability management since 2002. The Auditor is composed of experts in business management, accounting, and environmental science including professors at Korea's top universities and practitioners with professional accreditation and extensive experience in sustainability management.



May 30, 2012
Jae-Eun, Kim
President, The Institute for Industrial Policy Studies

Kim

GRI Application Level Check Statement



Statement GRI Application Level Check

GRI hereby states that **Kyobo-Life Insurance Co.,Ltd** has presented its report "FY2011 Sustainability Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 15 May 2012

A handwritten signature in blue ink, appearing to read "Nelmara Arbex".

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because Kyobo-Life Insurance Co.,Ltd has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 27 April 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

Index (GRI, ISO26000, BEST)

● Fully ○ Not ◇ Not Applicable ● Partially

GRI Index	Description	Reported	Page	ISO 26000	BEST
1. Strategy and Analysis					
1.1	Statement from the most senior decision-maker of the organization.	●	2-3	6.2	A_1
1.2	Description of key impacts, risks, and opportunities.	●	2-3	6.2	A_2
2. Organizational Profile					
2.1	Name of the organization.	●	4		A_3
2.2	Primary brands, products, and/or services.	●	7		A_4
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	●	4-5	6.2	A_5
2.4	Location of organization's headquarters.	●	4		A_7
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	4		A_7
2.6	Nature of ownership and legal form.	●	5		A_8
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	●	4		A_9
2.8	Scale of the reporting organization.	●	4		A_10
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	◇	-		B_8
2.10	Awards received in the reporting period.	●	87		C08
3. Report Parameters					
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	●	Cover		B_3
3.2	Date of most recent previous report (if any).	●	Cover		B_8
3.3	Reporting cycle (annual, biennial, etc.)	●	Cover		B_6
3.4	Contact point for questions regarding the report or its contents.	●	Cover		B_9
3.5	Process for defining report content.	●	15-17		B_4
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	●	Cover		B-1
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	●	Cover		B-2
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	◇	-		A_6
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	●	22,36,50,62		-
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	◇	-		-
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	◇	-		B_5
3.12	Table identifying the location of the Standard Disclosures in the report.	●	81-84		B_10
3.13	Policy and current practice with regard to seeking external assurance for the report.	●	78-80	7.5.3	B_7
4. Governance, Commitments, and Engagement					
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	●	10	6.2	GR1
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	●	10	6.2	GR3
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	●	10	6.2	GR2
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	37,41	6.2	GR12
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	●	11	6.2	GR7
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	10-11	6.2	GR13
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	●	10-11	6.2	GR4
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	●	6,86	6.2	-
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	●	11	6.2	GR5
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	●	10-11	6.2	GR6

Index (GRI, ISO26000, BEST)

● Fully ○ Not ◇ Not Applicable ● Partially

GRI Index	Description	Reported	Page	ISO 26000	BEST
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	12	6.2	GR11
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	●	81-86	6.2	GR10
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	●	87	6.2	A_11
4.14	List of stakeholder groups engaged by the organization.	●	14	6.2	A_7
4.15	Basis for identification and selection of stakeholders with whom to engage.	●	12	6.2	C_1
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	●	14,16	6.2	C_2
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	●	17,22,36,50,62	6.2	C_3
Economic Performance	Disclosure on Management Approach	●	50		EC_DMA
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	●	9	6.8/6.8.3/6.8.7/6.8.9	EC1
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	●	73	6.5.5	EC2
EC3	Coverage of the organization's defined benefit plan obligations.	●	39	6.4.4/6.8	EC3
EC4	Significant financial assistance received from government.	◇	-		EC5
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	●	39	6.4.4/6.8	EM4
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	○	-	6.6.6/6.8/6.8.5/6.8.7	EC4
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	○	-	6.8/6.8.5/6.8.7	EC4
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	●	62-63,70	6.3.9/6.8/6.8.3/6.8.4/6.8.5/6.8.6/6.8.7/6.8.9	EC6
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	○	-	6.3.9/6.6.6/6.6.7/6.7.8/6.8/6.8.5/6.8.6/6.8.7/6.8.9	EC7
Environmental Performance	Disclosure on Management Approach	●	62		EV_DMA
EN1	Materials used by weight or volume.	●	72-73		EV10
EN2	Percentage of materials used that are recycled input materials.	●	73		EV11
EN3	Direct energy consumption by primary energy source.	●	72-73		EV7
EN4	Indirect energy consumption by primary source.	●	72-73		EV8
EN5	Energy saved due to conservation and efficiency improvements.	●	73		EV5
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	◇	-	6.5/6.5.4	EV5
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	●	72		EV5 EV25
EN8	Total water withdrawal by source.	●	73		EV9
EN9	Water sources significantly affected by withdrawal of water.	◇	-		EV20
EN10	Percentage and total volume of water recycled and reused.	●	73		EV18
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	◇	-		EV22
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	◇	-		EV22 EV26
EN13	Habitats protected or restored.	◇	-	6.5/6.5.6	EV27
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	○	-		EV6 EV26
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	○	-		EV28
EN16	Total direct and indirect greenhouse gas emissions by weight.	●	72-73		EV12
EN17	Other relevant indirect greenhouse gas emissions by weight.	◇	-	6.5/6.5.5	EV13
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	72-73		EV4
EN19	Emissions of ozone-depleting substances by weight.	◇	-	6.5/6.5.3	EV14

Index (GRI, ISO26000, BEST)

● Fully ○ Not ◇ Not Applicable ● Partially

GRI Index	Description	Reported	Page	ISO 26000	BEST
EN20	NOx, SOx, and other significant air emissions by type and weight.	◇	-	6.5/6.5.3	EV15
EN21	Total water discharge by quality and destination.	◇	-		EV17
EN22	Total weight of waste by type and disposal method.	●	73		EV16
EN23	Total number and volume of significant spills.	◇	-		EV21
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	◇	-		EV29
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	◇	-	6.5/6.5.4/6.5.6	EV19
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	●	72-73	6.5/6.5.4/6.6.6/6.7.5	EV23
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	◇	-	6.5/6.5.4/6.7.5	EV24
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	●	No Occurrence	6.5	EV31
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	◇	-	6.5/6.5.4/6.6.6	EV30
EN30	Total environmental protection expenditures and investments by type.	●	70	6.5	EV1
Labor Practices and Decent Work	Disclosure on Management Approach	●	36		EM_DMA2
LA1	Total workforce by employment type, employment contract, and region.	●	42-43	6.4/6.4.3	EM1
LA2	Total number and rate of employee turnover by age group, gender, and region.	●	42		EM5
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	●	39-41	6.4/6.4.3/6.4.4	EM20
LA4	Percentage of employees covered by collective bargaining agreements.	●	41	6.4/6.4.3/6.4.4/ 6.4.5/6.3.10	EM12
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	●	41	6.4/6.4.3/6.4.4/6.4.5	EM13
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	●	41	6.4/6.4.6	EM14
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	○	-		EM19
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	●	27,40-41	6.4/6.4.6/6.8/6.8.3/ 6.8.4/6.8.8	EM18
LA9	Health and safety topics covered in formal agreements with trade unions.	●	40-41	6.4/6.4.6	EM15
LA10	Average hours of training per year per employee by employee category.	●	36	6.4/6.4.7	EM27
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	44-47	6.4/6.4.7/6.8.5	EM28
LA12	Percentage of employees receiving regular performance and career development reviews.	●	43,46	6.4/6.4.7	EM29
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	●	10,42-43	6.3.7/6.3.10/6.4/6.4.3	EM2
LA14	Ratio of basic salary of men to women by employee category.	●	39	6.3.7/6.3.10/6.4/ 6.4.3/6.4.4	EM17
Human Rights	Disclosure on Management Approach	●	36		EM_DMA1
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	○	-	6.3/6.3.3/6.3.5/6.6.6	PN2
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	○	-	6.3/6.3.3/6.3.5/ 6.4.3/6.6.6	PN3
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	●	43	6.3/6.3.5	EM30
HR4	Total number of incidents of discrimination and actions taken.	●	43	6.3/6.3.6/6.3.7/ 6.3.10/6.4.3	EM7
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	●	No Occurrence	6.3/6.3.3/6.3.4/ 6.3.5/6.3.8/6.3.10/ 6.4.3/6.4.5	EM8
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	●	43	6.3/6.3.3/6.3.4/ 6.3.5/6.3.7/6.3.10	EM9
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	●	43		EM10
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	●	76	6.3/6.3.5/6.4.3/6.6.6	EM31
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	◇	-	6.3/6.3.6/6.3.7/ 6.3.8/6.6.7	C02

Index (GRI, ISO26000, BEST)

● Fully ○ Not ◇ Not Applicable ● Partially

GRI Index	Description	Reported	Page	ISO 26000	BEST
Society	Disclosure on Management Approach	●	62		CO_DMA
S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	●	62-63	6.3.9/6.8/6.8.5/ 6.8.7/6.6.7	C01
S02	Percentage and total number of business units analyzed for risks related to corruption.	●	58	6.6/6.6.3	C05
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	●	59		C05
S04	Actions taken in response to incidents of corruption.	●	59		C05
S05	Public policy positions and participation in public policy development and lobbying.	●	69	6.6/6.6.4/6.8.3	C06
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	◇	-		C07
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	●	74	6.6/6.6.5/6.6.7	CS3
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	●	58	6.6/6.6.7/6.8.7	C09
Product Responsibility	Disclosure on Management Approach	●	22		CS_DMA
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	●	26-27	6.3.9/6.6.6/6.7 /6.7.4/6.7.5	CS4
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	◇	-		CS11
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	●	29	6.7/6.7.3/6.7.4/6.7.5 /6.7.6/6.7.9	CS5
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	●	No Occurrence		CS12
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	●	22-23	6.7/6.7.4/6.7.5/6.7.6 /6.7.8/6.7.9	CS9
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	●	30	6.7/6.7.3/6.7.6/6.7.9	CS13
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	●	30		CS14
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	●	No Occurrence	6.7/6.7.7	CS15
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	●	No Occurrence	6.7/6.7.6	CS12

Financial Service Sector Supplement

● Fully ○ Not ◇ Not Applicable ● Partially

GRI Index	Description	Reported	Page
FS1	Policies with specific environmental and social components applied to business lines.	●	6
FS2	Procedures for assessing and screening environmental and social risks in business lines.	●	55-57
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	●	55-58
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	●	64,76
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	●	68
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	●	4-5
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	●	68-69
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	●	70
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	●	58
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	●	70
FS11	Percentage of assets subject to positive and negative environmental or social screening.	●	70
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	○	-
FS13	Access points in low-populated or economically disadvantaged areas by type.	●	33
FS14	Initiatives to improve access to financial services for disadvantaged people.	●	33
FS15	Policies for the fair design and sale of financial products and services.	●	22,29
FS16	Initiatives to enhance financial literacy by type of beneficiary.	●	65, 67

UN Global Compact



In September 2010, Kyobo Life joined the UNGC (UN Global Compact) and expressed its will to honor ten principles suggested by the UNGC. This sustainability report contains the Company's activities to practice the ten principles.

	Principles	Major Activities	Page
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights; and	•Professional Ethical Action Guidelines	43
	2. make sure they are not complicit in human rights abuses.	•Education of employees on preventing sexual harassment •Education of security personnel •Activities to protect customer information	43 76 28
Labour Standards	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	•Activities for win-win labor-management relationships	41
	4. the elimination of all forms of forced and compulsory labour;	•Banning forced labor	43
	5. the effective abolition of child labour; and	•Banning child labor	43
	6. the eliminate discrimination in respect of employment and occupation.	•Abolishing employment and occupation discrimination •Fair evaluation	43 43
Environment	7. Businesses should support a precautionary approach to environmental challenges;	•"Supjarami," experience-based ecological education project team •Eco-friendly Dasomi family volunteer activities.	71 71
	8. undertake initiatives to promote greater environmental responsibility; and	•Efforts to save energy	72
	9. encourage the development and diffusion of environmentally friendly technologies.	•Environmental investment of SRI •Kyobo Life and Environment Awards	70 71
Anti-Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	•Business ethics education •Reporting violations of core values •Clean contract system •Gift-Return Center	76 76 75 76

Kyobo Life's Code of Professional Ethics



The mission of Kyobo Life is to help all people prepare for any hardship they might encounter in their lives.

Since Kyobo Life's foundation in 1958, this mission has been steadfastly pursued; we have been earning customer trust; and this is our priceless and irreplaceable asset.

Our vision is to inherit such a tradition, to put first the interest and benefit of honorable customers, to ceaselessly pursue audacious goals for the development of the Company and ourselves in a creative spirit, and to become a company with the highest retention rate in the Korean life insurance industry.

To fully achieve this vision in a manner reflective of high ethical awareness and conduct is no doubt the most for all stakeholders, including customers, financial planners, employees, investors, and the government and community, to prosper together and for the Company to progress perpetually.

We, employees at Kyobo Life, solemnly pledge that, even if the vision should seem daunting at times, or an opportunity to make an inappropriate profit should arise, we will always abide by social regulations, practice Kyobo Life's core objectives and values, and create a win-win situation for all stakeholders by achieving the vision.



Awards Related to Sustainability Management

	Summary
2011. 11	Kyobo Life won the Prize of the Minister of Knowledge Economy at the 6th Sustainability Management Awards of the Ministry of Knowledge Economy
2011. 10	The Korea Standard Association selected Kyobo Life as the first-ranked company in the life insurance sector in the 2011 Korean Sustainability Index for two straight years.
2011. 2	The Ministry of Health & Welfare Prize in recognition of promoting welfare for the handicapped
2010. 9	(Nonparticipating) Kyobo 100-Year-Old People Variable Pension Plan won the Grand Prize in the financial and service innovation category of the 2010 Korea Financial Innovation Awards
2010. 5	Chairman Shin took home the 2010 Korean Entrepreneur Prize
2010. 5	Chairman Shin Chang-Jae received the 19th Mont Blanc Cultural Art Supporter Award
2010. 3	Fortune Korea Magazine selected Kyobo Life as the Number-One Life Insurer in Korea among its 50 Most Respected Korean Firms.
2009. 11	The IRC picked Kyobo Life as the finest life insurer in Asia in 2009.
2009. 11	Kyobo Life received an "S grade" of "Family-Friendly Management" from the Ministry of Social Welfare

Association Memberships for Sustainability Management

Name	Major Activities	Year of Obtaining Membership
Korea Life Insurance Association	Exchange information to promote healthy insurance culture and support rational insurance policy formation	1958
Korean Insurance Academic Society	Researches insurance-related theories, laws and practices	1964
The Institute of Actuaries of Korea	Introduces various insurance systems, holds seminars and exchange information with the International Actuarial Association	1978
LOMA	Publishes reliable insurance industry data for public sharing	1978
Korea Insurance Development Institute	Offers information on fair and rational insurance premium calculation and research on insurance	1990
Financial Information Protection	Helps develop financial information safety-related policies and standards	2002
BEST Forum	Promotes ethical management and researches on sustainability management	2005
Financial Security Agency	Conducts various activities aimed at preventing and countering hacking	2006
Korea Fair Competition Federation	Promotes the understanding and practices of fair trade	2006
Korea Risk Management Society	Offers information on risk recognition, researching of risk-related losses, and business ties	2006
UN Global Compact Korea	Promote the exchange of information about corporate social responsibility	2010

Financial Highlights

A balance sheet(Financial Position)

(Unit : 100 million)

Separation	FY2011	FY2010	April.1.2010
Assets	623,608	580,477	543,933
Cash and Deposits	9,557	9,965	12,790
Financial Assets	295,269	254,925	237,261
Loans	141,311	128,878	120,077
Other Assets	58,879	71,502	65,283
Separate Account Assets	118,591	115,207	108,522
Liabilities	572,223	533,748	503,831
Policy Reserve	430,984	396,381	367,748
Other Liabilities	21,134	20,555	25,802
Separate Account Liabilities	120,104	116,811	110,280
Equity	51,385	46,729	40,102
Capital stock	1,025	1,025	1,025
Capital surplus. etc	4,229	4,229	4,229
Accumulated other comprehensive income	8,310	8,849	7,882
Retained earnings	37,821	32,626	26,966
Liabilities and Equity	623,608	580,477	543,933

Income Statement(Separate Statements of Comprehensive Income)

(Unit : 100 million)

Separation	FY2011	FY2010	Change
Operating Revenues	106,200	109,140	-2,940
Premium income	68,153	68,784	-631
Investment income. etc	38,047	40,356	-2,309
Operating Expenses	99,408	102,257	-2,849
Provision for policy reserves	34,541	28,254	6,287
Claims paid	57,728	62,349	-4,621
Other Expenses	7,139	11,654	-4,515
Operating Income	6,792	6,883	-91
Net gain on investments in associates and subsidiaries	365	1,243	-878
Income before Income Tax	7,157	8,126	-969
Income tax expense	1,702	2,057	-355
Net income	5,455	6,069	-614

Inquiries

This Report was published in English and Korean. More detailed information regarding the contents of this Report is available at the IR section of the Company's website (www.kyobo.co.kr). For more information, please contact.

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