

A Promise for a Happy Society

2011 Sustainability Report
[3rd Report]



Objective

This report is geared toward providing our sustainability management vision, strategies and activities in a transparent manner and listening to stakeholders' opinions, thereby reflecting them on our sustainability management policies and decision-making processes.



Report Highlights

This third report covers our sustainability management activities by stakeholders.

We conducted a materiality test based on internal and external policy and regulations, media research, interviews and surveys. We focused on activities found to be highly material by the assessment. We created a Disclosure on Management Approach (DMA) to each stakeholder section while making proper use of quantitative and qualitative performances. We marked pages to enable stakeholders to find relevant performances on the back part of the report.



Reporting Period

We publish our sustainability report every two years. This is our third report which covers the period from FY2009 to FY2010 (between April 1st, 2009 and March 31st, 2011) while our activities and performances after the period are also included in order to provide our stakeholders with more accurate information.



Reporting Principles

This report is written with reference to the G3.1 Reporting Guidelines of GRI (Global Reporting Initiative), the Financial Service Sector Supplement of GRI, and BEST Guideline. This report was verified by the Institute for Industrial Policy Studies (IPS) in order to ensure the reliability and accuracy.



Reporting Scope

This report describes performances at Dongbu Insurance head office and domestic business sites including regional headquarters and claims service centers. However, overseas branches and offices are not included. Environmental data is centered on the data of the head office building. The main currency unit used in this report is the Korean won (KRW).

Dongbu Insurance expresses its will for sustainability management in its third sustainability report. Dongbu Insurance informs all stakeholders such as customers, investors, employees, partners and society of economic, social and environmental activities and performances of Dongbu Insurance and promises to fulfill its social responsibilities as a corporate citizen through the publication of this report.

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For Society Where Humanity Is Happy

In order to make employees, customers and stakeholders happy to become a sustainable company through customer satisfaction, Dongbu Insurance is building a sustainability management system matching those of the world's leading insurers by establishing its vision, "a global insurance financial group which pursues a happy society with customers" and working out 14 sustainable management strategies. With an eye toward sharing happiness with more people, the company is managing the matching grant-based Promy Heart Fund and making use of the fund as a financial source for social contribution and donation activities while delivering love and care to people in need in local communities through the Promy Volunteer Corps. We are keeping our warm promises for society where humanity is happy.







For Society Where the Earth Is Happy

Dongbu Insurance is taking part in various Green Start activities such as holding Children's Environmental Painting Festival and donating money to Environmental Education School after signing an MOU with the Ministry of Environment and the Green Start Network for the first time in the Korean insurance industry. We are taking part in the CDP (Carbon Disclosure Project) recognizing our direct and indirect responsibilities for climate change due to green house gas emissions while taking worsening environmental problems seriously. We are also developing environment-friendly insurance policies and are carrying out activities to reduce greenhouse gas emissions. Through these activities, Dongbu Insurance is honoring its clean promises for society where the earth is happy.



For Society with a Brighter Future

Dongbu Insurance announced its new slogan, "Dynamic Dongbu" for 2010 to accomplish management goals while pursuing two-way communication, practical value and self-controlled management in its dynamic corporate culture. With an aim of creating an insurance business culture for win-win growth with customers, we are building a sound labor-management culture by running a wide variety of programs for creating a great workplace. In 2011 Dongbu Insurance was externally recognized as the company was selected as a leading company in the insurance category in the DJSI evaluation for three straight years. Through these activities, Dongbu Insurance is honoring its honest promises for society with a bright future.



CEO Message

Dongbu Insurance runs the Sustainability Management Committee to go ahead with companywide sustainability management. The company pushes for activities by organizing the economic, environmental and social sub-committees. These efforts paid off. Dongbu Insurance's sustainability management was externally recognized as the DJSI ranked the company first in the insurance business for three straight years in 2011.

Dear Stakeholders Who Support Dongbu Insurance.

I would like to thank you for your strong and steady support for Dongbu Insurance.

Dongbu Insurance was able to lay the foundation for stable growth despite the prolonged economic slump due to the financial crisis in Europe and the downgrade of the credit rating of the U.S. In terms of business performances, our company recorded the highest growth rate while its business efficiency indicators such as income, a solvency margin ratio and retention rate stayed at a top level in the industry.

But a major worldwide trend assures us that a company without a sustainability management system which pursues economic goals such as growth and profits only will have a very uncertain future.

Our company is running the Sustainability Management Committee, the highest decision-making organization with the CEO and heads of business divisions participating for companywide sustainability management. We established the Economic, Environmental and Social Subcommittees to push for activities practically around relevant departments.

We are taking part in the CDP (Carbon Disclosure Project), developing environment-friendly insurance policies and reducing greenhouse gas with strong awareness of climate change by greenhouse gas emissions and others. Dongbu Insurance delivers love and care to marginalized people in communities through the Promy Volunteer Corps. At the same time, our company is managing the matching grant-based Promy Heart Fund where employees donate some of their salaries and the company donates the same amount of money donated by them.

Moreover, we are creating an insurance business culture where we can enjoy win-win growth with customers through development of insurance products that can meet customer needs and complete sales. Furthermore, we are fostering a sound labor-management culture by running a wide array of programs to create great workplaces.

Dongbu Insurance has steadily pushed for sustainability management activities. In 2011, our company was selected as a leading company in the insurance category in the DJSI evaluation for three straight years. This fact proves that our corporate social responsibility-based management was duly recognized externally.

Dongbu Insurance will not rest on its laurels. We will grow into a more sincere corporate citizen whiling sharing love from our stakeholders with neighbors in need.

Thank you.

Kim Jeong-nam,
President and CEO of Dongbu Insurance



“ Dongbu Insurance is pushing for sustainability management for its balanced growth in the economic, environmental and social sectors while understanding the historic trend. ”



About Dongbu Insurance

We pursue win-win growth with various stakeholders such as shareholders, customers and employees under our vision of
“A Global Insurance Financial Group which Pursues a Happy Society with Customers”



Corporate Overview

• COMPANY PROFILE

(As of March 31, 2011)

Company name	Dongbu Insurance Co.Ltd.
Head office	Dongbu Financial Center, 432, Teheran Road, Gangnam-gu, Seoul, 135-523, Korea
Date of establishment	March 2, 1962
CEO	Kim Jeong-nam
Network	[Domestic] 50 branches, 12 claims service centers [Overseas] 3 branches (Hawaii, Guam, LA) 2 offices (New York, Beijing) Joint venture (Cheongdo)
Paid-in capital	KRW35.4 billion
No. of employees	4,181
Total Shareholders' Equity	KRW13,077.1 billion
Total assets	KRW12,871.3 billion

※ Four overseas branches and Three overseas offices are under operation as the New York branch and the Jakarta/Ho Chi Minh branch were established in 2011.

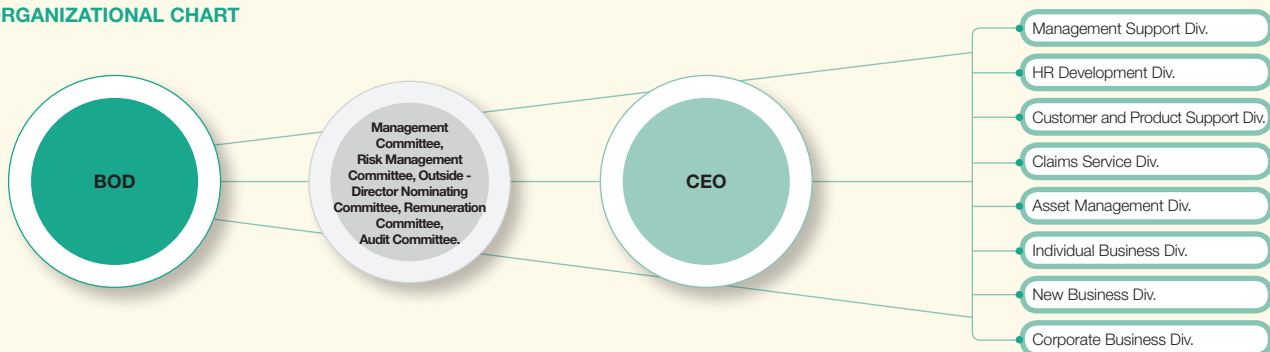
※ Contract-basis workers are included.

Company Profile | Established in March 1962 as the first auto insurance company in Korea, Dongbu Insurance has since grown into a comprehensive insurance company providing all types of products and services of the non-life insurance sector. The company is making companywide efforts to create new value through the steady growth of the company and communication with stakeholders to realize the vision of “A Global Insurance Financial Group which Pursues a Happy Society with Customers” on the basis of three initiatives – globalization, specialization and creating more added value. We posted 18.9% year-on-year growth, KRW7,113.7 billion in direct premiums written and KRW284.4 billion in net income.

Organization and Subsidiaries | The head office is organized into eight divisions. Under the divisions are 23 teams and 53 departments. The head office sets the vision and strategies for the entire company and establishes policies for each business segment. Nationwide, we have seven regional headquarters, 50 branches and six customer service centers.

In addition, 12 claims service centers across the nation, call centers in Seoul and Jeonju and telecommuting call centers deal with customers' claims and customer services. The insurer owns six subsidiaries -- Dongbu Life Insurance, Dongbu Securities, Dongbu Insurance Claim Adjustment, Dongbu Claim Adjustment & Settlement, Dongbu Claim Survey & Investigation and Dongbu Customer & Network Service

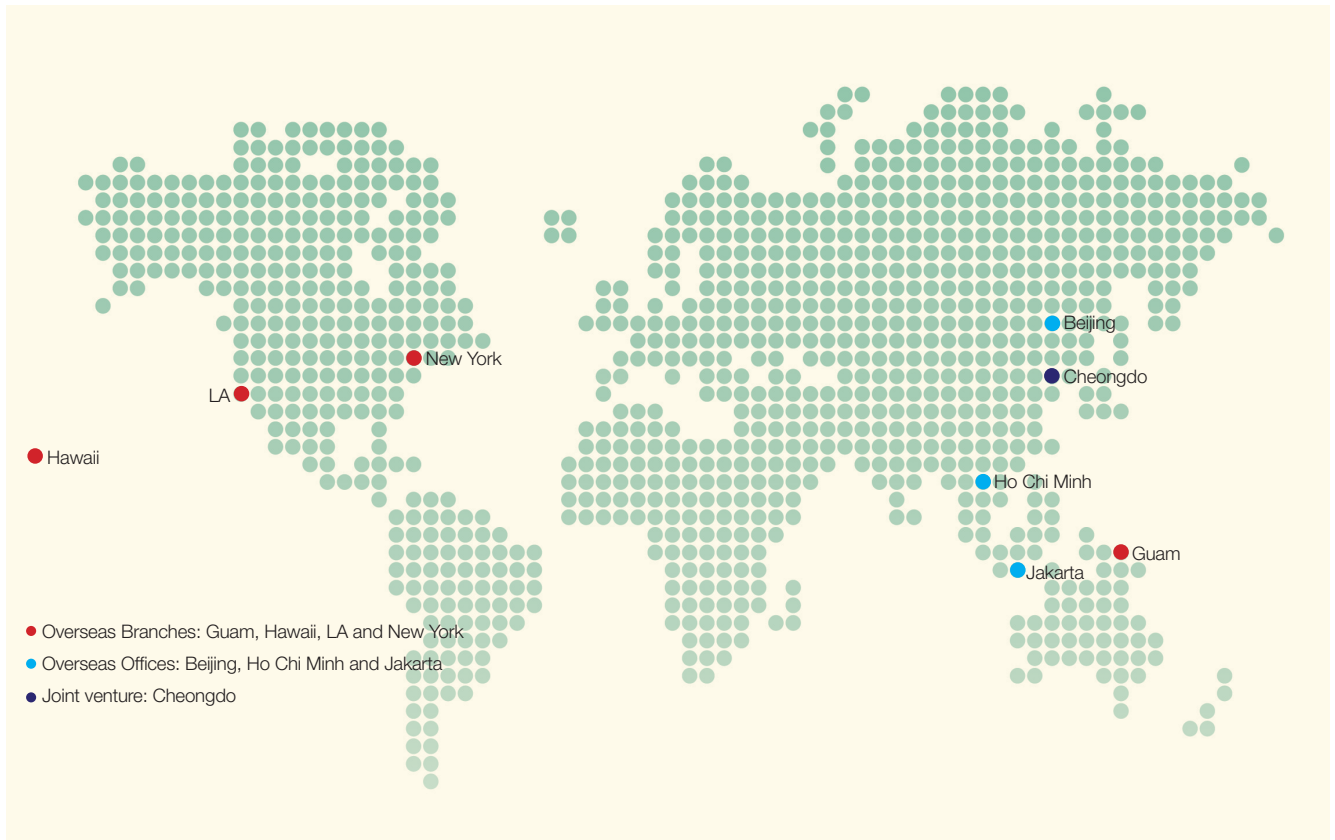
• ORGANIZATIONAL CHART



• SUBSIDIARIES

Company name	Major businesses	Date of establishment	Paid-in capital (KRW)	No. of shares held	Ownership
Dongbu Life Insurance	Life Insurance	Apr. 14, 1989	145.3 billion	11.45 million	39.4%
Dongbu Securities	Investment	Dec. 20, 1982	212.1 billion	8.46 million	19.9%
Dongbu Insurance Claim Adjustment	Claims Adjustment	Feb. 29, 1984	1 billion	200,000	100.0%
Dongbu CAS	Claims Adjustment for Third Insurance	Mar. 17, 2011	300 million	60,000	100.0%
Dongbu CSI	Claims Adjustment for Third Insurance	Mar. 17, 2011	200 million	40,000	100.0%
Dongbu CNS	Claims Adjustment and Other Financial Support Service	Mar. 17, 2011	200 million	40,000	100.0%

Overseas Network



Shareholder Breakdown | As of the end of March 2011, three major shareholders own 26.00% of the company shares. The Dongbu Cultural Foundation owns 5.00% while foreign investors and individual shareholders have 34.64% and 23.76%, respectively. Treasury stocks account for 10.60%.

• MAJOR SHAREHOLDERS (as of Mar. 31, 2011)

(unit: share, %)

Name	No. of shares	Ownership
Kim Nam-ho	9,951,520	14.06
Kim Jun-ki	5,568,500	7.87
Kim Ju-won	2,879,640	4.07
Dongbu Cultural Foundation	3,539,070	5.00
Treasury Stocks	7,501,660	10.60
Foreign Investors	24,526,865	34.64
Others	16,832,745	23.76
Total	70,800,000	100.00

Products and Services

Dongbu Insurance develops and offers its customers insurance products that can protect them from various risks. At the same time, the company is fulfilling its corporate social responsibilities by developing products in consideration of social and environmental aspects. Moreover, we put forth efforts to protect customers' properties and enhance their health management by providing various services after customers buy our insurance policies.

• PRODUCT

Category	Details	Major Products
Auto	Compensating for injuries and property your damage when car accidents occur	·Personal Auto Insurance ·Business Auto Insurance ·Commercial Auto Insurance
Driver & Accident	Compensating for injuries in daily life and drive	·Smart Driver Insurance ·Better Driver Insurance ·Bravo Injury Insurance
Convergence	Providing one-policy, integrated compensation for risks which arise in daily life	·Smart Convergence Insurance ·Family Life Insurance
Health	Compensating for medical expenses within agreed ranges, including costs of treatment and hospital charges	·100-Year-Old Youth Insurance ·Cancer Plus Guarantee Insurance ·Smart Diabetes CI Insurance
Children & Studying Abroad	Compensating for diseases and injuries of children	·Smart Child Love Insurance ·Insurance for Student Studying Abroad
Pension & Saving	Saving product which eases economic burdens on customers after their retirement	·Smart Pension Insurance ·Wells Plus Insurance
Travel & Leisure	Covering risk during travel and leisure activities	·Outdoor Leisure Insurance ·Domestic and International Traveler Insurance
Fire & Disaster	Compensating for damages from fires and disasters - Anti-natural disaster insurance is government-supported insurance. The government pays some of the insurance money	·Smart General Fire Insurance ·Smart General Home Insurance ·Anti-Natural Disaster Farming Insurance
Loan	Making loans for economic stability of customers	·Loans on Insurance Policies ·Loans on Real Estate ·Loans on Credit

•SERVICE

Category	Details
Car Care Service	Car inspection, 10% discounts of prices and service charges and car history management
Promy Health Care Service	·Health Care Service: Telephone counseling by specialized medical staff, health contents and special treatment reservation ·On-line Health Management Program: An on-line health management program and health counseling
Nursing & Funeral Service	Introducing nurses and offering total funeral service
Emergency Dispatch Service	Offering quick and accurate services through 560 Promy World shops
Dispatch-to-Site Service	Offering quick and accurate services to help troubled drivers through 540 Promy World shops
Auto Care Service	Offering 36-item auto inspection service, maintenance history management service, repaired car delivery service, car sanitation service through 400 Promy World maintenance centers.
Reservation Service of Inspection and Registration on Behalf of Customers	Providing inspection and registration services through 250 shops on behalf of customers.

Dongbu Insurance Highlights



Ranking 1st in DJSI Korea for 3 Straight Years

In 2011, Dongbu Insurance came in first for three years running in the insurance industry in the DJSI Korea evaluation by Dow Jones, the world's largest financial information provider. SAM, the best global sustainability management evaluator of Switzerland, selected the company as a member of the Bronze Class in its Sustainability Yearbook.



Signing MOU with the Ministry of Environment

On January 14, 2010, Dongbu Insurance signed an MOU to cooperate with the Ministry of Environment and the Green Start Network, a first in the insurance industry. The company is making endeavors to establish a green life culture to reduce greenhouse gas emissions by taking part in various Green Start activities such as the Children's Environmental Painting Festival and donating money to Environmental Education School.



Proclaiming New Slogan "Dynamic Dongbu"

Dongbu Insurance announced a new slogan, "Dynamic Dongbu" to realize good communication among employees, practical value and self-management in a dynamic corporate culture and reach its business goals early on the basis of them.

Listed in the Socially Responsible Investment Index

The Korea Stock Exchange included Dongbu Insurance in the Socially Responsible Investment Index by evaluating the sustainability of companies such as the environment, society and corporate governance.

Joining Global Compact

By joining the UN Global Compact, a joint action group between the UN. and companies in November 2011, Dongbu Insurance expressed its will to honor and practice ten principles such as human rights, labor, the environment and anti-corruption.



Regular Meetings with CEO

Dongbu Insurance holds regular meetings between the CEO and its employees with “realizing good communication among employees, practical value and self-management” as basic management principles every month. The meeting is held in various places such as pubs, theaters, company houses and mountains.

Receiving ‘BBB+(Positive)’ Rating

Dongbu Insurance maintained a “BBB+” rating in a credit evaluation by S&P, an international credit evaluation organization in 2011. In the outlook sector, the company became the only company to enjoy the elevation of its rating from “Stable” to “Positive”. This means that S&P recognized Dongbu Insurance’s excellent insurance sales results, high capital adequacy level and stable business performance. In particular, such results are more meaningful in that the company achieved them despite the financial crisis in Europe and the deterioration of the credit rating of the U.S.

Participating in CDP

Since 2009, Dongbu Insurance has been taking part in the worldwide CDP (Carbon Disclosure Project) with strong awareness of climate change by greenhouse gas emissions and others.



Development of Eco-Friendly Insurance Policies (Evergreen Auto Insurance Product)

Dongbu Insurance developed and has been selling Evergreen Auto Insurance Product which sends documents such as insurance policies and provisions via email in consideration of environmental aspects since December, 2009. The company is reducing the use of paper through this product and accumulating part of the saved money as an environmental fund and using the fund to support Environmental Education School and nurture environmental leaders.



Winning Grand Prize at 2010 GWP Awards

Dongbu Insurance won the Grand Prize at Great Work Place (GWP) Awards by GWP Korea. This is a result of the company’s steady efforts to create good workplaces and means that its sound labor-management culture has been externally recognized.

DMA (Disclosure on Management Approach)



Sector	Vision and Goals	Strategy	Main Results (2009 to 2010)	Plan (2011 to 2012)	Managing Organization
Shareholders and Investors 	<ul style="list-style-type: none"> Maximizing corporate value 	<ul style="list-style-type: none"> Activating communication with shareholders and investors Practical value-oriented management Elevating work efficiency through management innovation 	<ul style="list-style-type: none"> Established 3 management principles (excellent communication among employees, practical value and self-management) Founded 3 subsidiaries Held EV explanatory session 	<ul style="list-style-type: none"> Speed up overseas projects Expand size around profitability Advance management efficiency 	<ul style="list-style-type: none"> Management planning department General affairs department Management innovation department Accounting support department
Customers 	<ul style="list-style-type: none"> Good company which leads customers to become sponsors through differentiated customer relation management and active customer protection system 	<ul style="list-style-type: none"> Developing insurance policies by considering customers needs Systematic customer complaint management Quality guarantee through complete sales 	<ul style="list-style-type: none"> Raised internal customer satisfaction points (80) Provided health care service Developed insurance policies with participation of customers Ran Consumer Review Group 	<ul style="list-style-type: none"> Steadily raise internal customer satisfaction points (81) Provide better-than-expected customer service Strengthen consumer protection through complete sales (complete sales ratio: 97%) Reinforce protection of customer information 	<ul style="list-style-type: none"> CS marketing department Consumer protection department Customer support department Companywide CS department
Employees 	<ul style="list-style-type: none"> Good workplace where employees realize dreams and visions 	<ul style="list-style-type: none"> Practicing GWP at global level Developing excellent human resources Building fair remuneration system 	<ul style="list-style-type: none"> Elevated employee satisfaction points (75.6) Established communication culture between CEO and employees Won Grand Prize of Korea GWP 	<ul style="list-style-type: none"> Elevate employee satisfaction points (78) Advance innovation program Expand human resources with global competitiveness Activate dynamic leaders 	<ul style="list-style-type: none"> Personnel management department HRD department
Partners 	<ul style="list-style-type: none"> Building reliable partnership for steady win-win growth 	<ul style="list-style-type: none"> Expanding growth engine for PA and raising efficiency Supporting partners with efficient systems Activating communication with claims service partners 	<ul style="list-style-type: none"> Raised sales partner satisfaction points (62) 116,312 people completed education course annually developed system for partners (GA portal, GTMS, PRM, Promy Car System) 	<ul style="list-style-type: none"> Raise sales partner satisfaction points (64) 120,000 will complete education course annually Enhance GA performances through system Strengthen communication channel with claims service partners 	<ul style="list-style-type: none"> Sales strategy department Sales management department Sales support department Claims planning department Auto claims support department Nationwide claims service centers and claims department
Communities 	<ul style="list-style-type: none"> Fulfilling corporate social responsibilities 	<ul style="list-style-type: none"> Implementing specialized social contribution programs Strengthening employees' Promy Volunteer Corps activities Strengthening activities on which characteristics of insurance business are reflected 	<ul style="list-style-type: none"> Activated Promy Volunteer Corps 2,230 took part in Promy Heart Fund Contributed to communities through sports sponsorship 	<ul style="list-style-type: none"> Set main social contribution areas Promote all employees' social contribution activities Reinforce external cooperation and network Expand sales of insurance for low-income families 	<ul style="list-style-type: none"> Personnel management General affairs department PR department Basketball team
Environment 	<ul style="list-style-type: none"> Becoming leading company in environmental management in 2020 Reducing carbon emissions by 10% by 2015 (per unit area) 	<ul style="list-style-type: none"> Specializing environmental risk management Minimizing environmental footprints Expanding green finance and environmental projects 	<ul style="list-style-type: none"> Carried out Green Start Movement Developed "Evergreen," environment-friendly auto insurance Took part in CDP 	<ul style="list-style-type: none"> Conduct carbon-neutral activities on full scale Expand development of environmental products and services Activate Green Start Movement 	<ul style="list-style-type: none"> Risk Management Research Center General affairs department Product-related department Financial planning department

Sustainability Management

Under the goal of "Sustainable Company through Customer Satisfaction," Dongbu Insurance is building a sustainable management system that can match those of world-class insurance firms by establishing 14 strategies.



Corporate Governance

Status of BOD | As of March 31, 2010, the Board of Directors (BOD) consisted of two inside directors and three outside directors. The two inside directors are the CEO and a full-time auditor. The proportion of outside directors is 60%, thus satisfying the legal requirement (50% or higher). Under the BOD, four committees are in operation according to the relevant laws and the Articles of Incorporation – the Management Committee, the Risk Management Committee, the Outside Director Nominating Committee, the Remuneration Committee and the Audit Committee. These committees deliberate and decide on the matters consigned by the BOD and issues that are general and frequently happen and need quick decision-making.

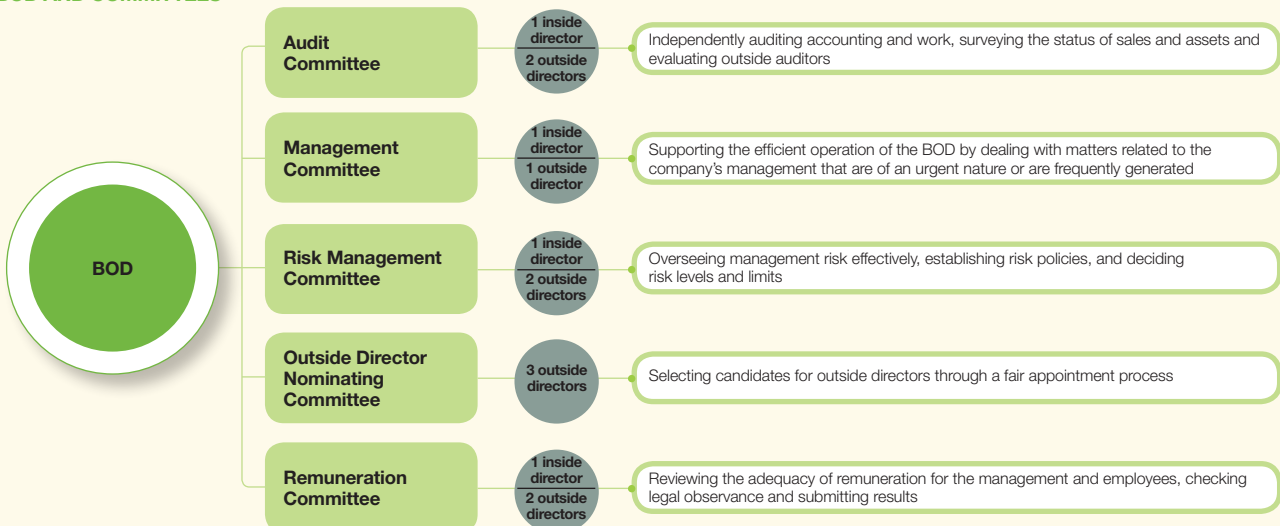
• BOD MEMBERS (as of the end of December 2011)

Category	Name	Responsibility	Career Highlights
Inside Director	Kim Jeong-nam	President and CEO BOD Chairman	Head of New Business Division Head of Individual Business Division
	Hwang Hee-joo	Full-Time Auditor	Head of Audit Office at Samsung Fire & Marine Insurance
Outside Director	Lee Keun-young	Senior Outside Director and Member of Audit Committee	Chairman of Financial Supervisory Commission and Financial Supervisory Service and Advisor to Law Firm Sejong
	Kim Sun-jeong	Director and Member of Audit Committee	Professor of Law at Dongguk Univ. and Member of Financial Grievance Settlement Committee at Financial Supervisory Service
	Rhee Soo-hyoo	Outside Director	Vice Minister of Finance and Chairman of Banking Supervisory Service

Operation of BOD | The BOD must meet on at least a quarterly basis, but extraordinary meetings can also be convened at the direction of the Chairman or a designated director if necessary in accordance with the regulation of the BOD. The CEO of Dongbu Insurance is the chairman of the BOD. The company appointed Lee Keun-young as a senior outside director. The BOD handles the matters related to the shareholders' meeting and issues on the company's management and financial status and directors and executives. Social and environmental factors are considered in the process of decision-making. In order to secure the fairness and efficiency in the process of decision-making and to prevent the conflict of opinions, at least half of the directors must be present at all meetings. In addition, a majority of those in attendance must approve the passage of resolutions. The voting rights of directors who cannot use their voting rights due to interest issues are excluded from the number of voting rights regardless of whether or not they are present. Shareholders may present agenda items for the general shareholders' meeting to the BOD. Questions on proposed items and requests for explanations can be made at shareholders' meetings.

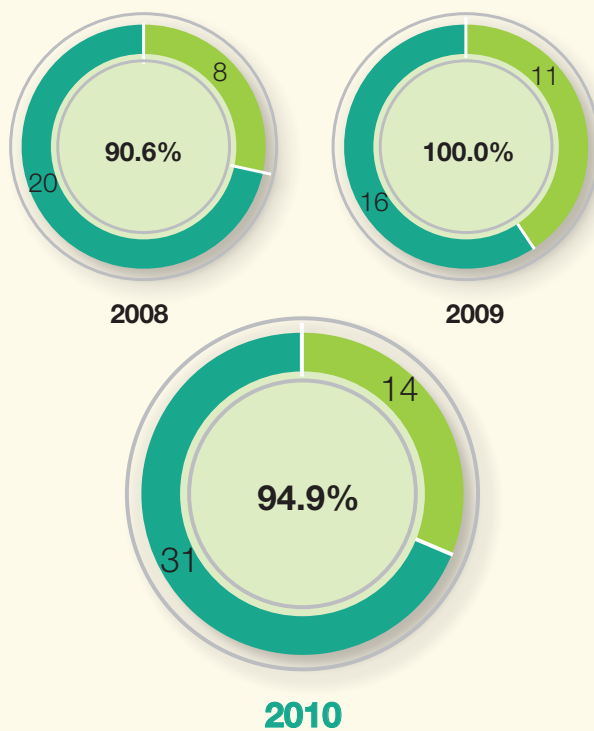
BOD's Pursuit of Specialties | The BOD consists of all male members who are insurance, financial or legal experts. It is somewhat difficult to enhance diversity by securing female members due to characteristics of the insurance business which requires specialties. Dongbu Insurance is making efforts to bring in various specialists with

• BOD AND COMMITTEES



• BOD RECORDS (Unit: case)

● No. of Times ● Submitted Matters ● Attendance Rate



• MAIN TOPICS AT BOD (2009~2010)

Reported Items	Status of internal accounting management system, evaluation results
	Evaluation of internal control system
	Independent accountant's report
	Audit results
	Quarterly business results and implemented and planned items
Resolved Items	Approval of financial statements and business report (tentative)
	Finalization of business plans and budgets (tentative)
	Establishment of branch in New York
	Establishment of Claim Committee
	Establishment of claim and customer service-specialized subsidiaries

strong competitiveness regardless of races, genders and disabilities. The Outside Director Nominating Committee selects and recommends outside director candidates on the basis of specialties, objectiveness, fairness and experiences. The candidates are appointed as outside directors through resolutions by the BOD and the general shareholders meeting.

Director Evaluation and Remuneration | In September 2011, Dongbu Insurance established the Remuneration Committee that builds a remuneration system for the management and employees and evaluates their work performances and remuneration for them. Since then, the company has been running the committee. Remuneration for directors is set based on business results submitted by the management and evaluations by the Remuneration in consideration of social and environmental contributions along with corporate activities. The establishment of the Remuneration Committee has enhanced transparency in the performance evaluation and remuneration system for the management through the evaluation of the business performances of the management, a constant inspection of whether or not the remuneration system is connected to financial risks and the annual inspection of remuneration independent from the management.

Corporate Governance | To maintain the soundness of its corporate governance Dongbu Insurance established and has observed "the Corporate Governance Charter." The company made the charter public on its homepage. In addition, the company received a grade of "Good" for six years in the assessment of all listed companies by the Korea Corporate Governance Service in a row in 2010.

In the 2011 assessment which adopted a new evaluation method, the company won an "A" grade, belonging to the top 4% of the group (29 companies among 685 listed companies.)

Operation of Audit Committee | The Audit Committee carries out audits giving consideration to environmental and social issues and risks. It monitors and assesses the internal control system which includes nine categories. One of the outside directors is the chairman of the Audit Committee. Moreover, The Audit Team constantly conducts audits as a team directly under the Audit Committee and reports results of audits and punishments to the BOD once or more times. The team reports its audit results and any disciplinary actions taken to the BOD at least once a year. In 2010, a total of 171 audits were conducted and 29 moderate/serious disciplinary measures were taken.

Sustainability Management System

Characteristics and Status of Non-Life Insurance Industry

The non-life insurance industry is subject to many government regulations due to its public characteristics. This is an industry for domestic demand as household insurance policies such as auto insurance and long-term accident insurance occupies a big portion. In addition, interest rates and the stock market significantly affect performances of the asset management division and profits of long-term insurance which occupies a lion's share of premiums.

There were 13 local non-life insurers and 17 foreign non-life insurers in the domestic market as of the end of 2011. Out of the 13 local firms, 10 companies are comprehensive insurers while the remaining three are one auto insurance providers, one reinsurance company, and one guarantee insurance company. The non-life insurance industry reported 17.5% year-on-year growth in direct premiums written, recording KRW47.3 trillion. By insurance type, sales of long-term insurance rapidly grew, while standing at KRW30,569.2 billion, up 22.3% from year before. But auto insurance and commercial insurance grew only 6.8% and 10.6%, respectively. It is forecast that as non-life insurers are seeking ways to make a foray into overseas markets, avoiding competition in the saturated domestic market, their international business will become more active.

Risks and Opportunities for Sustainability Management

Amid the European financial crisis and a sharp drop in the growth of the world economy, it is expected that various systems will be created and changes the supervision environment will be made in the insurance industry. In terms of systems, the government will strengthen the protection of consumers such as the enforcement of the Personal Information Protection Act and the regulation of excessive prepaid commissions. In terms of supervision, it is expected that capital regulation and the international coherence of system risk management will be enhanced and insurance notices, the crackdown of insurance frauds and the supervision of unfair trade will be strengthened.

In terms of sustainability management, companies' interest in corporate social responsibilities is expected to increase due to change in the government's policy base for sustainability management, the establishment of the guideline on corporate social responsibilities of insurers and a rise of the importance of reputation risk of companies with the spread of social networks. Moreover, it is expected that preparations for new growth engine development such as the introduction of a mega

risk management system due to climate change, a low birthrate problem and an increasingly aging population.

Vision and Strategies | Dongbu Insurance aims to become the most sustainable company through customer satisfaction. The company is building an advanced sustainability management system by devising 14 sustainability management strategies in accordance with its vision, "a global insurance financial group which pursues a happy society with customers."

Sustainability Management Organization and Tasks | The company operates the Sustainability Management Committee chaired by the CEO and participated by the head of each business division. The committee makes decisions on major sustainability management issues. Under the Committee, the Sustainability Management Working Committee is being operated.

Moreover the Sustainability Management Working Committee is pushing for sustainability management activities by discovering issues by areas through analyses of internal and external environments related to sustainability management, the benchmarking of leading insurers and interviews with stakeholders by the Economic, Environmental and Social Subcommittees under the Sustainability Management Working Committee. The tasks are divided into normal tasks and emergency tasks. The normal tasks are carried out by relevant departments of the Economic, Environmental and Social Subcommittees while the emergency tasks by each relevant department.



• SUSTAINABILITY MANAGEMENT VISION

Vision

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

Building sustainable management system matching those of advanced insurers

Direction of Strategies

Economy

Enhancing corporate value through balanced growth of financial and non-financial risk

Environment

Pushing for advanced environmental management and developing new business opportunities

Society

Creating commercial and social synergies through strategic social contribution activities

Strategies

- Establishing corporate governance which secures transparency and diversity
- Instilling ethical awareness in all employees' mind
- Integrated management of financial and non-financial risk
- Customer management through two-way communication
- Excellent management of brand value and performances
- Building integrated system to deal with stakeholders

- Establishing advanced environmental governance
- Management of companywide environmental performances
- Overseeing environmental risk and building system that connects to business opportunities

- Pushing for social contribution activities related to insurance industry
- Building fair and equal HR management culture
- Reinforcing safety and health management system for employees
- Enhancing sustainability management of suppliers and partners

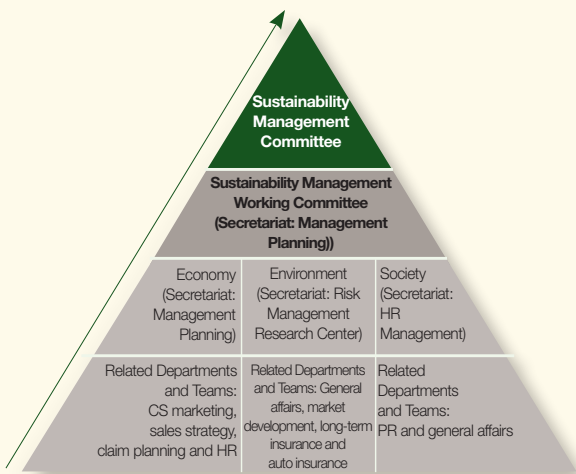
Organization

Sustainability Management Committee

Sustainability Management Working Committee

Economic, Environmental and Social Subcommittees

• SUSTAINABILITY MANAGEMENT ORGANIZATION



• CORE SUSTAINABILITY MANAGEMENT ISSUES

Overall Sustainability Management	<ul style="list-style-type: none"> • Advancing sustainability management strategies • Establishing working groups and management system for sustainability management
Economy	<ul style="list-style-type: none"> • Reinforcing independence and transparency of BOD • Strengthening responsibilities for sustainability management • Reinforcing transparency in measures of ethical codes- Strengthening non-financial risk management system • Raising retention rate • Strengthening consumer protection • Strengthening brand value evaluation • Building integrated stakeholder management system • Strengthening system to analyze stakeholder issues and share the analyses with others
Environment	<ul style="list-style-type: none"> • Establishing environmental management policies • Strengthening management of environmental KPIs • Formulating carbon-neutral plan • Building environmental risk recognition system • Developing products and services • Social responsibility-based asset management
Society	<ul style="list-style-type: none"> • Advancing social contribution strategies • Advancing management of social contribution performances • Strengthening external cooperation and network • Advocating human rights and diversity • Strengthening safety and health management • Introducing supplier guidelines • Reinforcing business partner management • Expanding responsibility on marginalized people Tackling ageing population issues

RISK MANAGEMENT

Risk Management Organization | Risk management at Dongbu Insurance is carried out by the Risk Management Committee, the Risk Management Administrative Committee and the Risk Management Department.



Risk Management Committee

Dongbu Insurance is operating the Risk Management Committee that oversees all risks that affect the company. The committee meets on a quarterly basis but extraordinary meetings may be convened when necessary.

Risk Management Administrative Committee

Risk Management Administrative Committee: Supporting the Risk Management Committee flexibly by coping with the rapidly changing financial environment and by devising risk management strategies.

Risk Management Department

An independent risk management department which supports risk management work.

Risk Management Strategy | Dongbu Insurance is maintaining its risk at a proper level compared to its capital available. We are implementing general management of debts and assets to secure a stable profit base and maximize corporate value by apportioning risky capitals by kinds and setting up ceilings of risky capitals.

• RISK MANAGEMENT PROCESS



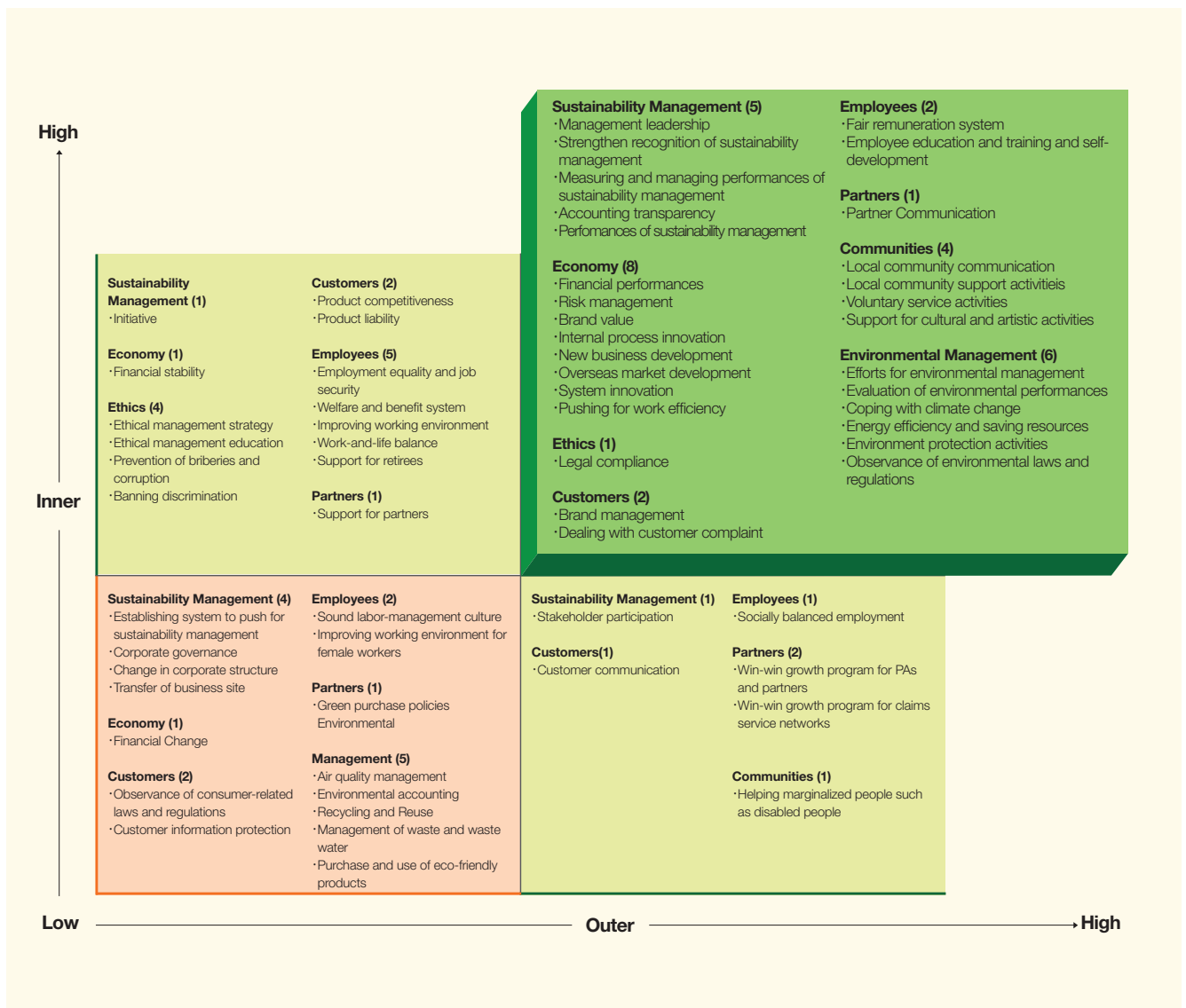
Management of Internal Capital Adequacy | Dongbu Insurance has calculated internal capital adequacy through the RBC System set by the Financial Supervisory Service since April 2009. The existing Solvency Margin System measures the insurance/interest rate risk of a company only. But the standards of the RBC System reflect market, credit and operational risk additionally. As of September 2011, the RBC ratio of Dongbu Insurance stood at 256.4%, maintaining excellent capital adequacy.

Activities for Building Risk Management System | Dongbu Insurance built and is operating a risk management system by improving risk regulations and establishing limits on risks with the aim of building a risk management system. The company regularly reports the status of risk management to the committees and the management. At present, we are building a companywide risk management governance system and a risk system and an RDW (Risk Data Warehouse).

Materiality Test

Dongbu Insurance conducted IPS Materiality Test Model™ with the aim of analyzing main issues and deciding priority and reflecting them on sustainability management. The test has been conducted through six steps and classified into three categories (High, Medium and Low). The six steps are checking company's policies, direct and indirect

economic effects, regulations and law, expert interviews, stakeholder surveys, the benchmarking of global advanced companies, and media search. As a result, the company drew 64 issues. Important issues are included in the report. By grasping major stakeholder issues regularly and managing them steadily, we will reflect them on our strategies.



Results of Stakeholders' Participation

Interviews with Economic, Social and Environmental Experts



Economy

(Ryu Young-jae, CEO of Sustinvest)

Suggestion for Sustainability Management | Dongbu Insurance has to steadily push for sustainability management on which characteristics of the insurance industry are fully reflected for its sustainability management. Therefore, sustainability management should be applied to the optimization of risk evaluation, the stabilization of its combined ratio including its loss ratio and others, the introduction of sustainable investment to asset management.

To this end, aspects such as the public nature of the industry and long-term reputations of the company should be reflected on customers' sensitive issues on the foundation of building trust with customers. Moreover, the company is required to make efforts to minimize conflicts between customers and solicitors, reflect results of the ESG (environment, society and corporate governance) and steadily lower the loss ratio from a long-term perspective.

Dongbu Insurance's Position | Dongbu Insurance is moving ahead with sustainability management not only for economic performances but also for the balanced growth of its environmental and social performances. The company is collecting customers' issues through various VOC channels and reflecting them on its business activities. In the future, we will continue to do everything we can do to secure trust from customers through the perfect establishment of complete sales, the promotion of socially responsible investment and the stabilization of the loss ratio.



Society

(Lee Won-jae, director of the Hankyoreh Economic Research Institute)

Suggestion for Sustainability Management | Dongbu Insurance performed well, becoming one of the best 30 CSR companies in Korea (Korea 30). But the company needs to thoroughly reevaluate management policies on the social sector, processes and reports which cover labor, human rights, equal opportunities and social contributions in the social sector where the company

has poor results compared to other sectors. Dongbu Insurance needs to think that environmental and social performances are as important as economic performances for successful sustainability management. Accordingly, the company ought to conduct its activities in partnership with NGOs and social companies in various sectors. I hope the company conduct its activities through more active partnership in order to achieve two items -- enhancing the effectiveness of activities while winning trust from stakeholders

Dongbu Insurance's Position | Dongbu Insurance was included in the Korea 30 list. But the company will not rest on its laurels. We are implementing a wide array of programs to create great workplaces and operating various social contribution projects such as sponsoring cultural and sports events and donating talent, not to speak of support for estranged people. In addition, we honor the ten principles of the UN Global Compact. In the future, Dongbu Insurance will continue to expand its social contribution activities through a fair and equal human resources management culture and partnership.



Environment

(Oh Seong-gyu, chairman of Citizens' Movement for Environmental Justice)

Suggestion for Sustainability Management | Non-life insurers make up for the weak points in society, Dongbu Insurance has to develop and implement public programs actively. It is necessary for the company to implement management that can cope with rapid changes such as a worldwide economic crisis and frequent disasters amid an environmental crisis and an aging

population. Thus, the company should tackle major issues such as climate change, an increase in natural disasters and the awareness of risk in nuclear power generation for successful sustainability management. As society becomes more dangerous due to environmental factors and has more uncertainties with rapid change in people's awareness, the company needs a system to analyze and deal with the danger and uncertainties.

Dongbu Insurance's Position | Dongbu Insurance is steadily pushing for environmental management activities while recognizing corporate responsibilities on an environmental crisis triggered by climate change. The company is carrying out activities to reduce CO2 emissions internally and develop eco-friendly green financial products and offer environmental consulting. In the future, we will continue to establish advanced environmental governance by building a system to manage companywide systematic environmental performances and supervise environmental risk.



Results of Stakeholder Survey

Dongbu Insurance conducted a survey of its stakeholders on its sustainability management. The 2011 report expanded the scope of the surveyed stakeholders. So they include not only customers and employees but also sales partners and claims service partners.

- Period: Dec. 19, 2011 ~ Jan. 6, 2012

Category	Object	Survey Method	No. of Questions
Customers	126 customers who visited customer service centers.	Face-to-face survey	32
Employees	1,209 employees of Dongbu Insurance	Web site survey (opening a new web site)	75
Sales Partners	35 sales partners	Face-to-face survey	64
Claims Service Partners	66 claims service partners	Telephone Survey	42

Sustainable Management | 81.9% positively responded to a question on if Dongbu Insurance will steadily grow. Dongbu Insurance will do everything it can do to realize the balanced growth of its economic, environmental and social results for the purpose of promoting mutual benefits with stakeholders.

Question: Dongbu Insurance will steadily grow.

	Customers	Employees	Sales Partners	Claims Service Partners
2011	78.0%	87.7%	74.3%	87.4%
2009	77.2%	75.2%	-	-

Management for Customers | 78.6% positively responded to a question on if Dongbu Insurance made efforts to collect opinions through smooth communication with customers and reflected them on its management policies. Dongbu Insurance is collecting valuable opinions from customers through various communication channels through various communication channels. In the future, we will continue to our best to improve our work process for customers and develop insurance products by considering customers' opinions.

Question: Dongbu Insurance collects opinions through smooth communication with customers and reflects them on its management policies.

	Customers	Employees	Sales Partners	Claims Service Partners
2011	77.2%	85.5%	67.2%	84.6%
2009	67.7%	85.1%	-	-

Management for Environment | 72.1% positively responded to a question on if Dongbu Insurance is an environmental management leader in the insurance industry. In the future, Dongbu Insurance will take the initiative in pushing for environmental management activities to cope with climate change and developing environment-friendly insurance policies to practice green finance.

Question: Dongbu Insurance is an environmental management leader in the insurance industry.

	Customers	Employees	Sales Partners	Claims Service Partners
2011	72.6%	79.9%	59.2%	76.8%
2009	65.2%	68.3%	-	-

Management for Society | 73.5% positively responded to a question on if Dongbu Insurance was actively practicing social contribution activities. Dongbu Insurance will put its utmost efforts into fulfilling its corporate social responsibilities by helping marginalized people and pushing for social contribution activities.

Question: Dongbu Insurance is actively implementing social contribution activities.

	Customers	Employees	Sales Partners	Claims Service Partners
2011	73.2%	82.0%	60.8%	78.1%

Management for Innovation | 78.3% positively responded to a question on if Dongbu Insurance was striving to grow through new product research and development. We will not rest on our laurels. We will do our best to grow together with our stakeholders through ceaseless product development and innovation.

Question: Dongbu Insurance is striving to grow through new product research and development.

	Customers	Employees	Sales Partners	Claims Service Partners
2011	74.9%	84.4%	71.0%	82.9%

Items for Becoming Sustainable Company | The respondents picked customer satisfaction management, social contribution management, ethical management and the management's leadership as the most required items for Dongbu Insurance's becoming a sustainable company. In the future, we will continue to enhance customer value by developing insurance policies on which customers' opinions were reflected and establishing an insurance sales culture of complete sales and to push for a wide array of social contribution projects for people in need and the development of local communities. Moreover, we will create a transparent and fair corporate culture through ethical management.

Question: What does Dongbu Insurance need most to become a sustainable company?

	Customers	Employees	Sales Partners	Claims Service Partners
1st	Customer Satisfaction Management	Employee Satisfaction Management	Customer Satisfaction Management	Ethical Management
2nd	Social Contribution Activities	Customer Satisfaction Management	Management's Leadership	Social Contribution Activities
3rd	Management's Leadership	Generating Profits	Work Innovation	Win-Win Growth with Partners
4th	Ethical Management	Creative and Innovative Corporate Culture	Excellent Human Resources Management	Creating Profits
5th	Excellent Human Resources Management	Management's Leadership	Creating Profits	Creative and Innovative Corporate Culture

It is judged that a reason why the positive answer rate of sales partners was lower than those of other stakeholders is that the number of sales partners was small and they did not understand the matter well. We will endeavor to make sales partners understand the sustainability management of Dongbu Insurance by strengthening communication activities for them in the future.

STAKEHOLDER ENGAGEMENT

Stakeholders and Communication Channels | Dongbu Insurance's stakeholders are divided into six groups according to their influence and importance in Dongbu Insurance's management activities and the development of the Korean insurance industry: customers, shareholders and investors, employees, partners, and communities. The company collects their opinions and ideas through various communication channels. We will create win-win growth with stakeholders by reflecting them on our management activities.

• STAKEHOLDER



Customers

Individuals or groups who buy or will buy products created through economic activities



Employees

A group of people who receive salaries in return for their labor or services as members of Dongbu Insurance



Shareholders and investors

Individuals and groups that offer capital to pursue profits.



Partners

Individuals or groups in contract-based relationships with the company in connection with sales and claim work.



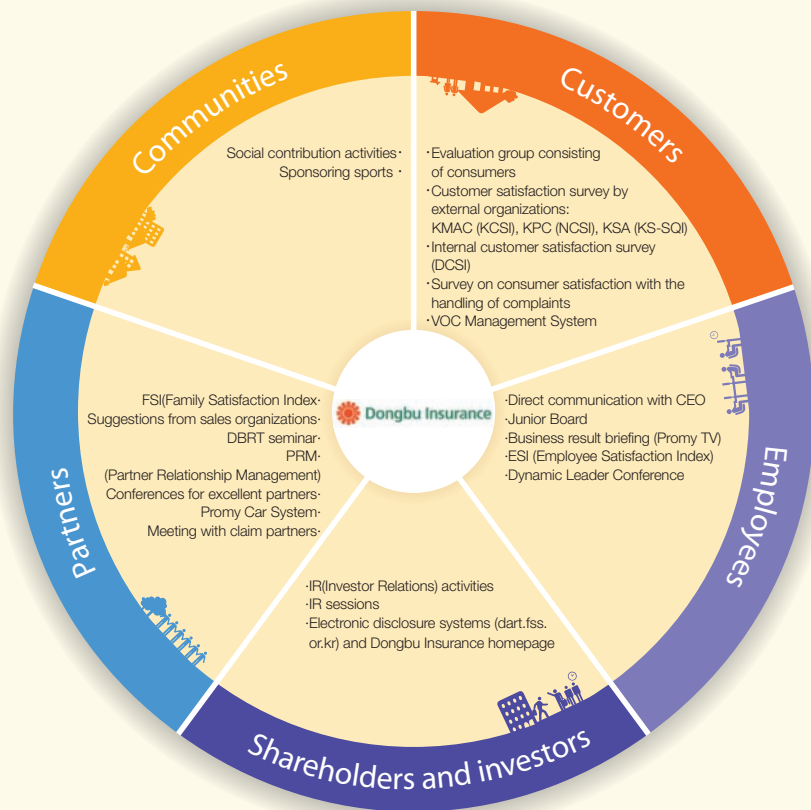
Communities

The other individuals and groups that affect the company or are affected by the company in the latter's business activities

• INCOME DISTRIBUTION BY STAKEHOLDER (unit: KRW billion)

	2008	2009	2010
Customers	Increase in catastrophe reserve	36,721	43,245
		51,187	
Shareholders	Increase in catastrophe reserve	365	377
		439	
Employees	Dividends	380	475
		570	
Partners	Labor costs (salary and benefits)	1,916	1,992
		2,410	
Communities (donation, Sports and etc.)	Expenses for purchasing products and services, insurance sales commissions	7,416	8,595
		9,642	
Internal reserves		85	86
		93	
Others (corporate income tax, national tax)		1,935	1,788
		2,274	
Total income (Earned premium and investment income)		1,619	2,081
		2,477	
		50,437	58,639
		69,092	

• COMMUNICATION CHANNELS WITH STAKEHOLDERS



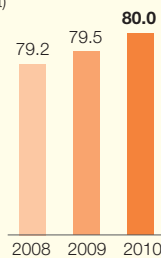
Value Creation and Distribution by Stakeholder | Our total income is composed of earned premiums and investment income. In 2010, total income amounting to KRW6,909.2 billion was distributed to customers, shareholders, employees, partners and communities. Dongbu Insurance will continue to create and distribute more value through sustainability management-based growth and development.

Customers Improving Quality of Life

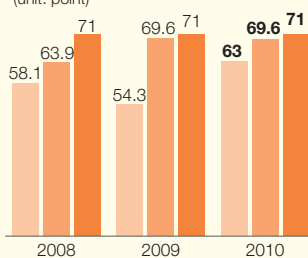


Endeavor of Dongbu Insurance for Customer Satisfaction

INTERNAL SURVEY RESULTS (unit: point)

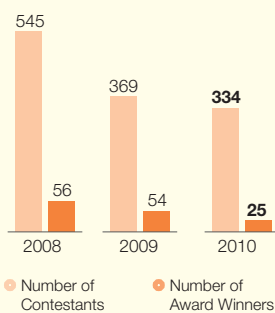


EXTERNAL SURVEY RESULTS (unit: point)



- NCSI : National Customer Satisfaction Index by the Korea Productivity
- KS-SQI : Korean Standard - Service Quality Index by the Korea Standards Association
- KCSI : Korean Customer Satisfaction Index by the Korea Management Association

CHART - INSURANCE PLAN IDEA CONTEST



※ The award winners include the recipients of participation or higher prizes

Customer Satisfaction Management | Dongbu Insurance, passing the five million mark in the number of customers, made new promises in September 2010 for better customer value management. The pledges cover the six moments of truth (MOT) of customer response, insurance subscription, customer relations, insurance claim procedure, emergency service and complaint coordination. Dongbu Service Standard 36 is our specific action plan to stick to the promises.

Customer Satisfaction Survey

Dongbu Insurance has carried out customer satisfaction surveys on a regular basis to assess its services from the viewpoint of its clientele and find out what to improve on. In the Dongbu Customer Satisfaction Index (DCSI) survey of 2010, we scored 80 on a scale of one to 100, climbing 0.5 points from a year ago and continuing our upward trend.

Dongbu Insurance refers to external survey results as well to make its services better. It remained in the upper ranks in the entire insurance industry of Korea in 2010 by earning 63.0 points (3rd spot) in the Korean Customer Satisfaction Index by the Korea Management Association, 71.0 (2nd) in the National Customer Satisfaction Index by the Korea Productivity Center and 69.6 (1st) in the Korean Standard-Service Quality Index (KS-SQI) by the Korea Standards Association. Furthermore, it came in first in the long-term insurance segment of the KS-SQI for two consecutive years from 2009 by consistently refining the quality of its services.

Internalization of Customer Satisfaction Management by Employees

Dongbu Insurance is putting great efforts for its executives and staff members to internalize the concept of customer service by opening regular CS meetings to give them feedback on their training. Monthly telephone monitoring is in place to check and improve on employee service standards while 97 CS coaches are working in nationwide field offices for ultimate customer satisfaction.

Active Customer Participation

Dongbu is listening to its customers all the time via the call center and official website at www.idongbu.com so that their valuable opinions can be fully reflected in its day-to-day operations. In this vein, we have held an annual contest in which clients themselves can take part in insurance product development. In 2010, a total of 334 participants brought out their ideas and 25 of them were awarded prizes.

We steadily manage ideas not utilized through mid- to long-term reviews.

• CHART - CASES OF INSURANCE PLAN AND COVERAGE DEVELOPMENT THROUGH IDEA CONTEST

Ideas from Customers	Product Development Reflecting the Ideas	Effective from
How about an insurance product providing funeral services upon the decease of a policyholder's parent?	<ul style="list-style-type: none"> Mutual aid services included in Long-run Life Insurance Funeral services added to major products 	2008. 01
Career women in their 30s and not married need some lifestyle-specific products.	<ul style="list-style-type: none"> Women's Story Insurance Plan Developed : Offering different insurance plans to married and unmarried women along with additional babysitting and maternity care services 	2009. 02
How about an education insurance product meeting the various lifestyles of married couples?	<ul style="list-style-type: none"> Wealth Partner Insurance Policy Revised <ul style="list-style-type: none"> (1)Entry age lowered for the expansion of the savings insurance market and new coverage added for broader indemnification (2)Increased pension plan marketing focusing on the function of child education 	2009. 10
I need insurance to cover my kid's possible orthodontic treatment, obesity control or metal disease and I'd like it to allow an early withdrawal.	<ul style="list-style-type: none"> Smart Love Children Insurance Policy Revised <ul style="list-style-type: none"> (1)Coverage related to dental treatment expanded Payment for dental prosthesis caused by car accident, malocclusion treatment and permanent tooth loss (2)New coverage added for psychiatric disorders Compensation for those suffering from a mental disorder or behavioral disturbance (3)Early withdrawal allowed From a year after a date of policy Within 50% of cancellation repayment 	2011. 02

Smart Phone Application Development

Dongbu Insurance developed its smart phone application, Smart Zone, in April 2011 to provide more timely mobile services. With the Smart Zone application, customers in a car accident scene can call for emergency roadside services swiftly and make an accident report with ease. Detailed information and tips on insurance claim are provided in the form of FAQs to increase user convenience and customer satisfaction at the same time. Also, more services like insurance policy reference, income deduction document issuance and application for insurance policy loan are going to be available so that its clients can find no difference between the official website and the mobile application.

Communication with Customers I

Consumer Review Group

Dongbu Insurance has run a consumer review group since April 2010 to better find out customer needs and reflect those in its management plans. The review group is acting as a bridge between Dongbu and its clients by suggesting core marketing issues, advising on service quality enhancement and improving its corporate image. We are feeding back opinions on an improvement in work processes in the sales and claims sectors and quality management through the operation of the group.



• SMART ZONE OF DONGBU INSURANCE



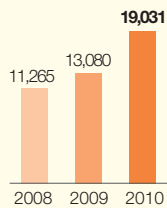
• PANEL MAKEUP

Age 30 to 39	Age 40 to 49	Number of Panelists
16	8	24

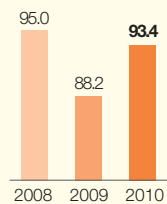
• PANEL'S ROLES



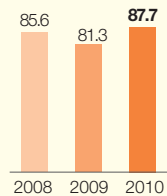
• NO. OF VOCS (unit: case)



• INITIAL RESPONSE RATE (WITHIN 2 HOURS) (unit: %)



• VOC HANDLING SATISFACTION RATE (unit: %)



• RESULTS OF COMPLAINT MANAGEMENT ASSESSMENT BY FSS

Category	2008	2009	2010
Grade	Highest	Second-highest	Second-highest

※ No property and/or life insurance companies in Korea have won Grade 1 since 2009.



Understanding of Customers

• ACTIVITIES OF CONSUMER REVIEW GROUP IN 2010

Category	Detail	Cycle	Examination
Branch Office (Sales & Claim)	Customer Service Quality Assessment at Branch Offices	Monthly	Mystery Shopping
Customer Consulting Center	Service Quality Assessment at Customer Consulting Center	Monthly	Mystery Shopping
Emergency Service	Check on Evaluation Items concerning Emergency Services	Monthly	Mystery Shopping
Customer Service Center	Service Quality Assessment by Visiting Customer Service Center	Monthly	Mystery Shopping
Financial Instrument	Understanding as to Trends and Usage of Financial Instruments	Quarterly	Face-to-face Survey
Product & Service	Discussion and Brainstorming Sessions for Insurance Plan Development, etc.	Quarterly	Focus Group Interview (FGI)
Brand	Measures for Elevation of Corporate Image, Ad and Brand Awareness	Quarterly	Focus Group Interview (FGI)

Voice of Customer (VOC)

We have run the Voice of Customer (VOC) system as well to communicate with our customers more efficiently and grasp their diverse needs more effectively. VOCs are received through both online and offline channels, including the call center opening around the clock. Upon the receipt of a suggestion, it goes through an in-depth review and examination to figure out why it has been made and how it can be addressed before improvements are reflected in our daily business activities. In 2010, we were given 19,031 VOCs in total, which was slightly increased from a year earlier. However, we wasted no time in dealing with the recommendations and raised the VOC satisfaction index to 87.7.

Understanding of Customers

Each year, the top management and Dynamic Leaders of Dongbu Insurance have a campaign to visit their clients and better grasp their needs. Through the consistent activities, they have figured out and redressed those work process elements causing customer complaints.

Grievance Management and Assessment Thereof I

Dispute Review Board for Consumer Satisfaction

Dongbu Insurance holds a dispute review board meeting on a weekly basis. Departments and personnel in charge of consumer protection and day-to-day operations participate in the meeting to deal with the client grievances that could not be redressed by each of them. In 2010, a total of 1,130 cases were handled by the dispute review board.

High Ranking in Complaint Management Assessment by FSS

Whenever a complaint is filed, the consumer protection and civil affairs departments cope with it in a swift and fair manner through close cooperation. As a result, it has recently obtained Grade 2, which is among the highest, at the Financial Supervisory Service's assessment on consumer complaint management by financial institutions.

Acquisition of CCM Certification

We have refined every work process element from the viewpoint of clients and improved on our

management activities for greater consumer rights. The efforts have brought us the much-coveted Consumer Centered Management (CCM) certification authorized by the Fair Trade Commission and managed by the Korea Consumer Agency.

Differentiated Service for Customer Impression | Dongbu Insurance is providing its top-notch services at a variety of customer contact points, including contract conclusion, maintenance, management and benefit payment.

Consulting Center Oriented to Customer Needs

As of March 2011, Dongbu Insurance is running four around-the-clock customer consulting centers. The Jeonju Center handles matters related to emergency roadside service, accident report, insurance coverage and so forth and another one in Seoul takes care of contract inquiries and change of policy. The consulting personnel working at home are engaged mainly in monitoring activities. The Wonju Center was established in the first half of 2011 to share their year-round efforts.

Dongbu Insurance overhauled its call center system in July 2009 for the sake of more efficient and well-timed on-site services. Since then, its call center consultants have worked on a flexible hour basis to the same end. In the meantime, the company increased the number of such consultants from 95 to 206 between March 2008 and March 2011.

As a result, its consulting satisfaction index climbed one point to 93 in 2010 in spite of the constant increase in the number of consulting requests. Moreover, it won the Leading Call Center in Korea certification at Korean Service Quality Index (KSQI) 2010 for three years in a row, proving the superiority of its global-standard and customer-oriented call process establishment and management.

Customer Proximity Enhancement through e-Service

To better meet the needs of its customers, Dongbu Insurance provides various services on its official website, too. For instance, they can check or modify their insurance contracts, get information on insurance plans and insurance claim and apply for policy loans. In 2010 alone, about 410,000 cases of e-services were offered and the satisfaction index reached 93.5 points, 1.3 higher than a year earlier. The company will renew its website on an ongoing basis down the road so that timely information can be given and more diverse and convenient services can be provided on it. We will add e-service items so that many customers can use services through the home page.

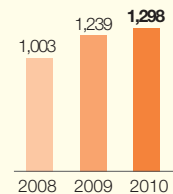
Systemic Claim Service

Dongbu Insurance implements mobile-based claim services so that any of its customers in a car accident scene can obtain an indemnity without delay. Our staff can check accident information, send relevant pictures, calculate and pay insurance benefits anywhere around the country by means of their smart handhelds linked to the Promy Phone System, which has boosted their on-site business management capabilities.

Further, Dongbu Insurance is running its own multimedia messaging service (MMS) network, improved on the short message service (SMS) in wide use at present, for the same purpose. The system is to exchange not just text messages but also multimedia data like images, sound files, video footages, etc.

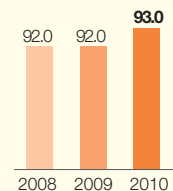
MONTHLY AVERAGE OF CALL SERVICES PROVIDED

(unit: 1,000 cases)



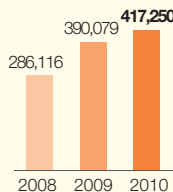
KSQI CONSULTING SATISFACTION INDEX

(unit: point)



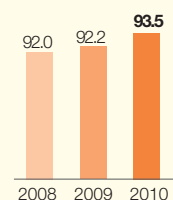
E-SERVICES PROVIDED ON MONTHLY AVERAGE

(unit: case)



E-SERVICE SATISFACTION INDEX

(unit: point)



Anti-disaster Service

We are running an enterprise-level co-work system to better protect our customers' physical assets in the event of natural and artificial disasters. A disaster management board is in operation to the same end, cooperating closely with field support teams, rescue workers and authorities concerned. Also, when a disaster warning is issued, we send a message to our clients in a bid to prevent possible damages in advance.

• DISASTER RESPONSE PROCESS

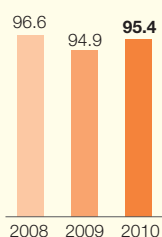


Additional Services | We offer different additional services to those in insurance contracts with us.

• LIST OF ADDITIONAL SERVICES

Subject	Service in Detail
New Customer	<ul style="list-style-type: none"> • Promy 3·6·9 Service : Information on insurance plans and services given in the next, third, sixth and ninth months following the conclusion of the first contract • Promy Webzine Service : Healthcare, leisure and everyday living information provided by e-mail
Long-term Insurance Customer	<ul style="list-style-type: none"> • Promy Healthcare Service : Health information offered by direct mail and SMS, before-care service after-care service • T Promy Service : Car refueling, telecom, parking, vehicle maintenance and repair services • Discounted package moving and home cleaning services : Safety moving and residence cleaning services at a discounted price • Funeral service • Fund information service : Introduction of affiliated funds for customers with savings insurance products reaching maturity
Auto Insurance Customer	<ul style="list-style-type: none"> • Autocare Service : 36 sorts of car-related services provided at designated Promy World garages -- maintenance inspection, indoor sterilization and deodorization, towing for repair, reservation for vehicle registration and inspection, maintenance history management, etc.
VIP Customer	<ul style="list-style-type: none"> • VIP Membership Service : Promy Healthcare and T Promy VIP Services • Year-end brochure and basketball camp for VIP customers' children • Specialized services such as risk management, loan interest discount, legal and asset management counseling

• PERFECT SELLING RATIO MOVEMENT (unit: %)



Quality Assurance Based on Perfect Selling | Dongbu Insurance pursues perfect selling for the ultimate protection of consumer rights. Specifically, it adheres to four insurance sales principles -- autograph acquisition and the delivery of policy statements, duplicate application and detailed insurance plan information -- so that no disadvantage is incurred on clients' part. The Perfect Selling Management Board, which is a permanent committee, conducts on-site inspection and phone-based monitoring activities on every single contract for the assurance of high quality standards. Such efforts have raised its perfect selling ratio to 95.4% in 2010, 0.5 percentage points higher than the previous year.

In order to maintain a consummate perfect selling system, Dongbu Insurance imposes strict sanctions on its employees and sales organizations in violation of its perfect selling regulations. The Perfect Selling Management Board suspended the business of 12 organizations and punished 16 executive and staff members in 2010 for the breach of the codes. In 2011, the relevant rules became much tighter so that even a single case of imperfect selling is led to business suspension and disciplinary action. Dongbu's efforts to eradicate imperfect selling are still ongoing.

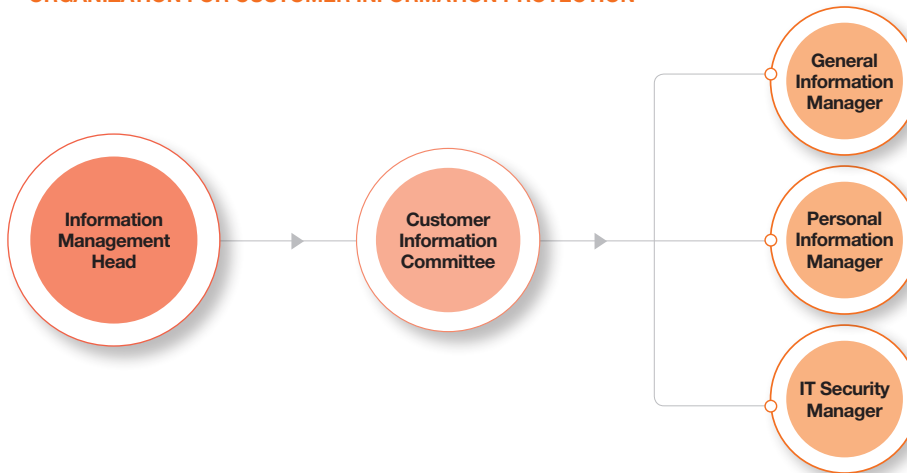
Customer Relationship Management

Customer Information Protection I

Enterprise-level Customer Information Committee

For customer privacy protection, Dongbu Insurance runs an enterprise-level customer information committee while imposing the duty on the privacy protection officers it names. Also, in order to forestall any privacy leakage, it carries out such different measures as the obligatory acquisition of consent on the collection of personal information, information security agreement with commissioned and affiliated companies, compulsory use of shredders in disposing of documents containing privacy data, limitation on the rights to access customer information and encryption of data in transmission. Dongbu Insurance has never received any penalty from the authorities with regard to the handling of personal information.

• ORGANIZATION FOR CUSTOMER INFORMATION PROTECTION



Officer	Role
Information Management Head	<ul style="list-style-type: none"> Responsible for enterprise-level information management and protection in compliance with Credit Information Act, Personal Information Protection Act, Act on Promotion of Information and Communications Network and other relevant laws Answering for the collection, use, provision, disposal and systematic management of internal and external data and information while controlling the General Information, Personal Information and IT Security Managers
Customer Information Committee	<ul style="list-style-type: none"> Responsible for the enactment and revision of corporate policy regarding information management, inspection on relevant activities, coordination concerning data and information management, establishment of anti-data leak measures
General Information Manager	<ul style="list-style-type: none"> Responsible for the management of printed materials and documents, building and facility security
Personal Information Manager	<ul style="list-style-type: none"> Responsible for the collection, use, provision and disposal of customer information and data
IT Security Manager	<ul style="list-style-type: none"> Responsible for information system operation, anti-system failure efforts and hacking prevention measures

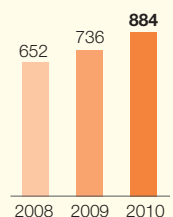
Customer Asset Protection I

Insurance Fraud Prevention

The Special Investigation Unit (SIU) of Dongbu Insurance is engaged in a wide range of activities against insurance fraud. In addition, it implements special measures when it comes to questionable clients so that moral risks can be properly controlled from the get go and the other customers' valuable assets can remain in reliable hands all the time.

Meanwhile, Dongbu Insurance came up with the most objective and scientific insurance fraud detection system in September 2011 after a year of development. The system prevents the possibility of any unreasonable payment of insurance proceeds and helps it serve the goal of customer asset protection.

• PECUNIARY AMOUNT OF EXPOSED INSURANCE FRAUD CASES (unit: 100 million won)



Establishment of Insurance Crime Prevention Committee

In November 2009, Dongbu Insurance established its own insurance crime prevention committee for the purpose of tighter internal control against possible insurance crimes. Chaired by the damage recovery service head, it sets up basic anti-insurance crime policy and punishes those involved in such cases so that the company's business operations and activities are in complete compliance with relevant laws and regulations.

Brand Value Enhancement |

Integrated Brand Strategy: Promy

Promy is the mascot of Dongbu Insurance and the pivot of the company's branding strategy. It stands for Dongbu during the course of its overall business and management activities and consistent communication with customers.

The name of Promy, derived from the English word of promise, represents Dongbu's pledge to keep its promise with customers under any circumstances. It has the auto insurance brand Promy Car and long-term insurance brand Promy Life as its sub-brands.

Brand Management System

Dongbu Insurance has run its own brand performance index to manage its corporate brand more systematically and analyze its awareness- and marketing-side impacts more scientifically.

The index is an assessment model with which the outcome of branding and advertising strategies can be measured in a comprehensive manner. Showing customer attitude to Dongbu Insurance and its brand in the form of numerical indices, it is one of the most scientific brand management systems in the property insurance industry of Korea.

Brand Awareness Enhancement

To maximize the efficiency of contact point-based brand communication, Dongbu Insurance has set new brand and visual identities and applied them to its advertisements, online pages, brochures and so forth in a unified manner. Any member of Dongbu Insurance can check the identities at any time for a systematic management of those while pre-examination processes are helping maintain the consistency of all business materials carrying the brand and visual identities.

As a result, at the 2010 nationwide consumer survey by Gallup Korea and Oricom, the company ranked second among the four biggest Korean non-life insurers in terms of sales, which means the second largest number of the respondents recognized Promy ahead of the other companies' brands. Dongbu Insurance took the second spot in advertising awareness and won the first place for three consecutive years in the advertising preference category.

• BRAND EVALUATION RANKING

Category	2008	2009	2010
Initial Brand Awareness	2nd	2nd	2nd
Total Brand Awareness	2nd	2nd	2nd
Initial Advertising Awareness	1st	1st	3rd
Total Advertising Awareness	1st	1st	2nd
Advertising Preference	1st	1st	1st

promy


promylife


promycar

Employees Balancing Work and Life



Current Status · Employee Capability Enhancement

Current Status | As of the end of March 2011, a total of 4,181 employees are working for Dongbu Insurance, including 35 executive and 4,146 regular and temporary staff members. When it comes to professional posts for insurance consulting, medical review and so forth, female employees account for 56.5% of the workforce.

We have contributed greatly to job creation by recruiting as many as 822 persons for the most recent three years. In March 2011, we established three subsidiaries and gave them the rights to manage themselves with a high level of autonomy according to their business characteristics. Like any other insurance companies, we have business extensions and service networks all over the country and the offices have given priority to locals in hiring new and experienced workers. When there is a job vacancy, each local office receives letters of recommendation from its employees or conducts job interviews to fill it and then new employees go through a year or two years of probation period before being hired full-time. The retirement rate, which stood at 6.8% in 2010, decreased constantly between 2008 and 2010.

• NUMBER OF EXECUTIVE AND STAFF MEMBERS (unit: person)

Category	Executive	Staff	Total
Number of Employees	35	4,146	4,181

(As of End of March, 2011)

• STATUS BY RANK AND SEX (unit: person)

Category	General Manager / Deputy General Manager	Manager	Assistant Manager / Rank and File	Professional and Insurance Consulting	Total
Male	409	493	872	43	1,817
Female	4	21	1,052	1,287	2,364
Total	413	514	1,924	1,330	4,181

• STATUS BY REGION (unit: person)

Category	Capital Region	Gangwon Region	Chungcheong Region	Yeongnam Region	Honam Region	overseas Region	Total
Male	1,328	11	97	265	97	19	1,817
Female	1,506	51	152	472	183	0	2,364
Total	2,834	62	249	737	280	19	4,181

• RECRUITMENT FOR RECENT THREE YEARS (unit: person)

Category	Recent College Graduates	Experienced Workers	Female Clerk	Total
2008	112	41	163	316
2009	72	19	114	205
2010	129	31	141	301
Total	313	91	418	822

• RECRUITMENT FOR RECENT THREE YEARS BY LOCAL REGION

(unit: person)

Category	2008	2009	2010
Male	27	13	25
Female	26	25	23
Total	53	38	48

• NUMBER OF RETIREES AND RETIREMENT RATE FOR RECENT THREE YEARS (unit: person, %)

Category	Male	Female	Total
2008	133 (8.1)	54 (7.0)	187 (7.7)
2009	114 (6.6)	61 (7.5)	175 (6.9)
2010	129 (7.2)	50 (5.9)	179 (6.8)

※ Retirement Rate = Number of Retirees / Year-end Number of Average Employees × 100

Workforce Competitiveness Development I

Career Development Program (CDP)

The purpose of the CDP is to let the people of Dongbu Insurance choose their own career targets and refine their business skills to meet them through relevant working experience. Under the recognition that on-site work experience is what matters the most to that end, we are giving the opportunity first to our front-line workers. Between 2008 and 2010, 470 employees benefitted from the CDP.

Global Manpower Development

We nurture those employees having top-notch professional skills and expertise and capable of overseas business operations into our source of global competitiveness. Any employee of Dongbu Insurance can apply for the in-house contest and screening to become a part of it. As of March 2011, 71 persons are training themselves with the program.

Job Competency Development

We train our new recruits to have wide yet specialized work experience through T-shaped career development. Existing employees, in the meantime, can choose from various career development options to become a specialist and generalist at the same time. We call this T-type career path management, which pursues specialty and universality at the same time.

New HRD Scheme

We have further strengthened our pursuit of management innovation and reform since 2004 by starting the New Human Resources Development (HRD) Scheme. It can be characterized as a self-driven personnel training method, in which the company takes the role of career development assistant and guarantees flexible job rotation so

• OUTCOME OF NEW HRD SCHEME (unit: person, group, paper)

Category	2008	2009	2010
Certificate Acquirers	4,318	3,209	3,806
Study Groups	270	512	539
Journals Published In-house	55	38	29

• NUMBER OF INSURANCE BUSINESS LICENSES ACQUIRED AND RATIO OF LICENSE OWNERS (unit: license, %)

Category	2008	2009	2010
Number of Licenses	407	454	497
Percentage	16.4	17.7	19.1

※ The insurance business licenses include both domestic and foreign ones, including Chartered Property Casualty Underwriter (CPCU), Associate in Reinsurance (ARe), actuary and loss adjuster. As of 2010, Dongbu Insurance is second to none in the domestic industry in terms of the percentage.

• STAFF EDUCATION STATUS FOR RECENT THREE YEARS (unit: hour, million won)

Category	2008	2009	2010
Total Teaching Hours	480,590	474,034	441,592
Per-capita Hours	123.4	112.5	105.6
Total Teaching Expenses	4,215	3,965	4,942
Covered by Employment Insurance	680	466	801
Per-capita Expenses	1.7	0.9	1.2

※ Per-capita Teaching Hours = Total Teaching Hours ÷ Number of Regular and Temporary Employees

that the beneficiaries can accumulate on-site experience in a variety of fields.

In-house Academies

Dongbu Insurance is running three in-house academy courses so that its employees can be armed with professional knowledge.

• Innovation Academy

The goal of the four-year Innovation Academy is to foster management innovation as an innate part of Dongbu's corporate culture and inculcate its employees, each of whom are supposed to take the role of an innovation leader, with an innovative mindset and motivation. By completing the well-organized curriculum, any member of Dongbu Insurance can better grasp its direction of enterprise innovation and get themselves the capabilities to spearhead their day-to-day projects.

For three years starting from March 2008, 601 employees enrolled the course and 155 of them finished it successfully.

• STATUS OF PARTICIPATION IN INNOVATION ACADEMY (unit: person)

Year	2008	2009	2010	Total
Freshman	63	55	42	160
Sophomore	57	48	38	143
Junior	50	61	32	143
Senior	61	47	47	155
Total	231	211	159	601

• Marketing Academy

The Marketing Academy is to select outstanding sales partners, female workers and new employees and give them an opportunity to lead their own departments so that they can better share Dongbu's growth visions. It focuses on existing field sales managers' marketing competence enhancement and a timely assignment of fresh yet well-trained personnel who are ready to melt into the sales and corporate culture of Dongbu Insurance.

Until March 2011, 180 members were given the position of branch head through the MA course.

• STATUS OF COMPLETION OF MA COURSE (unit: person)

Year	2008	2009	2010	Total
Number of MA Graduates	81	61	38	180

• Actuary Academy

The Actuary Academy is to enhance the expertise of those in charge of actuarial duties and provide them with all-round actuarial knowledge and skills.

• STATUS OF COMPLETION OF ACTUARY ACADEMY COURSE (unit: person)

Year	2008	2009	2010	Total
Number of AA Graduates	105	50	25	180



Graduation ceremony of Innovation Academy

Principle of Equal Opportunity · Creating Great Work Place

Respect for Diversity of Employees |

Employment of Disabled Persons

Regardless of the degree of disability, Dongbu Insurance guarantees any person a chance to work free from job discrimination so long as they have the motivation and abilities to get their job done. Physically challenged employees of Dongbu Insurance can avail themselves of the company parking lot 100% free of charge.

• STATUS OF EMPLOYMENT OF DISABLED PERSONS (ACCUMULATED BASIS) (unit: person)

Year	2008	2009	2010
Number of Disabled Employees	36	40	45

Recruitment of and Career Development Assistance for Female Workers

We have created a lot of jobs requiring female workers so that women in Korea can take a bigger role in the national economy while achieving self realization. A case in point is the customer service center recently established in Jeonju City, North Jeolla Province to hire 245 local women. Another customer center had been opened in July 2011 in Wonju City, Gangwon Province and 97 female employees are working there at present. At the same time, we have suggested new visions and opportunities for their career development while promising them a high level of job stability. Anyone showing outstanding performance is given a chance of promotion without any discrimination and can get herself the title of senior manager in our fair personnel management system.

In addition, a well-established telecommuting system is in place to better cope with the difficulties of those feeling constrained to quit for childbearing and rearing and so on. As of the end of March 2011, no less than 251 of our employees are working at home.

Fair Performance Evaluation | Dongbu Insurance carries out

transparent and impartial performance evaluation each month based on its performance management system adopting the method of Balanced Score Card (BSC). Feedback of the review is returned to each of its members so that they can be more motivated for their jobs with no doubt at all remaining about the fairness of the assessment.

Also, they are completely free to raise objections to their personal competence and performance assessment results. In that case, the personnel committee collects opinions from evaluators and departments in charge to decide whether to correct the results or not. This process has done much to raise employees' understanding of and satisfaction with evaluation criteria. In 2010, employees filed 37 objections. Out of the 37 objections, 14 were adjusted.

Compensation Scheme | Our employees' salary is divided into base pay, merit pay and incentive. Data on the wages of new recruits are made public on domestic job information websites. Annual salaries differ reasonably, depending solely on their ranks and duties and not on sex.

• AVERAGE ANNUAL SALARY (unit: KRW1,000)

Category	2008	2009	2010
Male Employees	59,050	61,350	64,702
Female Employees	30,258	29,376	27,851
Total	49,703	45,183	43,690

Note 1) The average decreased in 2009 due to the employment of more new female workers than usual. The sum of 2010 includes the salaries of those door-to-door insurance agents working on a piecework basis after receiving a fixed pay for two years. (Minimum legal wage: KRW11,640,000)

Note 2) The female employees include those newly hired after graduating from a junior college.

Creating Great Work Place | Dongbu Insurance is implementing various programs to help employees enjoy working with a strong sense of pride on the basis of trust in the company by introducing the Great Work Place (GWP) Concept which pursue employee satisfaction and the sustainable growth of the company under the vision of "Good Work Place Where We Can Realize Our Dreams and Vision." In particular, the company opened GWP Plaza, an internal GWP sharing site in 2009. On the web site, employees share a wide array of GWP activities through "GWP of Our Department," "Sympathy Café," and "GWP Program."

• GREAT WORK PLACE



Employee Welfare and Benefits |

Retirement Pension Scheme

Dongbu Insurance switched to a defined benefit (DB) pension plan. The funds are being managed by Korea Investment & Securities, Kookmin Bank and Dongbu Life Insurance, Hana Bank, the National Federation of Fisheries Cooperatives, Tong Yang Securities and etc.

We observe a legal standard that stipulate the provision of over one month's wage in severance pay to individuals who have worked for the company for one year.

Selective Welfare and Benefit System

Dongbu Insurance is pulling out all the stops to enhance employee satisfaction by introducing and implementing the Selective Welfare and Benefit System which lets employees select welfare items and levels of benefits on their own within welfare budgets. During the past three years, we spent a total of KRW85.4 billion including KRW30.9 billion for the year 2010.

• ANNUAL WELFARE SPENDING (unit: KRW billion)

2008	2009	2010
26.9	27.6	30.9

Other Welfare and Benefit Systems

	Details
Scholarships	Giving scholarships to employees for their graduate school programs and their children
Company Houses and Supplementary Living Allowances	Providing company houses and supplementary living allowances to those who do not have their families or relatives.
Loans for Buying or Renting Houses	Giving financial support to employees who need to buy or rent houses.
Rest Homes for Summer	Operating free rest homes for summer for employees and their families

• MEETING WITH THE CEO

I did not take part in the meeting with the CEO. But I think that the participants enjoyed their meeting with the CEO. I believe that both sides know each other more and better through the meeting. Someday, if I am given a chance, I will have a nice dinner with stake and wine with the CEO.

By Lee Hyeon-sook

If every participant enjoyed the meeting with me, I cannot ask for more as CEO. I am happy to hear that the participants really enjoyed the time with me. I may have said something a little boring to them. Once again I send words of thanks to workers of our call centers for their hard work to meet our customers earlier than any other employees. I wish that Dongbu CNS established in the new spring will grow into a leading customer service-specialized company. Dynamic Dongbu!!!

By Kim Jeong-nam

I am very grateful to CEO Kim for making me unforgettable memories during my service at the customer service center. In addition, it was very nice to meet the CEO-designate of Dongbu CNS. We had a fun time while taking part in recreation activities and having dinner. Let's work hard to make our company better. Let's go!

By Lim Hwa-yeong



Communication with Employees I

Meetings with CEO

The CEO of Dongbu Insurance actively participates in communication events, "Call CEO" or "Yes Meeting" once a month. Dongbu Insurance promotes internal horizontal communication and creates opportunities for communication between the management and employees. Such meetings have been held once a month since July 2010. The CEO met 718 employees by taking part in such events for a total of 17 times. The company improved the employee welfare and benefit system such as the establishment of a company house support system and the Family Day.

Activation of Internal Communication

Dongbu Insurance built and is operating various communication channels and making endeavors to create a harmonious corporate culture through strong communication between the company and employees, the management and employees and among employees.

• MAJOR COMMUNICATION PROGRAMS

Category	Details	Results
Monthly Management Briefing	In-house broadcast on business performances and progress for employees	Held on first day of every month
Dongbu Open Meeting	Program in which all employees are encouraged to participate and decide on main company policies	(257 issues in 2008~2010)
Suggestion	Program to collect employee opinions on management activities and ways to improve working environment	(45,525 suggestions collected from 2008 through 2010)
e-Promy Plaza	Electronic newsletter which acts as open communication channel among employees (includes sales organization)	
GWP Plaza	Infrastructure through which all employees can share and benchmark various GWP programs by departments	No. of visits: 30,069 times in 2009 and 190,958 times in 2010
Dynamic Leader Conference	Meeting between the management and representatives of employees by departments (Suggestions are actively reflected on corporate policies).	Held in April, 2011

Dynamic Dongbu Employee Course

understanding the history of the company, rediscovering and establishing the core value of Dongbu Insurance with an eye towards expanding trust among employees through communication activities among employees.

Mentoring System

Dongbu Insurance is implementing a mentoring system to help employees adapt themselves to the corporate culture and their work by transferring experiences or knowledge or counseling.

Club Activities

Executives take the initiative and set an example for other employees by creating, advising and supporting an in-house club of their choice in accordance with the company's "One-Club-for-One-Executive" policy. As of March 2011, a total of 21 clubs (581 members) in leisure and sports, travel, culture and arts, and learning were registered. The company gives financial support to the clubs.



Dynamic Leader Conference

Enhancing Employee Satisfaction I

Building Family-Friendly Culture

Dongbu insurance is expanding a flexible working system to create work-life balance such as designating every Wednesday as the Family Day. The company is creating a family-friendly culture by running specialized programs such as celebrating childbirth, refreshing time for long-time workers, holidays for spouses' birthdays and fetus diagnosis leaves. In particular, female employees are able to apply for childcare leaves of their free will. Beginning in 2011, the company allows childcare leaves to employees who have worked for the company for less than one year for more active support for childcare.

• RETURNING RATES OF EMPLOYEES AFTER THREE-YEAR- LONG CHILDCARE LEAVES (unit: person, %)

Category	2008	2009	2010	Total
Female employees	33	52	52	137
No. of returnees	29	42	52	123
Returning rates	87.9	80.8	100	89.8
Male employees	-	1	-	1
No. of returnees	-	1	-	1
Returning rates	-	100%	-	100%

※ In principle, all employees who take childcare leaves should return except for personal reasons. The company is putting its utmost efforts into helping returnees adapt themselves to the company after the leaves such as having meetings before giving them orders to return to their work.

• FAMILY-FRIENDLY MANAGEMENT PROGRAMS

Program	Details
Refresh Holiday	Award, holiday, holiday expenses are provided to long-service employees (Every 5 years after 10th year of employment)
Childbirth Congratulatory System	Provides congratulatory bonus (KRW200,000) to promote birthrate - Provides KRW1 million on birth of 3rd child since July 2009
Sponsoring Program for Surviving Dependents	Provides all educational fees and preferential hiring to surviving children (including those born after their fathers' death) of employees who work for Dongbu for three or more years.
Holiday for Spouses' Birthdays	A half-day paid vacation is provided to employees on their spouses' birthdays.
Dongbu Family Summer Camp	A summer camp for employees' children (elementary/middle school) at the Dongbu Insurance Academy offering English and science classes
Fetus Diagnosis Leave	A fetus diagnosis leave system has been managed for the health of female workers and their babies since July 2009. -Fetus diagnosis leaves over the past 3 years: 166 leaves in 2009 and 350 leaves in 2010
Congratulatory Party for Promoted Employees	Congratulatory party is held for employees promoted to assistant managers and their families

C.C.E. Program

The C.C.E. (Creativity, Communication, Empathy) program has promoted a culture of getting results through innovation and prompt employees to display their creativity on the basis of communication between the company and employees and communication among employees since 2009.

• C.C.E. PROGRAM HIGHLIGHTS

Category	2009	2010
Number of Times	16	15
Participants	2,453	2,079
Main Programs	Music, art, psychology, classical music, culture and health	IT, psychology, health, classical music, advertisements, musicals and movies

Employee Satisfaction Survey

We conduct an ESI (Employee Satisfaction Index) survey once a year to understand workers' morale and enhance their satisfaction level by pursuing company-wide systematic improvement. The ESI continued to rise for the past three years, reaching 75.6 points in 2010.

• ESI TRENDS (Unit: points)

2008	2009	2010
73.1	74.1	75.6

As a result of its consistent GWP efforts, Dongbu Insurance was selected as GWP Korea in 2009 and 2010 by ELTech Trust Management Institute, the partner company of Great Place to Work Institute.

Disease Prevention and Health Promotion Program

Dongbu Insurance developed various health promotion policies and programs to offer a healthy working environment to employees. In September 2009, the company put forth efforts for good health of employees by installing a thermal image camera and a TV monitor at the head office from the Risk Management Research Institute and operating an automatic medical inspection system to monitor body temperatures of employees to diagnose the swine flu. In addition, we are preparing for health risk such as offering a massage care program for customer-contact employees and conducting research on elements causing muscular-skeletal diseases in employees.

• DISEASE PREVENTION AND HEALTH PROMOTION PROGRAMS

Program	Details
Employees health checkup	Annual health checkup for all employees and their spouses
Health fund (Non-smoking fund and diet fund)	Company-wide non-smoking and diet programs promote employee health *Participants: 209 in 2008, 255 in 2009 and 287 in 2010 (success dividends and bonuses are offered to successful participants)
Counseling	Expert counseling for employees and family members (partnership with Korea Counseling Center)
Disease response system	Preventive measure guidelines, checks, treatment and sick leave are provided for infectious diseases (acute hepatitis A, influenza A, etc)
Employee group accident insurance	Provides coverage of accident and disease related medical costs for all employees and family members (spouse and children)
Health information seminar	Holds seminars on common diseases and preventive measures for employees at customer centers (964 employees took part in four seminars in FY'10.)

Labor Practices

Freedom of Association | With the aim of building labor-management partnership on the basis of trust and cooperation, Dongbu Insurance is operating various types of communication channels. These efforts paid off. Dongbu Insurance has not experienced any labor disputes since 1994 (Dongbu's industrial accident rate - 2008: 0.12%, 2009: 0.03%, 2010: 0.02%). As of November 2011, 93% of all employees are covered by collective bargaining agreements.

Dongbu Insurance guarantees the three labor rights of employees and conforms to all relevant laws and group agreements. In accordance to labor-related laws, we abide by regulations regarding maternity leave and childcare leave. Moreover, employees are given equal opportunities depending on their ability and performances.

Notice of Major Operational Changes | The top management and executives of the company provide latest information on overall management issues to employees through monthly announcements on operating performances and business status telecasted companywide. The corporate intranet, we notice major operational changes such as HR and employee welfare issues to employees beforehand and listen to employees' opinions on the matters.

Respect for Human Rights and Ban on Discrimination

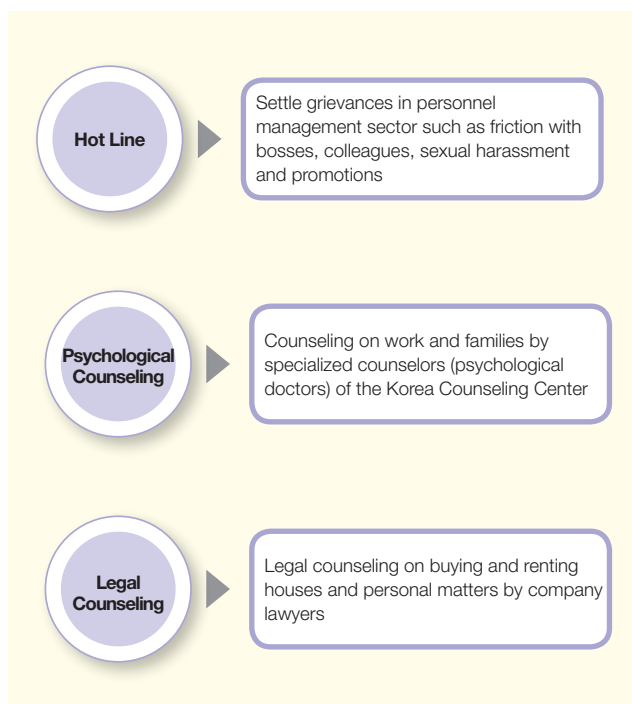
Respect for Human Rights | Dongbu Insurance conforms to Korean Labor Standard Laws and ILO regulations on forced labor and child labor. There have been no cases of child labor or forced labor.

Education on Human Rights

Dongbu Insurance conducts annual online educational courses for all employees on preventing sexual violence and harassment within the workplace. Any department can make use of video materials on the intranet at all times to educate employees.

Concrete examples of sexual harassment are provided to serve as guidelines and raise awareness among employees about violating human rights within the company.

Furthermore, the security personnel stationed at the head office receive human right education once a week on average (four times a month) for emergency evacuation measures, customer greeting skills and customer service to protect customers and employees and make workplaces safer.



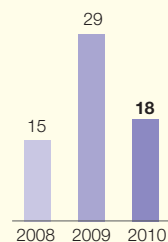
Operation of Employees' Grievance Settlement System

Dongbu Insurance is operating an employee counseling system and an in order to help employees to work better and have better lives at home. In 2010, we settled 18 employees' grievances through the employees' grievance settlement system.

• CASES SOLVED BY OFFICIAL GRIEVANCE SETTLEMENT SYSTEM

(unit: case)

※ These cases are all grievance settlement cases in overall personnel management such as personal transfers and sexual harassment.



Ban on Discrimination | Although there are rational differences in employees' positions, responsibilities and roles, there is no wage and other discrimination against social statuses and types of labor contracts. In addition, the company is banning any discrimination on the basis of races, genders, ages, religions, nationalities and disabilities in compliance with recruitment regulations. Moreover, the company actively turned irregular workers into regular workers before the enforcement of the Temporary Worker Act. During the reporting period, we transformed a total of 248 irregular employees into regular employees in an effort to offer fair job opportunities.

• CONVERSION TO REGULAR EMPLOYEE STATUS (unit: person)

Category	2008	2009	2010	Total
Converted workers	127	51	70	248
Conversion ratio	100%	100%	100%	100%

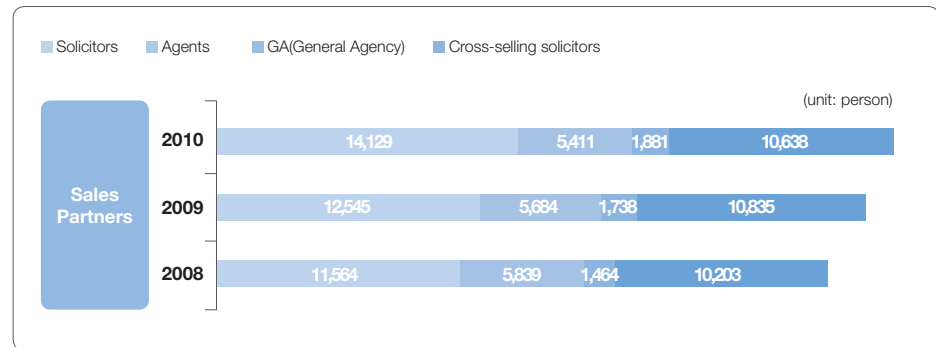


Partners Creating Success Together



Win-Win Growth with Sales Partners

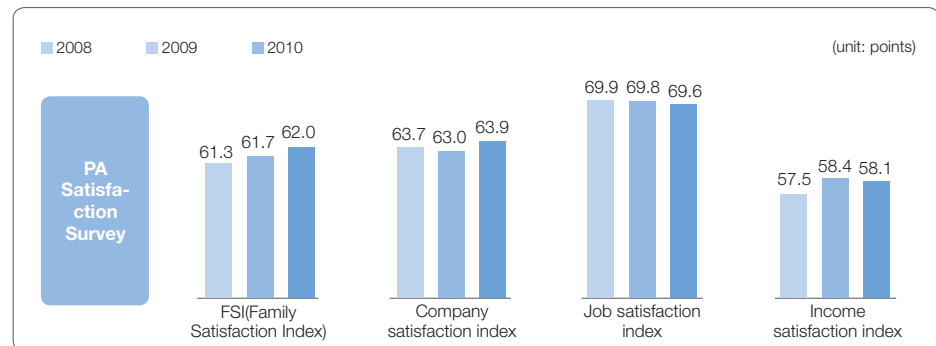
Sales Partners | In line with the growth of Dongbu Insurance, our sales partners are increasingly becoming more diverse. In particular, in 2010, all channels steadily grew so the total number of sales partners reached 32,149. Including the number of employees of agents, the entire sales organization of the company hired almost 100,000 people. Like this, the area and number of sales partners have been rapidly expanding. Sales partners are largely divided into two groups of exclusive sales channels (exclusive solicitors and agents) which are called Prime Agents (PA) and non-exclusive channels mainly consisting of cross-selling solicitors and non-exclusive agents.



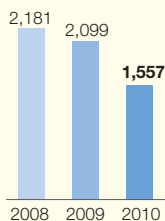
PA Communication

PA Satisfaction Survey

We conduct an annual PA (Prime Agent) satisfaction survey called Family Satisfaction Index (FSI). The survey is conducted on ten areas such as overall satisfaction levels, working environments, the company's products, sales support, and training. The overall satisfaction level has steadily risen over the past three years, reaching 62.0 points in 2010.



PA SUGGESTION (unit: case)



PA Suggestion System

Dongbu Insurance has operated a PA suggestion system for the purpose of invigorating communication with PAs. Suggestions that we adopted are added to our overall policies and systems. The company adopted 472 out of PAs' 2,099 suggestions in 2009 and 385 out of 1,557 suggestions in 2010.

Program to Improve PA Loyalty |

Differentiated Commission System

Our commission system offers diverse and no-ceiling structures to enable the unlimited growth of PAs. Dongbu is currently building a commission support system for the stable grounding of new recruit subsidies and settlement support commission. We are also maintaining a performance-based commission system commensurate to partners' abilities and performance to provide greater motivation.

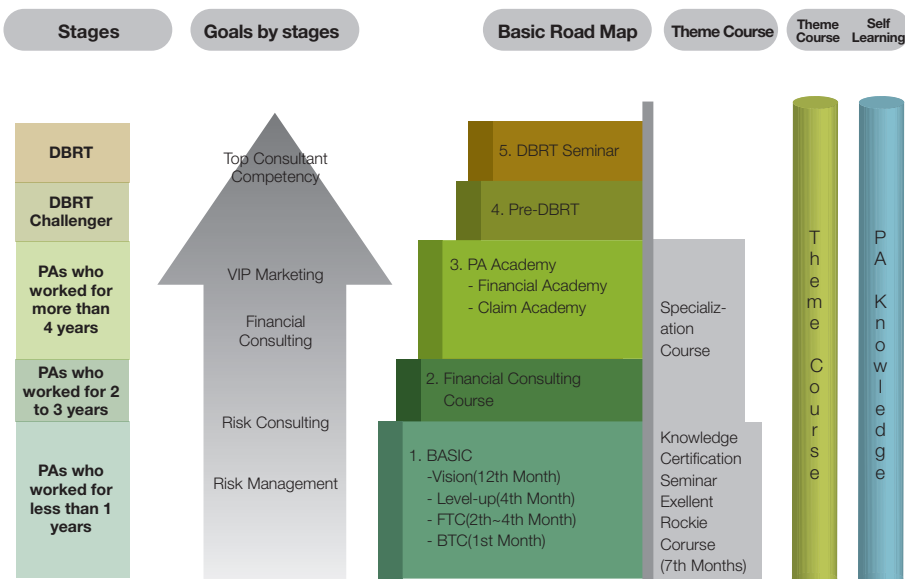
Providing Systematic Education Programs

We offer systematic educational programs such as consulting capability development to PAs in order to expand their capabilities. To this end, we have spent more than KRW7.5 billion on educating and training about 170,000 PAs over the past three years.

• EDUCATION AND TRAINING

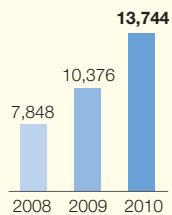
Category	2008	2009	2010
No. of courses	45	47	42
No. of trainees	55,065	51,915	64,397
Education expenses (KRW million)	2,064	2,712	2,732

• PA EDUCATION SYSTEM



• PK CERTIFICATION HOLDERS (CUMULATIVE BASIS)

(unit: person)



Innovation Program to Upgrade PA Activities

Dongbu Insurance solved problems of business groups and strengthened their execution power through the Sales Consulting Program for advancing PA activities. Through this, we help sales partners have stronger sales competitiveness and increase their income. At present, a total of 26 business groups are taking part in the program. Thanks to an improvement in business group management systems and the enhancement of coaching capabilities of heads of branches, the number of PAs with monthly incomes over KRW3 million has noticeably increased.

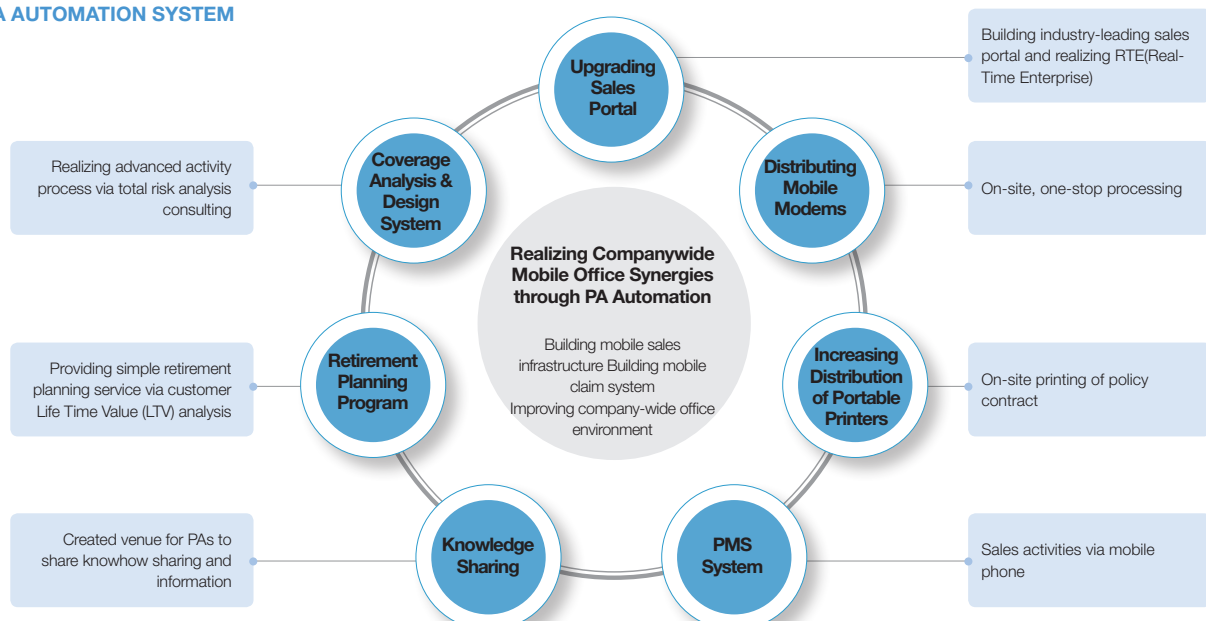
PA Knowledge Certification Program

We instituted a "PA Knowledge (PK) certification program" which offers sales organizations to enhance their business knowledge competitiveness. As of the end of 2010, 13,744 PAs acquired PK certificates. In addition, PAs are sharing knowledge and business know-how through Knowledge Sharing Place in the sales portal.

IT-based Advanced PA Sales System

Dongbu Insurance utilizes a business-oriented system as its next-generation system. The company has a high-tech, web-based system that supports sales activities by allowing PAs to access the system any time and from anywhere. We enable efficient and quick sales processing by providing an advanced mobile-based sales system. We make PA activity management efficient and reinforce their competitiveness by operating self targets, sales offices which allow PAs to plan on their own and support PAs' sharing cases of operation and excellent targeting in consideration of characteristics of regions and sites. In addition, we are advancing the PA Automation System such as supporting sales processes by providing the e-Contact System for differentiated marketing.

• PA AUTOMATION SYSTEM



Dongbu Round Table (DBRT) Hall of Fame

Every year, Dongbu Insurance gives prizes to excellent PAs to encourage them to have more pride in their work. We operate a 'DBRT Hall of Fame' program to give recognition to PAs who have contributed to our growth and promote exemplary activities.

• ANNUAL PRIZEWINNERS (unit : person)

Category	Total	Main Prizes	Rookie Prizes	Sales King	DBRT
2008	285	123	35	2	125
2009	446	209	28	2	207
2010	403	190	23	2	188

Win-win Programs for Non-exclusive Channel Partners I

GA-Only Consulting Center

Dongbu Insurance is running a GA-only consulting center to support employees of GAs. We provide services such as design of and consulting on auto, long-term and commercial insurance through the consulting center.

Building System for GAs

Dongbu Insurance enabled GAs to design insurance products of the company and handle work of the company more conveniently by building the GA-Only Portal System in November 2009. Representatives of GAs were able to manage sales and incomes of their employees through this system. Moreover, we developed the GTMS(GA Tele Marketing System) to help sell TM products in December 2010.

Support Program to Boost Incomes of Partners

Dongbu Insurance operates a commission system that is differentiated by performance levels. For GAs with exemplary management efficiency indices such as retention rate and collection rate, we provide separate performance-based commissions. Moreover, 141 GA trainers offer education and overall support to non-exclusive channels including GAs across the nation. They also help employees of GAs reinforce their sales capabilities by holding classes on insurance products and marketing methods for them every month.



GA Portal Screen



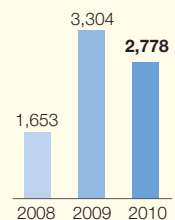
GTMS Screen



Annual Awards Ceremony

• GA LONG-TERM PREMIUM

(unit : KRW million)



※ Sales of long-term insurance temporarily increased due to a decrease in the coverage of medical reimbursement insurance in 2009. Annual sales are on a steady rise when considering sales in July 2009.

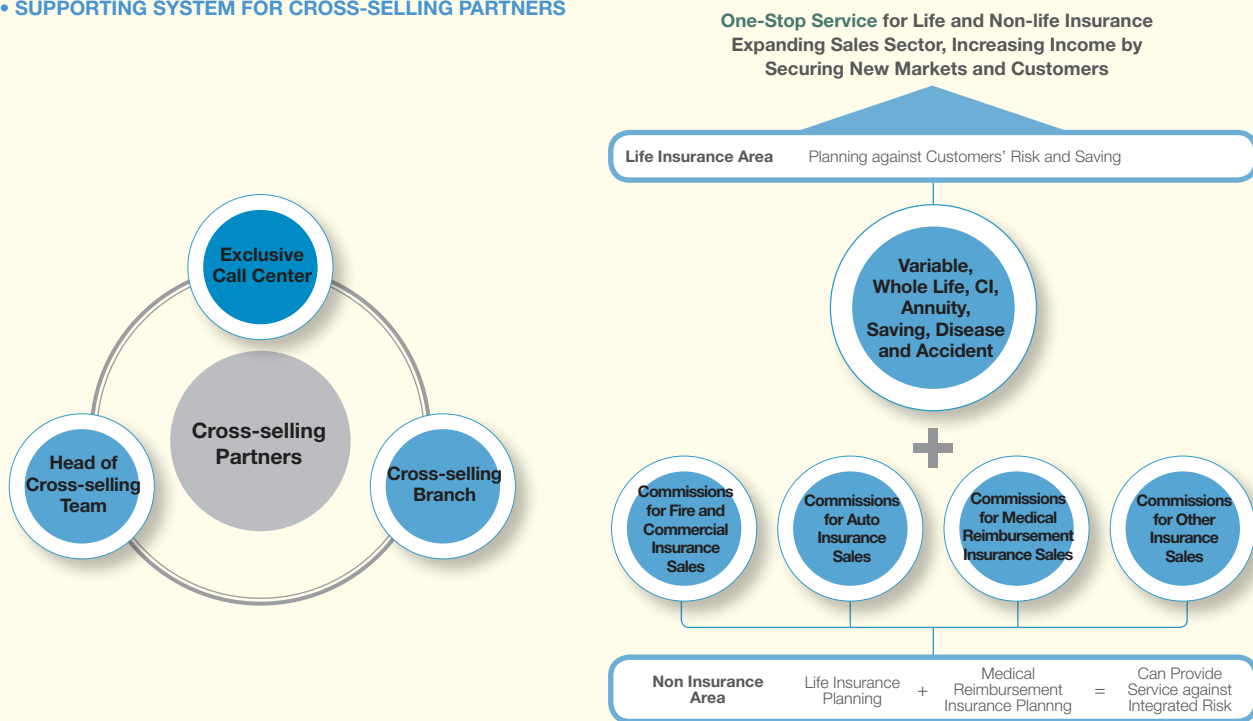
Meeting for Win-Win Growth

GA seminars are held every quarter to promote win-win partnership with GAs. In particular, we strengthen loyalty for sales partners by holding DHC (Dongbu Honors Club) for excellent GAs.

Support Program for Cross-selling Partners

Dongbu Insurance is pushing for the establishment of a cross-selling call center, a cross-selling team leader system and the expansion of cross-selling branches following the introduction of cross-marketing between non-life and life insurance sectors in August 2008. In addition, we are expanding infrastructure to increase income of cross-selling partners through the development of differentiated products.

• SUPPORTING SYSTEM FOR CROSS-SELLING PARTNERS



PA Ethical Management Program I

While understanding that strong ethical awareness is indispensable to steady mutual growth with the best sales forces in the industry, Dongbu Insurance is endeavoring to prevent insincere business activities including insurance crimes through various organizations such as the consumer protection part and the SIU part. In particular, the company has prepared and is executing additional strong punishment standards on unfinished complete sales and moral risk-related insurance accidents by PAs and sales managers. In addition, each of our sales partners is required to submit a signed oath to abide by ethical and legal standards to have strong ethical awareness.

Win-Win Growth with Claims Service Partners

Current Status of Claims Service Partners | Dongbu Insurance is providing medical and auto maintenance services through hospital and auto maintenance factories across the nation. Its national Promy Network provides quick customer services at sites. We also maintain strong partnership with claim adjustment companies to manage claims more accurately.

Mutual Growth Programs for Claims Service Partners |

Support for Exemplary Hospitals and Maintenance Centers

Dongbu manages and supports a select number of hospitals and auto maintenance centers that have superior records of managing claims and high customer trust levels. Through this, the company is able to offer excellent medical and maintenance services while hospitals and auto maintenance centers can secure their customers. In addition, we are steadily expanding support for excellent exemplary hospitals and maintenance centers.

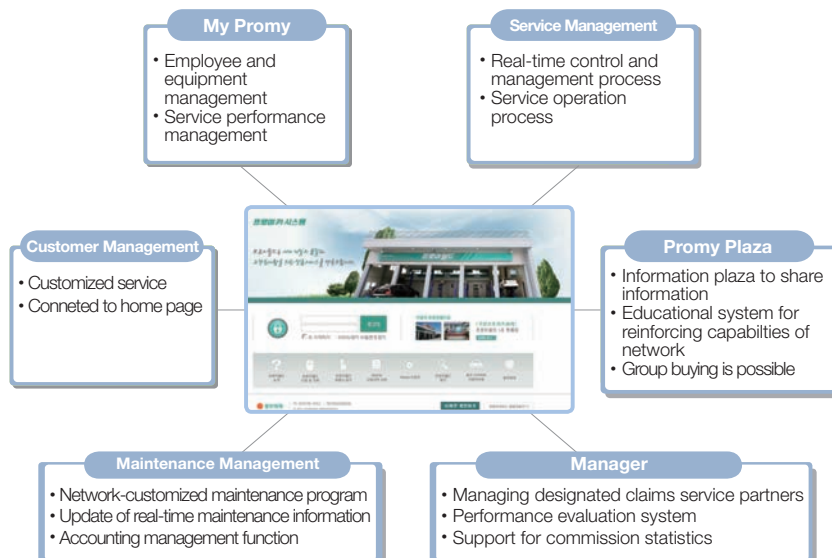
Dongbu Insurance has lowered the adjustment of examination costs by expanding exemplary hospitals and pushing for education and cooperation activities for exemplary hospitals by regions since 2009.

We are pushing for having 40% of all repair cases done at exemplary maintenance centers by increasing the number of exemplary maintenance centers a good deal and improving a customer guidance process in an early stage of an accident.

Building Support System through Promy Car System

Dongbu Insurance is having emergency dispatches, calls for dispatches, designation of dispatch firms, dispatch progress and results of dispatches shared in real time through the web-based Promy Car System. The system additionally realize a maintenance system, offers an environment for systematic work and profit management and enhanced the convenience of education and effects of education through a cyber education support system.

• PROMY CAR SYSTEM



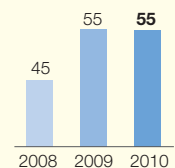
• CLAIMS SERVICE PARTNERS

	Category	No. of partners
Medical/Repair Service	Hospital	10,274
	Maintenance center	3,619
Promy Network	Emergency dispatch firm	584
	On-site dispatch company	518
Investigation	Long-term insurance claims adjuster and surveyor	18
	Commercial insurance claims adjuster and surveyor	33

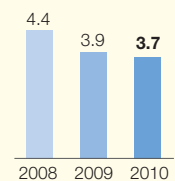
• OPERATION OF EXEMPLARY HOSPITALS

No. of Exemplary Hospitals

(unit: case)



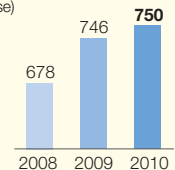
Adjustment Rate of Medical Cost at Exemplary Hospitals (unit: %)



• EXEMPLARY MAINTENANCE CENTERS

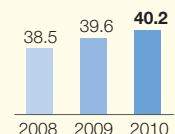
No. of Exemplary Maintenance Centers

(unit: case)



Support for Warehousing at Exemplary Claims Service Partners

(unit: %)



Advancing Collaboration System through System

The web-based online network Partner Relationship Management (PRM) system was developed in January 2010 and is used to improve two-way operational efficiency with a focus on real-time communication functions.

• MAIN FUNCTIONS

Convenience/Speed	<ul style="list-style-type: none"> Real-time claim, payment and agreement functions File accident, enter accident investigation management results Delivery of related documents and photos
Improved Participation	<ul style="list-style-type: none"> Two-way, real-time messenger service Provides background, performance of company Informs schedule and key announcements

• PRM SYSTEM

The screenshot shows the PRM System web interface. The top navigation bar includes links for '계약/사고' (Contract/Accident), '접수/보상' (Receipt/Compensation), '수리차량관리' (Repair Vehicle Management), '원차관리' (Original Vehicle Management), '구상' (Proposal), and '도움' (Help). The main content area is titled '계약 및 보상 처리내용 상세' (Contract and Compensation Processing Details) and contains several sections for entering information, including '계약사항' (Contract Details), '사고사실' (Accident Facts), and '피해사항' (Damage Details). The left sidebar provides quick access to various functions like '로그인' (Login), '내의정보' (My Information), and '보상 담당자' (Compensation Officer).

Communication with Claims Service Partners |

Communication with Hospitals and Maintenance Centers

Objects	Cycle	Details
Exemplary hospitals and maintenance service centers	At any time (3 to 5 times a year)	<ul style="list-style-type: none"> Managed by heads of local claim centers Sharing problems in work processes and discuss ways to solve them Managing claims and sharing joint customer service activity plans

Communication with Promy Network

Type	Cycle	Details
Education	On-the-spot education	Discussing plans to manage collaboration system with claim service partners
	Group education	Sharing future direction of commission management system and performance management
Conference	Once a year	<ul style="list-style-type: none"> Sharing excellent win-win partnership cases Activities to promote partnership spirit



Conference for Partners

Communication with Claim Adjustment Firms

Dongbu Insurance made progress and processes through a system shared by showing screens needed for work of claims adjustment firms such as service request statuses and statements on an e-claim system used by claims employees. In addition, the company carries out education programs, workshops and meetings for claims employees and employees of claim adjustment firms for the enhancement of capabilities of claim adjustment firms and smooth communication with them.

• EMPLOYEE EDUCATION OVER THE PAST 3 YEARS

Category	Objects	Cycle	Details
Meeting	Executives and managers	Once a month	•Sharing performances by claim adjustment firms and deliberation matters
Workshop	Team leaders	When necessary (3 to 5 times a year)	•Sharing difficulties in claim adjustment and suggestions •Sharing BPs and failure cases of claim adjustment.
Education	Team leaders	Team leaders	•Specialized guest lecturers' education on methods on moral accidents and at sites and provisional attachment of claims

Social Responsibilities through Claims Service Partners |

Insurance Crime Prevention Activities

Dongbu Insurance and claims service partners jointly pursue activities to prevent insurance-related crimes. Additionally, we are continuing to implement socially responsible activities such as preventing insurance-related crimes by maintaining strict watch over delinquent partners.

• Reward System for Reports of Insurance-related Crimes

Dongbu Insurance offers rewards in accordance to disclosed figures when reports are made on insurance fraud schemes. In 2010, we recorded 35 internal reports and nine external reports and paid KRW11.2 million in rewards.

Reward for Reporting Insurance related Crimes

- Reward for disclosed figure x (recovered figure ratio + contribution to exposure)
- Reward : Min. KRW200,000 to max. KRW10 million

Disclosed amount	Ceiling amount
KRW300 million or more	KRW10 million
KRW300 million to KRW100 million	KRW5 million to KRW7 million
KRW100 million to KRW30 million	KRW2 million to KRW3 million
KRW30 million to KRW5 million	KRW0.5 million to ~KRW1 million
Less than KRW5 million	KRW0.3 million to

Reporting Insurance Frauds

- PRM System of Partners
- Home Page of Dongbu Insurance
- Home Page of Promy Network

Home Page of Dongbu Insurance

Anyone can report insurance frauds, inappropriate sales activities, financial accidents and wrongdoings



Special Management Delinquent Partners

We are operating a system to manage and share data on delinquent partners by interworking with the e-Claim System for the systematic management of partners which undermine proper functions of insurance by reporting fake or inflated repair charges and causing moral risk accidents.

거래처입력

거래처 입력/사입현황 | 거래처 불법행위 정보명세 | 병행발파해자명세 | 장해잔단발급명세 | 거래처별 지급보험금조회

거래처명: 022304

대표자: 한희정 외 | 주민번호: | 사업자번호: | 병행발파관리: 거래처이해관리 | 거래처이해관리: 병행관리유형

법인번호: | 병원종류: | 병원명: | 의보험번호: 41322266

거래유형: | 거래여부: | 거래처이해관리입력조회 | 거래처 대와 상사

관리유형(자): | 식음료주조: 경기 부천시 원미구 원미1 |

사업자주소: 경기 고양시 일산동구 통동

보험담당: 장덕상 | 직책: | 근무과: 032 612-0755 | Fax: | e-mail: | 가입자: 장덕상 | 주민번호: | 업무협조도: | 서비스: | 담당자: 076432 | 주담당: | 인가: | 선택: | 특기사항: 사무장 병행 의심/부재물 |

입력자: 유석희

병행서류제출:

구분	관리내용	관리자	관계	사고번호	입력자	입
기본이력	일반정보	원무과장	원무과장		이윤	12-0
2011년 입원을 현황 및 업무협조 요청 공문 발송						
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식대허위 청구 등						
불당이력	불법행위적발	기타	10-00655191-001	김재환	10-0	
의사 진찰전 간호조무사에 의한 채혈 및 심전도 검사 시뮬 후 익일 입원하여 의사진찰						
불당이력	불법행위적발	기타	10-00655191-001	김재환	10-0	
의사 진찰전 간호조무사에 의한 채혈 및 심전도 검사 시뮬 후 익일 입원하여 의사진찰						

Managing business records
with partners

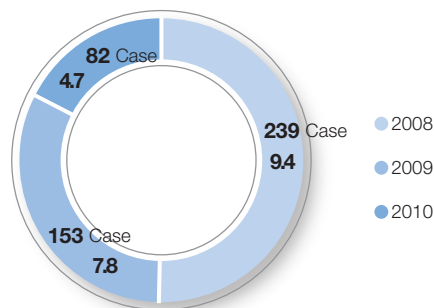
• Saving delinquent cases

Hospital management types

• Offering classification

• NO. AND VALUE OF EXPOSED MORAL RISKS AT DELINQUENT PARTNERS

(unit: KRW100 million won)



Social Responsibilities Getting People Closer Together



SOCIAL CONTRIBUTION ACTIVITIES

Social Contribution Overview | Dongbu Insurance pursues social contribution activities befitting the spirit of non-life insurance of love, freedom and happiness and its characteristics and all employees' voluntary services.

Our social contribution activities are devoted to fulfilling our responsibilities as a corporate citizen and our public obligations as a non-life insurance company.

We are implementing various social contribution projects such as environmental protection, sporting cultural and sports events and donating talent, to say nothing of support for the disabled or marginalized.

Employees are actively participating in social contribution activities around the Promy Voluntary Corps and the Promy Heart Fund.

Social Contribution Vision and Strategies | Dongbu Insurance is making endeavors to make its social contribution activities "its brand" by implementing social contribution programs, reinforcing employees' activities of the Promy Voluntary Corps and pushing for activities on which characteristics of non-life insurance are reflected with the aim of fulfilling corporate social responsibilities.

• DIRECTIONS

Implementing Specialized Social Contribution Programs

- Supporting multicultural families
- Risk Management Research Center: Checking safety of welfare facilities.
- Expanding environment-friendly products and support – Environmental painting festival and Evergreen auto insurance

Employees' Participation in Promy Voluntary Corps Activities

- Conduct activities twice a year (summer and winter)
- Regular support for welfare facilities

Turning Social Contribution Activities into Brand

Activities on which Characteristics of Non-Life Insurance Business Were Reflected.

- Sponsoring firefighters
- Traffic safety education and broadcast
- Helping children of their parents were killed in traffic accidents

Social Contribution Activities Befitting Characteristics of Insurance Business |

Safe Driving and Preventing Traffic Accidents

Dongbu Insurance conducts a traffic safety awareness and traffic

accident prevention campaign with the aim of establishing a righteous traffic culture. We share our accumulated professional auto-related knowledge and traffic safety information with many people.

• PROGRAMS FOR SAFE DRIVING AND PREVENTING TRAFFIC ACCIDENTS



Traffic safety broadcast

- Radio traffic safety broadcast: 20 or more times/wk, over 1,000 times/yr (KBS, MBC, TBS etc)



Education and safety management training for companies and organizations

- 138 times/yr and over 20,000 man-days at public/private companies, fire stations, government offices, army units, post offices and other groups
- Special education for police officers in charge of investigating accidents (11 times)



Campaign to reduce traffic accidents

- Organize street campaign
- Organize campaign to establish safe driving culture
- Joint local government campaign to reduce traffic accidents



Special vehicle checkup service

- Special car checkup service during summer vacation times, national holidays (emergency rescue service, on-site medical support service, etc)
- 2008: 409 people, 2009: 203 people, 2010: 707 people

Talent Donation

Dongbu Insurance has been offering fire safety check services and fire prevention items to social welfare facilities and day care centers as a talent donation activity since 2009.



Checking Safety of Welfare Facilities

- Checked 34 welfare facilities and donated fire extinguishers in 2009
- Checked 22 welfare facilities and donated first-aid kits in 2010

Support for Surviving Children of Traffic Accident Fatalities

Dongbu Insurance regularly deliver funds to surviving children of traffic accident fatalities recommended by the Road Traffic Authority to ensure that they do not lose hope or their dreams and grow up to members of society. We not only give financial support to them but also visit them to help them regularly



- We were sponsoring nine such children as of March 2011

Campaign-Connected Donation Activities

Dongbu Insurance carried out “Smart Children Love Campaign” through which the company raised a fund in accordance with sales of new products and donated the fund and a matching grant to children with incurable diseases.

In addition, we have been holding the Love More Events that accumulates a certain amount of money per e-service including year-end tax adjustments on our home page and donated the money to children of poor families who need operations since 2009. All the money goes to the Korean Organization for Rare Diseases.








We have been implementing various programs such as multicultural market places, multicultural camps, housing projects for multicultural families and birthday parties for babies of multicultural families since signing an MOU with the Wonju Multicultural Center in Gangwon Province in May 2011

Employee Participation in Social Contribution Activities | Promy Volunteer Corps

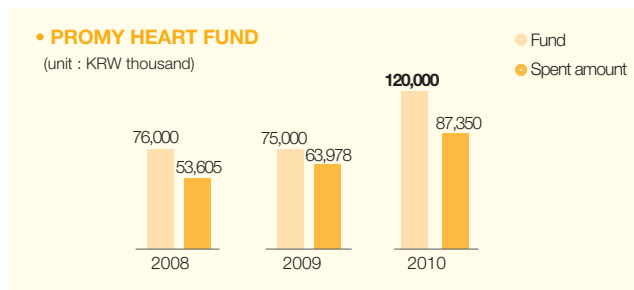
The Promy Volunteer Corps was organized to implement social contribution more systematically. The corps is led by the CEO and engages in volunteer service activities in seven regions -- Seoul, Gangwon, Gyeongin, Daejeon, Daegu, Gwangju and Busan -- across the country.

• HIGHLIGHTS OF PROMY VOLUNTARY CORPS' ACTIVITIES

	Details
	Free Meal Activities <ul style="list-style-type: none"> Delivered free meals to about 600 marginalized people. - Relevant Organization: Bappeo (Dail Welfare Foundation)
	Donating Quarantine Suits <ul style="list-style-type: none"> Donated 1,000 quarantine suits against foot-and-mouth disease by visiting Baekam-myeon of Yongin City
	Sharing Live of Love <ul style="list-style-type: none"> Has delivered rice and daily necessities to low-income families every December since 2006 (about 2,000 families)
	Making Kimchi of Love <ul style="list-style-type: none"> Has made and delivered kimchi to marginalized people every November and December since 2006 (about 600 families)
	Sharing Coal Briquettes of Love <ul style="list-style-type: none"> Delivered coal briquettes to low-income families (5,000 coal briquettes)
	Santa Clause of Love <ul style="list-style-type: none"> Delivered gifts to 38 children of the Saebit Children Welfare Center
	Sponsoring Disabled People and Teenagers <ul style="list-style-type: none"> Carried out social contribution activities by visiting orphanages with the Promy Basketball Team Repaired and cleaned houses of low-income families of handicapped people Sponsored Deulmusae Essay Contest for police officers and firefighters
	Recovery from Disaster <ul style="list-style-type: none"> Carried out recovery activities and delivered daily necessities and donations to residents in disaster-hit areas (SamYook Rehabilitation Center)
	Helping Farmers <ul style="list-style-type: none"> Provided assistance to sister farming villages during busy seasons as part of “one company for one village” program (Yangjeong-ri Village of Sangju and etc) Helped farmers with the Promy Basketball Team (Yongsomak Village of Wonju City)
	Cleaning and Protecting Environment <ul style="list-style-type: none"> “One headquarter for one mountain” activities (cleaning mountains) Took part in making cities clean by cleaning areas near streams and rivers. (Gwangju Stream of Gwangju, the Geumho River of Daegu, Bomun Mountain of Daejeon, Suncheon Bay of Honam and etc)

Promy Heart Fund

The Promy Heart Fund is a matching grant fund whereby employees voluntarily donate a fixed amount from their monthly salaries to support worthy causes. Dongbu Insurance donates a matching grant equal to the employees' contributions. It is used for the Promy Volunteer Corps and donations for diverse purpose. Participants and amounts increased a great deal thanks to the voluntary campaign in 2010. At present, 2,230 employees participate in the Promy Heart Fund. Until 2010 a total of KRW590 million has been raised while KRW340 million has been donated.



Employee Volunteer Clubs

Employees have organized volunteer clubs. Currently, two clubs are actively participating in community service activities.

• ACTIVITIES BY VOLUNTEER CLUBS

Club Name	Main Activities
Dongbu Sarang Nanumi	<ul style="list-style-type: none"> · SamYook Rehabilitation Center in Gwangju City, Gyeonggi-do · Volunteer activities and support (4 places)
Gruteogi	<ul style="list-style-type: none"> · For Seoul Metropolitan Dongbu Hospital · Nursing the elderly with dementia

Support for Sports | Dongbu Insurance is a proud sponsor of diverse sporting events in order to promote sound use of leisure time and sports development.

Operation of Pro Basketball Team

Dongbu Insurance is striving for the development of sports in Gangwon Province by operating the Dongbu Promy Pro Basketball Team since its foundation in Wonju in October 2005. The team is popular among basketball fans thanks to its sportsmanship and outstanding plays.

Sponsoring Golf Tournament

In order to create a sound social culture Dongbu Insurance has been various types of golf tournaments such as the Dongbu Promy KPGA Champions Invitational and the Matchplay Championship since 2005. We are steadily carrying out activities to sponsor sports such as offering new items for entertainment and attractions.

Supporting Public Service Activities |

Supporting Firefighters

We have been sponsoring the KBS119 Awards to encourage firefighters and spread awareness of fire safety throughout society since 2003.



Sponsoring the KBS 119

Supporting Electric Bulletin Board to Prevent Traffic Accidents

We are operating electric bulletin boards around the Seoul Metropolitan Area with an eye toward motivating people to drive safely by informing people of statuses of traffic accidents.

Supporting "Promise Campaign" for Public Good

We have been steadily holding the "Radio Promise Campaign" to contribute to creating a sound social culture on the basis of promises and trust since 2009.

We are making efforts to develop and spread contents for public good to remind people of meanings of promises with customers.

Donation for Disaster Victims

We are pushing for donation activities to help people victimized by big disasters and incidents. In 2010, we donated KRW740 million to help victims of the Cheonan and Yeonpyeong Island Incidents and the earthquake in Japan.

Ethical Management

Society-friendly Insurance | Dongbu Insurance is developing products and services in consideration of social issues. We are putting our utmost efforts into developing society-friendly products such as auto insurance for the disabled, insurance products discounted for marginalized people, an insurance money donation system for the establishment of an advanced donation culture, insurance for children of low-income families in partnership with the Micro-Credit Foundation and insurance to promote childbirth in partnership with local governments. We will continue to fulfill our corporate social responsibilities by developing products and services for marginalized people and low-income families in the future.

• SOCIETY-FRIENDLY INSURANCE

Product	Details
Promy Gomduri Auto Insurance	<ul style="list-style-type: none"> Insurance for the handicapped, targeting cars owned by the disabled Provides special guarantees for the disabled: Health care expenses and subsidies for the purchase of orthoses.
Promy Heart Insurance	<ul style="list-style-type: none"> Insurance specially designed for low-income people. Offers the same guarantee that existing products do. Gives an 8% discount when accepting a special contract. (Began to sell in April 2011)
100-Year-Old Youth Insurance	<ul style="list-style-type: none"> Holds an organ donor campaign and operates death benefit donation system to encourage advanced donation culture
Dream Love Insurance	<ul style="list-style-type: none"> Supports small-sum guaranteed insurance for children of very needy classes by utilizing dormant insurance money
Colorful Children Safety Insurance	<ul style="list-style-type: none"> Provides support for insurance from a family's third child to overcome low birthrate

• SALES OF SOCIETY-FRIENDLY INSURANCE (Unit: KRW million)

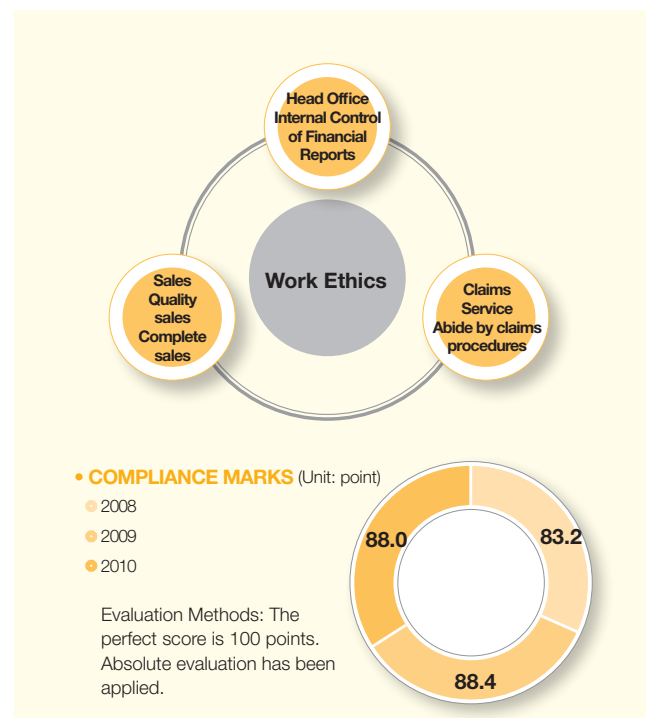
	2008	2009	2010
Promy Gomduri Auto Insurance	153	133	130
100-Year-Old Youth Insurance	16,736	17,466	8,694
Dream Love Insurance	28	194	131
Colorful Children Safety Insurance	28	47	35

Ethical Management Systems |

Compliance

Dongbu Insurance is running an evaluation system to concretize compliance items to measure compliance levels by sectors and duties and establish ethical management. Common compliance items are work ethics, matters pointed out by outside auditors, ethical code violations and evaluation items for compliance activity reports. We are realizing ethical management practiced by all employees by developing compliance index evaluation items steadily for the purpose of establishing an ethical corporate culture.

We introduced a voluntary fair trade observance program to ensure that we operate in accordance with the principle of equity. In addition, we have appointed a compliance officer and developed a 24/7 internal control system to ensure that all our official documents are monitored. We obtain prior authorization from the Financial Supervisory Service regarding all materials used to promote and sell our products. All privately prepared materials should be based on materials officially approved by the company. Thanks to such efforts, we have never been accused of exaggeration or false advertising.

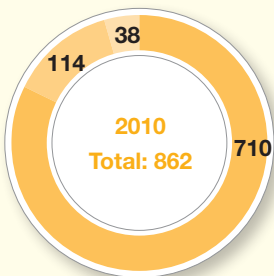
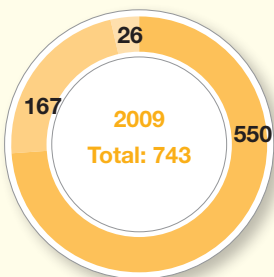
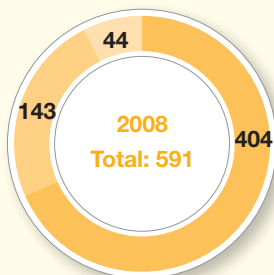


Legal Risk Management

At Dongbu Insurance, legal analysis operations are currently being handled by the legal affairs part under the compliance officer. The part answers questions on legal matters related to the business of the head office, sales policies, legal matters on activities and legal risks related to claims. Legal risk questions are about overall corporate matters including the establishment and revision of the articles of association, company regulations and policies, personnel and labor management. The number of the questions is steadily increasing every year.

• LEGAL RISK REVIEWS (unit: case)

- Questions from Head Office
- Questions from Sales Sector
- Questions from Claims Sector



Legal Service Support for Customer Satisfaction

Dongbu Insurance is providing legal consulting services for customers through the legal consulting corner on its home page. This service is provided to any who uses the home page. At present, the service is used not only by customers but also solicitors, insurance agents and employees. As of 2010, a total of 1,423 legal services were provided.

Anti-corruption and Bribery Prevention | To root out corruption and bribery, Dongbu Insurance established regulations that prohibit the acceptance of bribes, special treatment or entertainment, special considerations and other forms of wrongful gifts from partner firms. We also have detailed conduct guidelines.

Whistle Blowing

Employees may make reports anonymously or under their names on bribery and corrupt activities through the company's intranet whistle-blowing system. Furthermore, to encourage the reporting of such violations, we operate various channels. We set up a help line on the homepage of Korea Business Ethics Institute (KBEI) that offers informants a full range of protective measures. The general public may also file reports via the "Financial Accident and Irregularities Reporting Center" and "Ethics Reporting Center" pages found on our company website.

The number of whistle blowing cases through the home page stood at 26 in FY'08, 36 in FY'09 and 26 FY'10. These cases were settled through deliberations among people concerned. We received 26 whistle blowing cases in 2008, 36 cases in 2009, 26 cases in 2010 through the home page. In the case of we find wrongdoings and briberies, we report them to the Audit Department or punish those concerned by holding the HR Committee. We inform employees of those punished and the reasons for the punishment and offer education to prevent similar cases.

Love Auction

In line with our ethical management efforts, when an employee receives a gift or other goods from a person or their source is unclear, he or she is required to report it to the compliance officer. The said goods are then sold through an auction called "Love Auction" with the proceeds going to needy people. From 2009 to 2010, Love Auction proceeds amounted to KRW2,751,200 of which KRW2,000,000 was donated to the social welfare groups, making employees establish ethical management.

Donation to Political Parties and Groups

Dongbu Insurance did not donate any money to political parties and groups during the reporting period. Our code of ethics prohibits employees' any political activities.

Internal Control I

Operation of Internal Control for Financial Reports

Dongbu has been operating an internal control system on financial reporting for the purpose of securing credibility in our financial information and improving transparency. The system was launched with control activities on 77 processes and 1,117 detailed processes that impact our financial statements. Every year, we add or change (redesign) control activities. Results of the internal control assessment contribute to securing transparency in companywide work process through continued feedback on improvement measures.

	Before 2008	2009	2010	Others
No. of Processes	77	77	77	
No. of Control Activities	1,117	1,139	1,271	10 (new) and 122 (changed/redesigned) in 2010.

Disclosure Check-list

Dongbu Insurance created an in-house disclosure check-list in order to ensure that our disclosures to the Financial Supervisory Service, the Fair Trade Commission, Korea Stock Exchange, the General Insurance Association of Korea and our homepage are made in a timely manner. Additionally, disclosure personnel and managers working in relevant departments are required to make regular checks (daily, weekly and monthly) of items for disclosure. When an item for disclosure is discovered, an automatic notice is given to related departments.

• DISCLOSURES / VIOLATIONS OF DISCLOSURES (unit: case)

Category	2008	2009	2010
No. of Disclosures	83	70	87
No. of Violations	1	-	-

※ According to disclosures on the DART of the Financial Supervisory Service

Internal Control Framework to Prevent Money Laundering

Dongbu Insurance has an internal control framework in place to effectively prevent money laundering. We have developed and are operating a system that enables us to perform differential customer due diligence according to risk level.

Ethical Education I

Ethical Education for Employees

Ethical education is compulsory for all newly recruited employees, including promoted workers. All workers also received ethical education via an online course. A total of 198 newly recruited employees received ethical management education from 2009 to 2010. We provided all employees with ethical management education through in-house broadcast when necessary. In addition, we have given ethical and legal compliance education to compliance officers and financial managers at each department across the nation since 2010. Our subsidiaries which introduced our ethical management education systems provide their newly recruited employees with ethical education as part of their basic education programs.

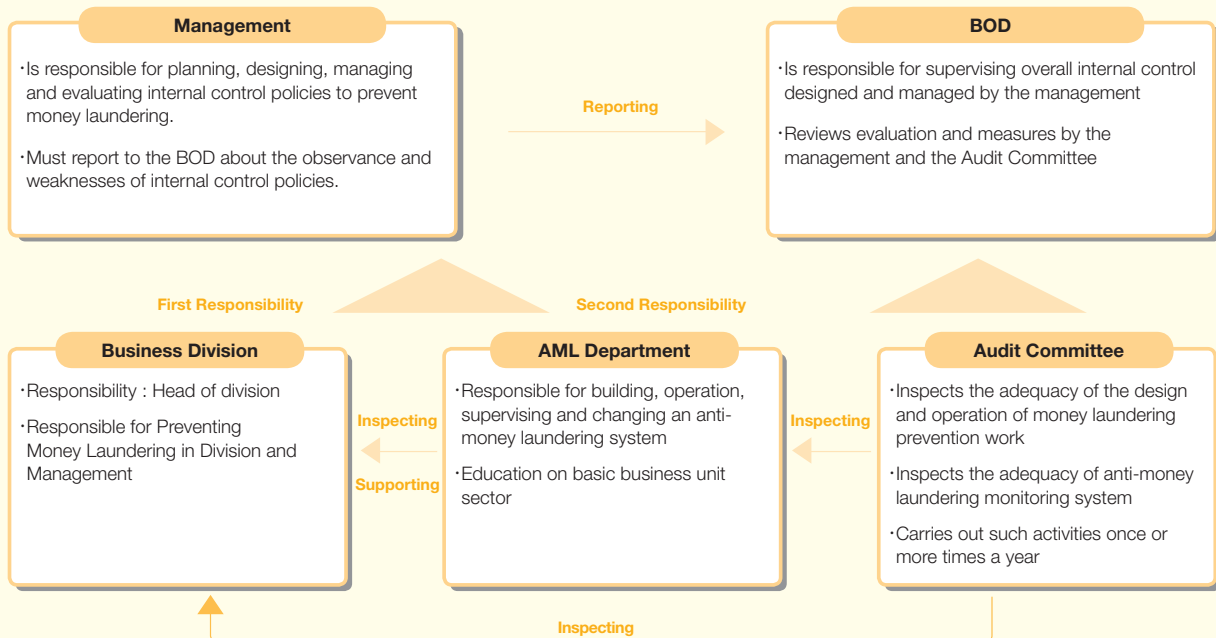
Signing Oaths to Honor Ethical and Legal Standards

Dongbu Insurance is putting forth efforts for ethical management such as online and offline education for all employees and their signing oaths for ethical management with a view to securing corporate ethics and fulfilling our corporate social responsibilities. We are endeavoring to form a desirable relationship with society on the foundation of ethical management. Employees of subsidiaries submit signed oaths to abide by ethical and legal standards.

• WRITTEN OATHS (unit : person)

	2008	2009	2010
No. of Participants	3,966	4,101	4,636

• ANTI-MONEY LAUNDERING FRAMEWORK



Shareholders and Investors Maximizing Shareholder Return

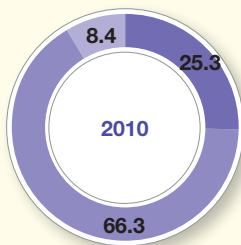
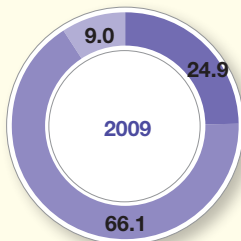
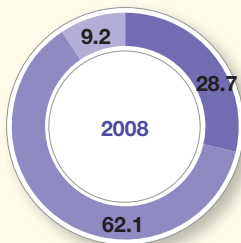


Economic Performance

Management Performance I

• BREAKDOWN OF DIRECT PREMIUMS WRITTEN (unit: %)

- Auto
- Long-Term
- Commercial



• BUSINESS PERFORMANCE SUMMARY (K-GAAP) (unit: KRW100 million, %)

Category	2008	2009	2010
Direct premiums written	51,283	59,805	71,137
Net premiums earned	47,282	54,824	64,221
Incurred losses	36,721	43,245	51,187
Net expenses	10,381	11,914	13,588
Increase in catastrophe reserve	365	377	439
Underwriting income	(185)	(712)	(993)
Investment income	3,183	3,815	4,871
Net income	2,315	2,263	2,844
Adjusted net income ¹⁾	2,680	2,640	3,284
Invested assets	73,268	87,116	105,233
Total assets	89,529	105,997	128,713
Total shareholders' equity	8,402	11,735	13,772
Catastrophe reserves	3,722	4,099	4,538
Adjusted shareholders' equity ²⁾	12,124	15,833	18,310
Combined ratio	99.6	100.6	100.9
Loss ratio	77.7	78.9	79.7
Expense ratio	22.0	21.7	21.2
Solvency margin ratio	192.6	231.3	245.5
NPL ratio ³⁾	0.9	0.5	0.6
Coverage ratio ⁴⁾	114.3	154.0	142.8
Investment yield	4.7	4.9	5.1
Adjusted ROA ⁵⁾	3.1	2.7	2.4
Adjusted ROE ⁶⁾	22.4	18.9	16.7
Payout ratio	16.4	21.0	20.0
Earnings per share (KRW)	3,857	3,729	4,018

1) Adjusted net income = Net income + increase in catastrophe reserves

2) Adjusted shareholders' equity = Shareholders' equity + catastrophe reserves

3) NPL ratio = Below substandard loans / total loans

4) Coverage ratio = Allowance for loan losses / below substandard loans

5) Adjusted ROA = Adjusted net income / [(beginning total assets + ending total assets) / 2]

6) Adjusted ROE = Adjusted net income / [(beginning shareholders' equity + beginning catastrophe reserves + ending shareholders' equity + ending catastrophe reserves) / 2]

Despite many difficulties such as a slump in the Korean economy, an increase in the loss ratio of auto insurance and a decrease in the coverage of medical reimbursement insurance due to the aftermath of the global economic crisis in 2008 and the financial crisis in Europe in 2010, the Korean non-life insurance industry enjoyed steady growth such as a year-on-year increase of 17.1% in FY'10 thanks to a recovery in auto insurance and a steady increase in demand for long-term insurance. In 2010, our direct premiums written rose 18.9% year on year to KRW7,113.7 billion while our net income stood at KRW284.4 billion, an increase of 25.7% from a year earlier.

The increases were attributable to the fact that Dongbu Insurance pushed for the three management principles -- good communication among employees, practical value and self-management -- of "Dynamic Dongbu," and a control over the loss ratio and reducing costs through an expansion strategy around profitability and the steady enhancement of management efficiency. In terms of direct premiums written, long-term insurance took 66.3% followed by auto insurance (25.3%) and commercial insurance (8.4%). We are planning to continue expanding its size around profitability and a sales strategy around long-term guarantee-type insurance.

Growth and Profitability | Dongbu Insurance has recorded differentiated business performances through strong business competitiveness thanks to low business cost and the establishment of a stable profit generation structure. Notwithstanding the global economic crisis in 2008 and the financial crisis in Europe in 2010, the company has been steadily growing on the foundation of a stable financial structure. As a consequence, we realized the steady expansion of the size around long-term insurance, premium-profit

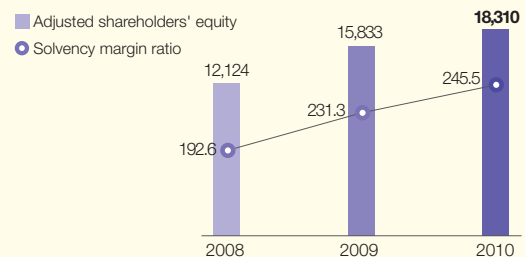
margin and adjusted ROE higher than industry averages over the past three years. In the future, we will continue to make efforts to steadily generate profits by expanding its size around long-term insurance, advancing risk management capabilities and enhancing stable asset management capabilities.

Financial Soundness | Insurers doing business in Korea should maintain enough capital to cover the liabilities for insurance contractors. Solvency margin ratio is used to check whether the company has sufficient capitals to cover the liabilities for insurance contractors. In 2008, our solvency margin ratio dipped below 200% due to the financial crisis in 2008. On the strength of a steady improvement in management soundness, our solvency margin maintains at 245.5% despite the financial crisis in 2010. Therefore, Dongbu Insurance proved strong financial stability. Beginning in 2011, the solvency margin ratio was replaced with the more stringent risk-based capital (RBC) system. By reinforcing risk management and elevating management soundness, we maintained an RBC ratio of 256.4% as of the end of September 2011.

Embedded Value (EV)

EV is a method to measure the long-term value created by long-term insurance contracts that the insurer holds currently. Dongbu Insurance calculates and announces its EV once a year. An outside organization verifies the calculation method and result. In 2010, our EV was laid at KRW3,253.3 trillion. More details are available on the home page of Dongbu Insurance. (www.idongbu.com)

• FINANCIAL STABILITY (unit: KRW100 million, %)



• GROWTH & PROFITABILITY

(unit: KRW100 million, %)

Category	2008		2009		2010	
	Dongbu Insurance	Top 3 Insurers	Dongbu Insurance	Top 3 Insurers	Dongbu Insurance	Top 3 Insurers
Growth of Direct Premiums Written	9.0	8.5	16.6	15.9	18.9	18.5
Growth of Total Assets	10.4	11.2	18.4	16.8	21.4	18.3
Premium-Profit Margin	5.7	4.7	6.0	5.0	5.1	4.3
Adjusted ROE	22.4	15.0	18.9	15.2	19.2	11.2

※ The top 3 insurers were decided in terms of sales

Activities to Enhance Shareholder and Investor Value

Enhancing Shareholder Value |

Dividend Policy

We have maintained a high dividend policy to enhance shareholder value by realizing stable and steady performances. In 2010, dividend per share was KRW900, while dividend rate as of par value rose to 180%, an increase of 30% from a year before. Dividend payout ratio dropped 1% to 20% from a year before.

• STATUS OF DIVIDENDS

(unit: KRW100 million, %)

Category	2008	2009	2010
Dividend per share (KRW)	600	750	900
Net income	2,315	2,263	2,844
Total dividend payment	380	475	570
Dividend payout ratio	16.4	21.0	20.0

Global Credit Rating |

S&P Rating

In 2010, Dongbu Insurance was assigned a rating of "BBB+ (Stable)" for six consecutive years by Standard & Poor's, one of the world's top three crediting rating agencies. The investment grade rating attests to our strong profitability, sound asset as well as our excellent investment income.

Category	2008	2009	2010
Credit rating	BBB+(Stable)	BBB+(Stable)	BBB+(Stable)

※ In 2011, S&P gave the company a "BBB+/Positive" rating. This rating was very rare as the rating rose to Positive from Stable despite the financial crisis in Europe. This means that S&P reflected our capital adequacy and stable business performances on the rating.

A.M Best Rating

Dongbu Insurance received a rating of "A (Excellent)" from the global insurance rating company A.M. Best. in 2010. The company had received it for three straight years since its rating upgrade from "A-(Excellent)" in 2008 in recognition of its business results such as strong profitability and capital power.

Category	2008	2009	2010
Credit rating	A(Excellent)	A(Excellent)	A(Excellent)

※ Our rating was at A (Excellent) in 2011, the same that we were given in the previous year.

Providing Investment Information | Dongbu Insurance provides information that meets user needs through various on-line and off-line channels. The company provides timely investment information such as company vision, management strategies, operating results, shareholder and stock price information and press releases through a steady update on its home page. We participated

in conferences and non-deal road shows for local and overseas investors eight times in 2008, nine times in 2009 and ten times in 2010 while providing investment information transparently through regular meetings for domestic and foreign analysts and institutional investors.

Innovation Management for Enhancing Shareholder Value |

Major Innovation Activities

Dongbu Insurance wants to grow in terms of quantity and quality. To this end, the company is steadily moving ahead with innovation activities with a view to elevate differentiated competitiveness in core business areas after setting the highest work efficiency goals in the industry. The company is carrying out important business plans systematically by utilizing various innovation methods such as PI (process innovation), Six Sigma, work efficiency enhancement and digital methods. We are making endeavors in order to give bigger value to shareholders and customers by steadily re-producing added value with something new and different through companywide innovation. All executives are taking care of innovation project as champions. The CEO is making innovation performances realized by taking charge of the innovation meeting organization and feeding back project progress and qualities. We check the KPI and goals and results of innovation financial performances every month one year after the completion of all innovation projects while fully understanding that real innovation depends not only on conducting tasks but also on how good performances are. In addition, we share excellent innovation cases and use them as the foundation for accumulating companywide knowledge assets by holding the BP (Best Practice) Contest twice a year. Dongbu Insurance is developing innovation activities into a smart working culture beyond problem-solving processes and methods.

Major Innovation Performances

Dongbu Insurance created financial performance of KRW163 billion through 186 innovation projects in 2010.

Category	2008	2009	2010
Projects	177	186	186
Innovation Performances (KRW100 million)	2,021	1,100	1,630

※ The calculation period of innovation performances has been changed to one year since 2009.

Environmental Responding to Climate Change

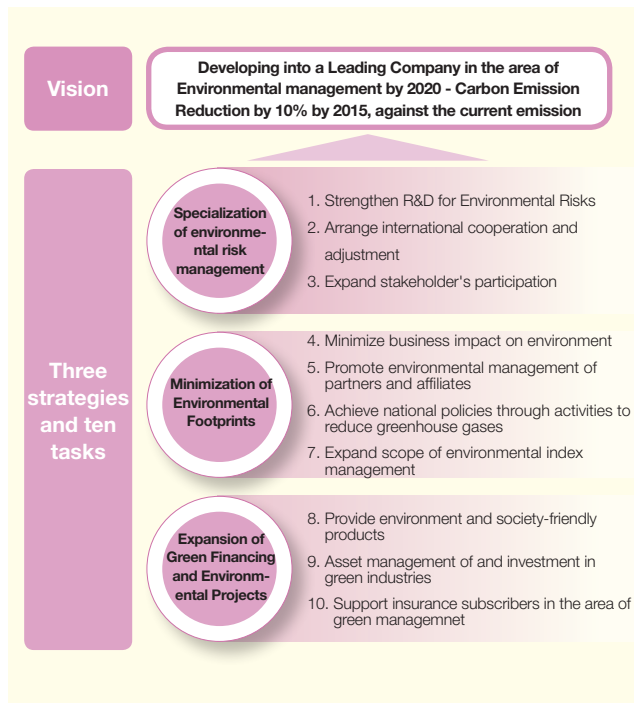


Environment-friendly Management

Vision for Environment-friendly Management |

Dongbu Insurance Co., Ltd. has established and pushes forward three strategies and 10 tasks related to environmental management in order to found a resource-recycling economy and society and solidify low-consumption economic structures.

The company works hard to reduce carbon emission per unit area by 10% by 2015 compared against the emission as of 2010, which will contribute to economic development, social integration, and environmental conservation aimed at sustainable environment-friendly management. It aims to become a leading company in the area of environment-friendly management of the Republic of Korea by 2020 based on the promotion of the three strategies covering specialization in environmental risk management, minimization of environmental footprints, and expansion of green financing.



Establishment of the Guideline for Environmental Management |

In order to reduce the impact of products and services on our environment, the company has established and provided the enterprise-level Guideline for Environment-friendly Management to major stakeholders with an expected effect of increasing awareness of the executives and employees.

Participation in the Carbon Disclosure Project (CDP)

Dongbu Insurance signed the Carbon Disclosure Project (hereinafter referred to as "CDP") in 2009 and since then, has actively promoted the reduction of greenhouse gas emission. All CDP signatories shall make public corporate greenhouse gas emission, risks and opportunities pertaining to climate change, and carbon management strategies. The corporate information related to climate change is provided to 538 global financial institutions including major pension and funding organizations as materials to assess corporate sustainable management. As of 2011, about 3,050 companies across the world take part in the CDP.

• MAJOR CONTENTS OF THE GUIDELINE FOR ENVIRONMENTAL MANAGEMENT

Scope of application	Executives and employees, overseas offices and branches, management activities and decision making, products and services, and stakeholders
Seven Principles for environment-friendly management	Seven principles for environment-friendly management
Division dedicated to environmental issues	Individual organizational R&R in the Environment Division under the Executive Committee Task Force Team for Sustainable Management
Management of performance in environmental indexes	Management of performance in environmental indexes, methods and programs for environmental performance assessment, and diagnosis of environmental management
Sustainable products and services	Development of environment and society-friendly products and services from the perspective of sustainability (six areas)
Participation of stakeholders	Participation and activities of stakeholders in the area of environment-friendly management



Practicing Environmental Policies

Minimization of Impact on Environment | Dongbu Insurance has set a principle to assess environmental impacts of insurance product development, financial investment activities, and corporate building construction and arrange ways to minimize the factors of negative impacts. The business areas subject to environmental impact assessment cover all management activities of Dongbu Insurance such as insurance products and services.

As for real estate development such as the data centers, training centers, and buildings, environmental risk assessment is conducted at the earlier project stages while as for financial products such as insurance and investment, environmental impact assessment is applied at the stage of development design. Additionally, monitoring the results from environmental risk assessment during management activities minimizes the impact on environmental risk.

In 2011, the impact of traditional environmental risks such as Risk of Heavy Rains was assessed in addition to research and development related to climate changes such as global warming. The results are referred to in all management activities covering insurance products and services.

Dongbu Insurance strictly complies with the governmental environmental policies as well as various environment-related laws and regulations. During the period between 2008 and 2010, there was no violation against environment-related laws and regulations.

In the future, too, Dongbu Insurance will lead to develop sustainable products and services of environmental concepts by establishing the

procedure pertaining to environmental risk assessment and review in all finance and insurance businesses so that the company can transform the environmental risks to business opportunities and fulfill its commitment to economic development and social responsibilities.

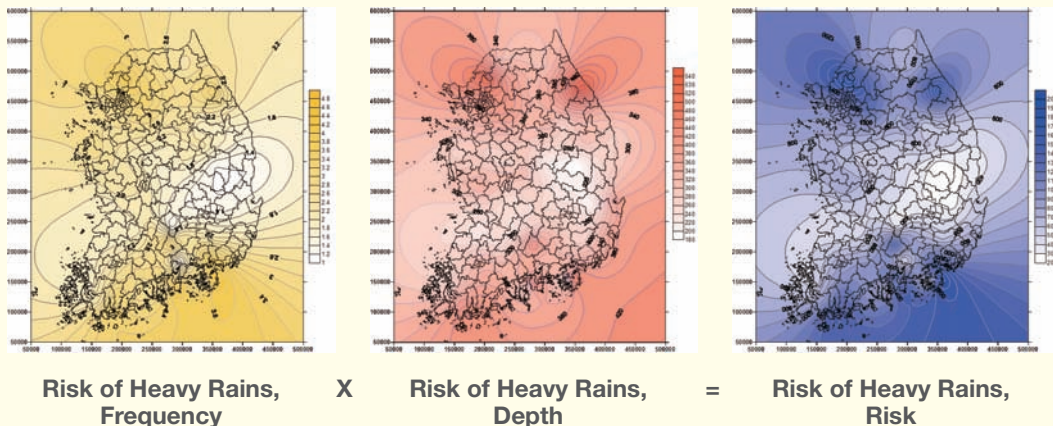
Strengthening Internal Activities for Protection of Environment

Dongbu Insurance has promoted a series of management activities for continuous environmental performance in all corporate processes. In 2009, the company acquired the Environmental Management System (ISO 14001) arranged by the International Organization for Standardization in the area of risk management. The Environmental Management System is to assess how comprehensively environmental management takes place in the areas of environmental policies, planning, execution and operation, review and correction, review of management, and continuous improvement further from compliance with the relevant environmental laws and regulations as well as standards.

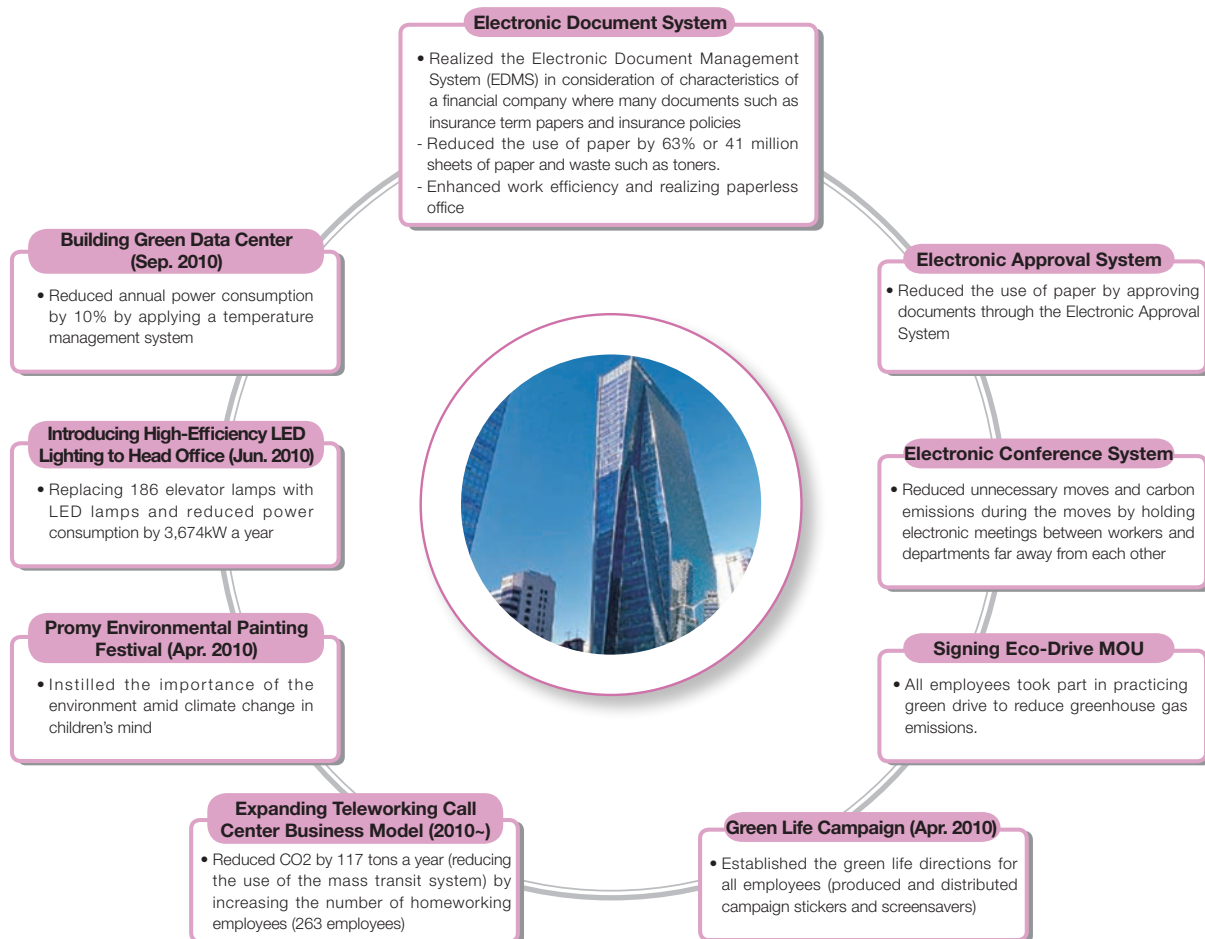
In 2011, the company developed environment experts such as the Environment Management System Auditor prescribed in the ISO 14001 and conducted R&D for climate change risks as an innovative task to help its executives and employees to become more familiar with environment-friendly management.

In the future, it will develop environmental experts in various areas such as the greenhouse gas verifiers and reviewers so that the employees can develop their capacity to lead green financing.

• RISK OF HEAVY RAINS



• HIGHLIGHTS OF ENVIRONMENTAL MANAGEMENT ACTIVITIES



Green Data Center



Green Life Campaign



Promy Environmental Painting Festival

Green Start Campaign | For the first time among the insurance companies, Dongbu Insurance promoted the Green Start Campaign to establish green living for the reduction of greenhouse gas emission. It works hard to develop bonds with customers, investors, and business partners related to environmental risks and opportunities into those that enable sustainable win-win relationships. In June 2010, 208 sales partners (DBRT, DongBu Round Table) were officially commissioned to work as the Green Leaders, representatives appointed by the Ministry of Environment. They are now into active environment-friendly activities.

Green Leaders, official representatives of the Ministry, campaign to solidify environment-friendly living by diagnosing household greenhouse gas emission, turning off unnecessary power sources, saving water, and reducing food wastes as well as green living such as reducing the use of disposables by using shopping baskets and purchasing environment-friendly products. In 2011, based on the environmental funding promoted through Evergreen Auto Insurance, the company carried out mid- and long-term support programs to cultivate juvenile green leaders in association with the Ministry of Environment and the Green Start Network for nationwide activities.

* Green Start: A national environmental movement to establish low-carbon life and culture as a green management network participated by the government, citizen groups and companies.



Appointing Green Leaders

Green Sports | Dongbu Insurance Promy Professional Basketball Team conducts 'the green basketball campaign' during the season base on a contract with the Ministry of Environment to facilitate green sports. It will reduce greenhouse gas emission and ceaselessly carry



Signing Agreement on Green Sports

out activities to minimize greenhouse gas emission by improving facilities and operations, helping the audience to use public transportation, and recycling tools and equipments for cheering activities.

Green Insurance Fee System | Dongbu Insurance has arranged the green insurance fee system to reduce social costs and make environmental protection familiar by recommending the use of green recycled parts and components upon automobile repair and suppressing any discretionary change of parts and components.

The company provides training to its Automobile Insurance Claim Adjustment division, compensation partner Promy network and sales organizations to facilitate the system. In 2010, it provided training to 350 sales agencies, 750 associate repairers, and 540 general repairers across the country. The company consistently promotes and delivers the system by sending e-mails to car insurance subscribers and advertising on the website.

Performance in Energy Saving | Dongbu Insurance has a very concrete plan for energy use, which is to minimize energy wastes. The consistent increase of the building areas leads to an increase of the absolute amount of energy use but carbon dioxide emission per unit area has consistently decreased. Since 2008, it has expanded the collection of indexes for energy use, leading to the collection and management of materials pertaining to all related buildings in addition to the headquarters building.

Trend in Energy Use (Corporate Buildings Owned by the Company)

Category	unit	2008	2009	2010
Electricity	kwh·1,000m ²	238,149	212,133	211,732
Gas	m ³ ·1,000m ²	6,272	6,082	7,366
Kerosene	liter·1,000m ²	1,357	1,262	965
Tap Water	ton·1,000m ²	888	686	1,447
Indirect CO2 Emissions (electricity)	ton·1,000m ²	106	94	94
Direct CO2 Emissions(gas and kerosene)	ton·1,000m ²	17	17	19
CO2 Systems	ton·1,000m ²	123	111	113
Total Floor Area	m ²	98,228	116,729	167,976

※ Calculation Standard: The amount of use per unit size of buildings of Dongbu Insurance

〈Reason for the Increase in Emission〉 Since 2008, the company has managed emission from all corporate buildings in addition to the headquarters. In 2008, the company owned nine buildings as large as 98,228m² in gross floor area. The number increased by one in 2009, increasing the floor area to 116,729m², an increase by 19% from that in 2008. In 2010, the number increased by two, which amounted to 12 corporate buildings as large as 167,976m² in terms of gross floor area, an increase by 71% from that in 2008. A large increase in the use of water in 2010 is attributable to the operation of a swimming pool and a bath in the newly acquired building.

Status of Energy Saving

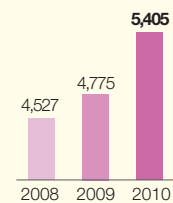
Division	Contents
Electricity	<ul style="list-style-type: none"> Automatic lights out after the operating hours (20:00) Lights off in offices during lunch time (12:00~13:00) Higher cooling temperature in the summer (27°C or higher) Keeping the time length for air-conditioner operation (workable until 18:00) Fluorescent lights in the buildings converted to LED lighting (since 2009)
Gas	<ul style="list-style-type: none"> Warming temperature lowered in the winter (20°C or below) Keeping the time length for boiler operation (workable until 18:00)
Water and Sewage	<ul style="list-style-type: none"> Headquarters uses treated water Water-saving faucets
Fueling	<ul style="list-style-type: none"> Keeping and minimizing the use of corporate cars and vehicles Recommended use of public transportation over business trips The Fifth-Day-No-Driving System Facilitated electronic meetings and conferences to minimize external ones

Management of Wastes and Pollutants | The headquarters and the nationwide branches separate garbage. The amount of wastes subject to landfills, released from buildings owned by Dongbu Insurance was 595 tons in 2009 and 651 tons in 2010. The amount of wastes subject to recycling was 583 tons in 2009 and 586 tons in 2010. The increase of the amount of wastes subject to landfills is attributable to an increase of the number of buildings owned by the company.

On the other hand, the Dongbu Insurance Training Center in Yeosu Gun has separately installed a sewage purification device to protect the water sources in Seoul and Metropolitan areas, which resulted in BOD (Biochemical Oxygen Demand) treatment of sewage released to meet the level as high as 7~10PPM.

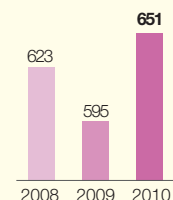
• AMOUNT OF YEARLY PURIFIED SEWAGE RELEASED

(In 1,000 m³)



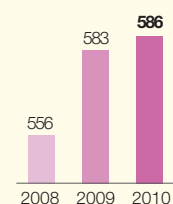
• AMOUNT OF WASTES SUBJECT TO LANDFILL

(In Ton)



• AMOUNT OF WASTES SUBJECT TO RECYCLING

(In Ton)



Facilitation of the Use of Public Transportation | The company works hard to minimize exhaust gas emission from vehicles as the major cause of air pollution. It promotes the use of public transportation instead of cars for commuting and provides benefits over business trip costs to promote the use of public transportation on business trips.

• **DISTANCE COVERED THROUGH PUBLIC TRANSPORTATION ON BUSINESS TRIPS** (In 1,000 km)

Division	2008	2009	2010
Air	1,014	786	1,161
Public Transportation (Train or Bus)	120	110	121

Efforts to Protect Environment in Area of Purchase | “The Instruction for Contracting”, which prescribes matters pertaining to corporate articles and items as well as construction services, states the protection of environment. It requires the assessment of compliance with environmental laws and regulations and environmental quality when selecting a partner. When directly purchasing articles, the company prioritizes green products or those bearing environmental marks and certifications. Also, in the event that a partner has violated against environmental laws and regulations, it excludes the partner or restricts its participation in the selection of partners. At the same time, the company has consistently promoted the use of renewable products. As for renewable toners, the use amounted to 85% in 2008, 75% in 2009, and 79% in 2010 while the use of renewable office articles amounted to 58% in 2011.

※ As for the recycled tools and equipments, the change to new models has decreased the recycling rate compared to 70% as of 2008.



Sales of Environment-friendly Insurance Products

The company has defined and operated the scope of sustainable products and services in six areas. It has established the three areas of inducing environment-friendly behaviors of customers, supporting green industries, and adapting to climate change to develop insurances.

• **AREAS OF ENVIRONMENT-FRIENDLY INSURANCE PRODUCTS**

Leading and inducing environment-friendly behaviors of customers	Financial products providing incentives to customers with environment-friendly lifestyle or business forms (Evergreen Special Car Insurance, Weekday-based Car Use Insurance, etc.)
Support for green industries	A product and service to support new green or clean technologies such as new and renewable energy (New and Renewable Energy Investment Funds, etc.)
Adaptation to climate change	An insurance product/service to cope with the increasing risks from traditional floods and storms as well as climate change (Insurance and Storm Insurance, etc.)

Environment-friendly Insurance Products |

Evergreen Auto Insurance

The company developed and started selling the evergreen special car insurance where subscribers to car insurances since December 2009 decided to receive insurance policies and stipulations electronically rather than by post. The amount saved by not using paper will be a discounted insurance fee gift to customers. Also, a certain amount per sale will be saved and donated to the GreenStart for its environmental activities. In 2010, about 306,000 people subscribed to this special contract and became the beneficiaries.

Special Contract for Use of Environment-friendly Car Parts and Components

This product provide 20% of the price for new parts and components to customers (owners of the damaged cars) in the event that the customers use environment-friendly parts and components (secondhand parts and components, too) upon car repair due to an accident.

Special Contract for Weekday-based Car Insurance

The special contract for the weekday-based car insurance was launched in June 2010. This is based on a commitment not to use a car on a specific weekday during a week. When this is abided by, a certain amount of insurance fees paid by customers will be

discounted, contributing to the reduction of traffic volume and accident.

Comprehensive Insurance for Public Bicycles

This insurance is to safeguard customers who commute by bicycle instead of car against various risks and dangers in response to the international and domestic movement to facilitate the use of bicycles.

Storm and Flood Insurance and Crop Insurance

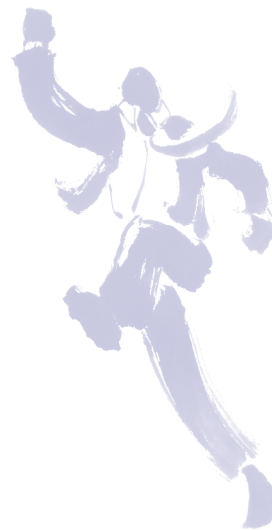
Storm and flood insurance and crop insurance are insurance products to contribute to the stabilization of farmers by compensating for damages from natural disasters out of climate change and resolving instability in agriculture.

• SALES OF ENVIRONMENT-FRIENDLY PRODUCTS (In KRW 100 million)

		2008	2009	2010
Car insurance	Evergreen Special Contract	-	603	1,932
	Special Contract for Weekday-based Car Use	-	-	1.9
Crop insurance		109	117	162
Storm and flood insurance		23.9	46	49

※ The special contract for the use of environment-friendly parts and components and the comprehensive insurance for public bicycles are subject to the sales after April, 2011. The sales performance will be reported in the following report.

※ The performance in the storm and flood damage insurance as of 2008 presented in the 2009 report is revised to KRW 2.39 billion.



Appendix

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Third-Party's Assurance Statement

To the Management of the Dongbu Insurance 2011 Sustainability Report

Upon request of Dongbu Insurance, the Institute for Industrial Policy Studies as a "third party assurance provider" (hereinafter referred to as the "Assurance Provider") presents the following third party's assurance report on the "Dongbu Insurance 2011 Sustainability Report (hereinafter referred to as the "Report")".

Accountability and Objective

Dongbu Insurance is held accountable for all information and claims contained in the Report including sustainability management goal setting, performance management, data collection and report preparation. The objective of this assurance report is to check whether the Report is free of material misstatement or bias and whether the data collection systems used are robust, and to offer advice on improving the quality of the Report through identifying sustainable management issues and reviewing its reporting process.

Independence

The Assurance Provider has no relations with Dongbu Insurance regarding any of its for-profit operations and activities. In addition, the Assurance Provider has carried out its assurance process with independence and autonomy as it was not involved in the preparation of the Report except for offering comments in the process.

Criteria for Assurance

The Assurance Provider assessed the Report against the following guidelines:

- 1) AA1000 Assurance Standard (2008)
- 2) BEST Guideline
- 3) Global Reporting Initiative(GRI) G3.1 Sustainability Reporting Guidelines

Type and Level of Assurance

The Assurance Provider conducted assurance process for the Report in accordance with Type 1 and Moderate Level of AA1000AS (2008).

- The Assurance Provider evaluated the reliability of the data compiled in the Report for Type 1 assurance, and assessed publicly disclosed information, reporting system and performance management process based on the three core principles of AA1000AS (2008), namely Inclusivity, Materiality and Responsiveness. However, this assurance engagement does not provide the evaluation of the credibility of the offered data.
- The Assurance Provider pursued moderate level of assurance where sufficient evidence has been obtained and limited sampling has been conducted at each performance sector to support its assurance report such that the risk of its conclusion being in error is reduced but not reduced to very low or not zero.

Scope and Methodology

The Assurance Provider carried out the following activities in order to (1) review the extent to which The Report applies the principles of Inclusivity, Materiality and Responsiveness and (2)

- Assess the Report's application level of the GRI/BEST Sustainability Reporting Guidelines.
- Evaluating the sources of publicly disclosed information and internal parties involved
- Verifying the performance data collection systems and processes
- Conducting interviews with managers and staffs responsible for dimension-specific performance
- Completing on-site review focusing on the head office from February 16, 2012 to February 17, 2012
- Evaluating the Report for the extent of adherence to the GRI/BEST Guidelines

Limitations

- A review of the accuracy and reliability of data and interviews with persons in charge of data collection and performance-related information at management levels
- Verifying the data and inquiries into each functional manager and information collection manager On-site validation focused on the head office
- Assurance engagement based on data and publicly available information only during the current reporting period
- Evaluation of the reliability of the performance data being excluded

Conclusions

The Assurance Provider did not find the Report to contain any material misstatements or bias on the basis of the scope, methodology and criteria described above. All material findings of the Assurance Provider are provided herein, and detailed findings and follow-up recommendations have been submitted to the management of Dongbu Insurance.

[Inclusivity]

Are procedures for stakeholder strategy-setting and engagement adequate at Dongbu Insurance?

The Auditor noted continuous efforts by Dongbu Insurance to establish and improve its process for stakeholder engagement based on a full appreciation of the importance of stakeholder engagement in the implementation of its sustainability management program. The Auditor confirmed various channels of communication put in place by the Company to better identify priority areas of concern for its stakeholders - shareholders, investors, customers, suppliers, management and staff, as well as the community - in achieving its sustainability management goals. The following points were found to be particularly commendable.

- Efforts to establish sustainability management strategies for better stakeholder engagement; efforts to organize a company-wide system dedicated to sustainability management such as its Sustainability Management Council, Working Committee on Sustainability Management, etc.

- Continuous use of various engagement platforms such as customer satisfaction surveys, consumer focus groups, VOC, townhall meetings with the CEO, conferences, IR sessions, meetings with compensation partners, etc., to more actively reflect stakeholder views in its business management.

Going forward, however, the Auditor suggests further upgrading its existing processes so that findings from its various stakeholder engagement channels can be more actively incorporated into its business management activities and managed more systematically on a company-wide basis to have more actionable value in the Company's business management

[Materiality]

Does the Report contain information of the highest material importance to Dongbu Insurance stakeholders across the economic, social, and environmental dimensions?

It is the Auditor's view that the Report does not omit or exclude issues of material importance to the stakeholders of Dongbu Insurance. We verified efforts by the Company to fully reflect issues identified to be of material stakeholder interest through its materiality testing process covering internal company policies, direct and indirect economic impact, internal rules and regulations, stakeholder surveys, benchmarking, media search, etc. The following points were found to be particularly commendable.

- The Report reflects efforts by the Company to carry out a more systematic analysis of all relevant stakeholder-specific issues by strengthening its materiality testing process.
- The Report provides a detailed outline of the process for identifying issues of material importance to the Company's sustainability management program as well as its outcome while structuring the findings to reflect their order of priority.

Going forward, however, the Auditor recommends carrying out a time-series analysis on issues identified repeatedly through the materiality testing process and share trend information.

[Responsiveness]: Does the Report provide an adequate response to stakeholder expectations and areas of concern?

It is the Auditor's view that Dongbu Insurance has been working to be responsive to stakeholder demands and concerns by running various channels for stakeholder communication to collect and respond proactively to key feedback findings. The following points were found to be particularly commendable.

- The Report represents the Company's strong commitment toward sustainability management as well as its future plans and outlines the Company's official position on various issues relative to findings from expert interviews.

- The Report provides an account of Dongbu's intended response regarding internal and external stakeholder views by collecting actual employee grievances, comments from customers etc.

Going forward, the Auditor suggests reporting on key management highlights such as any improvements to existing programs, newly introduced systems etc., while also outlining Dongbu's future plans so that stakeholders can track continuous efforts by the Company toward improvement as well as its capacities.

[GRI Application Levels]

The Assurance Provider found the Report to apply to GRI G3.1 Reporting Framework at the level of A+.

[BEST Fulfillment Levels]

The Assurance Provider found the Report to fulfill 93.91% of the reporting requirements necessary to qualify for a Level 4 Report (from among Level 1 ~ 5).

• TREND OF THE DONGBU SUSTAINABILITY REPORT FULFILLMENT

Reporting Year	2006	2009	2011
Publications	1st	2nd	3rd
Level	Level 3	Level 3	Level 4
Fulfillment	87.9%	95.6%	93.9%

※ 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 "Sustainability Management 2011 Dongbu Insurance," commendable on the following counts. The Report 1) provides a highlight summary so that stakeholders can have a snapshot view of the sustainability management achievements of Dongbu Insurance; and 2) provides a detailed account of the Company's sustainability management plans for the future through a more an elaborated Disclosures on Management Approach (DMA); and 3) highlights efforts by the Company to strengthen its sustainability management capabilities by way of responding to international sustainability-related initiatives. For future reports, the Auditor suggests the following considerations.

- Establish a mid-to-long term roadmap for sustainability management reflective of the triple bottom line – economy, society, and environment.
- Build a system for the development and management of sustainability management performance indicators.
- Provide a more balanced account of performance including negative results while outlining plans for improvement.
- Uncover case studies showcasing strategy-setting and execution involving stakeholder participation.

The Auditor advises Dongbu Insurance to continue to build upon and improve a more systemic system for sustainability management and reporting based on the recommendations included in this assurance statement as well as the separate written recommendation forwarded to the management of Dongbu.

Eligibility of IPS as an Assurance Provider

Established in 1993, the Institute for Industrial Policy Studies (IPS) has accumulated broad expertise in the areas of ethics management, corporate social responsibility and sustainable management since 2002, and serves as a third party assurance provider for the sustainability reports published by local companies. IPS has conducted the assurance engagement upon request of Dongbu Insurance and assembled a team of assurance providers who are professors at Korea's top universities or professionals with accreditation and extensive experience in sustainability management after majoring in business management, accounting or environmental science.



February 28, 2012

Jae-eun Kim

President,

The Institute for Industrial Policy Studies

A handwritten signature in black ink, appearing to read "J. Kim".

1. AA1000 AS(Assurance Standard) is a sustainability reporting standard developed by Accountability in its pursuit to promote overall organizational performance and accountability by improving the quality of social and ethical accounting. As a U. K. based not-for-profit organization focusing on corporate social responsibility and business ethics, Accountability first developed AA1000AS in 1999 and amended the standards in 2008 for application in 2010.
2. BEST Guideline or BEST Sustainability Reporting Guideline is a guideline for the preparation and assurance of sustainability reporting and offers five levels of reporting quality assessment. It was jointly developed by the Ministry of Knowledge Economy (MKE), the Institute for Industrial Policy Studies (IPS), and the Korea Chamber of Commerce and Industry (KCCI) in the Business Ethics Sustainability Management for Top Performers (BEST) forum in their endeavor to promote sustainability reporting among local companies.
3. GRI G3.1 Guidelines: The Global Reporting Initiative (GRI), which was jointly convened by the Coalition for Environmentally Responsible Economies (CERES) and the UNEP in 1997, first released its G3 Sustainability Reporting Guidelines in October 2006. The G3.1 Guidelines, which is an update and completion of the G3, was published in March 2011, featuring broader guidance on how to report on human rights, gender, and local community issues. G4, the fourth generation of Guidelines, is due to be launched in 2013.

GRI G3.1 Index

	No.	Description	Repo-rted	Pages	Related BEST
Enterprise					
Strategy and Analysis	1.1	Statement from the most senior decision-maker of the organization.	•	8-9	A_1
	1.2	Description of key impacts, risks, and opportunities.	•	21	A_2
Organizational Profile	2.1	Name of the organization.	•	11	A_3
	2.2	Primary brands, products, and/or services.	•	13	A_4
	2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	•	11-12	A_5
	2.4	Location of organization's headquarters.	•	11	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.	•	12	A_7
	2.6	Nature of ownership and legal form.	•	11-13	A_8
	2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	•	11-12	A_9
	2.8	Scale of the reporting organization.	•	11-13	A_10
	2.9	Significant changes during the reporting period regarding size, structure, or ownership.	•	Inside Front Cover	B_8
	2.10	Awards received in the reporting period.	•	88	CO8
Report Parameters	3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	•	Inside Front Cover	B_3
	3.2	Date of most recent previous report (if any).	•	Inside Front Cover	B_8
	3.3	Reporting cycle (annual, biennial, etc.)	•	Inside Front Cover	B_6
	3.4	Contact point for questions regarding the report or its contents.	•	Inside Back Cover	B_9
	3.5	Process for defining report content.	•	24, 28	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.	•	28, Inside Front Cover	B-1
	3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	•	Inside Front 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.	•	11	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.	•	Inside Front Cover	-
	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).	•	Inside Front Cover	-
	3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	•	Inside Front Cover	B_5
	3.12	Table identifying the location of the Standard Disclosures in the report.	•	Table of Contents, 16-17	B_10
	3.13	Policy and current practice with regard to seeking external assurance for the report.	•	Inside Front Cover, 76-79	B_7
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.	•	19-20	GR1
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	•	19	GR1, GR3
	4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	•	19	GR2
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	•	42-43	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).	•	20	GR7
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	•	19-20	GR13
	4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	•	20	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.	•	60, 91	-
	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.	•	21-22	GR5
	4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic,	•	21-22	GR6

	No.	Description	Repo-rted	Pages	Related BEST
Governance, Commitments, and Engagement	4.10	environmental, and social performance.	•	21–22	GR6
	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	•	23	GR11
	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	•	14–15	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.	•	90	A_11
	4.14	List of stakeholder groups engaged by the organization.	•	16, 29	C_1, C_2
	4.15	Basis for identification and selection of stakeholders with whom to engage.	•	29	C_1
	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	•	29, 31, 33	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.	•	32–33, 42–43	C_3
Economic					
	EC	Disclosure on Management Approach	•	17	
Economic performance	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.	•	29	EC1
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	•	69–71	EC2
	EC3	Coverage of the organization's defined benefit plan obligations.	•	41	EC3
	EC4	Significant financial assistance received from government.	•	13	EC5
Market presence	EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	•	41	EM4
	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	•	39, 41	EC4
	EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	•	39, 41	EC4
Indirect economic impacts	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	•	56–60	EC6
	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	•	16–17, 56–60	EC7
Environmental					
	EN	Disclosure on Management Approach	•	17	
Materials	EN1	Materials used by weight or volume.	•	73	EV10
	EN2	Percentage of materials used that are recycled input materials.	•	73	EV11
	EN3	Direct energy consumption by primary energy source.	•	73	EV7
Energy	EN4	Indirect energy consumption by primary source.	•	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.	•	73–74	EV5
	EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	•	73–74	EV5, EV25
Water	EN8	Total water withdrawal by source.	•	73	EV9
	EN9	Water sources significantly affected by withdrawal of water.	◇	N/A	EV20
	EN10	Percentage and total volume of water recycled and reused.	•	73	EV18
Biodiversity	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	◇	N/A	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.	◇	N/A	EV22, EV26
	EN13	Habitats protected or restored.	◇	N/A	EV27
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	◇	N/A	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.	◇	N/A	EV28
	EN16	Total direct and indirect greenhouse gas emissions by weight.	•	73	EV12

	No.	Description	Repo-rted	Pages	Related BEST
Emissions, effluents and waste	EN17	Other relevant indirect greenhouse gas emissions by weight.	●	73	EV13
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	69~70	EV4
	EN19	Emissions of ozone-depleting substances by weight.	◇	N/A	EV14
	EN20	NOx, SOx, and other significant air emissions by type and weight.	◇	N/A	EV15
	EN21	Total water discharge by quality and destination.	●	73	EV17
	EN22	Total weight of waste by type and disposal method.	●	73	EV16
	EN23	Total number and volume of significant spills.	◇	N/A	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.	◇	N/A	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.	◇	N/A	EV19
Products and services	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	●	73~74	EV23
	EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	◇	N/A	EV24
Compliance	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	●	69~71	EV31
Transport	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	●	73	EV30
Overall	EN30	Total environmental protection expenditures and investments by type.	●	74	EV1
Labor					
	LA	Disclosure on Management Approach	●	17	
Employment	LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	●	39	EM1
	LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	●	39	EM5
	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	●	41~42	EM20
Labor/management relations	LA4	Percentage of employees covered by collective bargaining agreements.	●	44	EM12
	LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	●	44	EM13
Occupational health and safety	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.	●	44	EM14
	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	●	44	EM19
	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	●	44	EM18
	LA9	Health and safety topics covered in formal agreements with trade unions.	●	44	EM15
Training and education	LA10	Average hours of training per year per employee by gender, and by employee category.	●	39~40	EM27
	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	39~40	EM28
	LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	●	39~40	EM29
Diversity and equal opportunity	LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	●	43, 19~20	EM2
	LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	●	41	EM3
	LA15	Return to work and retention rates after parental leave, by gender.	●	43~44	-
Human Rights					
	HR	Disclosure on Management Approach	●	17	
Abolishment of discrimination	HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	●	35~37	PN2
	HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	●	50~51	PN3

	No.	Description	Repo-rted	Pages	Related BEST
Abolish-ment of discrimi-nation	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.	•	45	EM30
	HR4	Total number of incidents of discrimination and corrective actions taken.	•	45	EM7
Freedom of association and collective bargaining	HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	•	45	EM8
Child labor	HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	•	45	EM9
Prevention of forced and compulsory labor	HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	•	45	EM10
Security practices	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	•	45	EM31
Indigenous rights	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	◇	N/A	CO2
Human rights	HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	•	45	-
	HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	•	45	-
Society					
	SO	Disclosure on Management Approach	•	17	
Local commu-nities	SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	•	54~55, 57~60	CO2
	SO2	Operations with significant potential or actual negative impacts on local communities.	•	51~52, 53~55	CO5
	SO3	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	•	62	CO5
	SO4	Percentage and total number of business units analyzed for risks related to corruption.	•	61	CO5
Corruption	SO5	Percentage of employees trained in organization's anti-corruption policies and procedures.	•	61~62	CO6
	SO6	Actions taken in response to incidents of corruption.	•	61~62, 69~71	CO7
Public policy	SO7	Public policy positions and participation in public policy development and lobbying.	•	51~52, 53~55	CS3
	SO8	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	•	35~36, 61~62	CO9
Anti-competitive behavior	SO9	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	◇	N/A	-
Compliance	SO10	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	•	35~36, 61~62, 71	-
Product Responsibility					
	PR	Disclosure on Management Approach		17	
Customer health and safety	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.	•	35~37	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.	•	35	CS11
Product and service labelling	PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	•	33~35	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.	•	35~37, 53~55	CS12
	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	•	31~32	CS9
Marketing communi-cations	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	•	35~37, 53~55	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.	•	35~37, 53~55	CS14
Customer privacy	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	•	35	CS15
Compliance	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	•	33~34	CS12

	No.	Description	Repo-rted	Pages
Impact by Products and Services	DMA	Disclosure Management Approach	•	17
Product portfolio	FS1	Policies with specific environmental and social components applied to business lines.	•	57, 69
	FS2	Procedures for assessing and screening environmental and social risks in business lines.	•	53~55, 69~70
	FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	•	53~55, 69~70, 74
	FS4	Processes for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	•	55, 57~58
	FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	•	57, 59~60, 73~75
	FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	•	10~13
	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	•	58~60
	FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	•	74~75
Audit	FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	•	53~55, 69~71
Active ownership	FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	•	52~55, 67
	FS11	Percentage of assets subject to positive and negative environmental or social screening.	•	53~55, 69~71
	FS12	Voting policies applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	•	21~22
Communities	FS13	Access points in low-populated or economically disadvantaged areas by type.	•	54~55, 57~60
	FS14	Initiatives to improve access to financial services for disadvantaged people.	•	59~60
Product liability	FS15	Policies for the fair design and sale of financial products and services.	•	53~54
Product and service labeling	FS16	Initiatives to enhance financial literacy by type of beneficiary.	•	33~35, 39~40

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G1 Profile Disclosures	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report on: 1.1 2.1-2.10 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	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
	G2 Management Approach Disclosures	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured
	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 Externally Assured	Report on a minimum of 20 Performance Indicators, at least one from each of: Economic, Environmental, Human rights, Labor, Society, Product Responsibility.	Report Externally Assured	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 Externally Assured

*Sector supplement in final version




Statement GRI Application Level Check

GRI hereby states that : **Dongbu Insurance Co.,Ltd.** has presented its report "Dongbu Insurance Co.,Ltd. Sustainability Management Report 2011" 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 G3.1 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 G3.1 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, March 20th 2012


Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because **Dongbu 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 February 29th 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

Joining UN Global Compact

Dongbu Insurance officially expressed its will to honor the ten principles of the UN Global Compact by joining the UN Global Compact in November 2011.

	Principle	Activity	Page
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Supporting human rights protection by joining the compact.	45
	Principle 2: make sure that they are not complicit in human rights abuses.	*Internal control activities *Employee education on human rights and work ethics *Strengthening customer information	36, 45, 62
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	*Dynamic Leader Conference *Meeting between employees and CEO	42~44
	Principle 4: the elimination of all forms of forced and compulsory labor;	*Banning forced labor	45
	Principle 5: the effective abolition of child labor; and	*Banning child labor	45
	Principle 6: the elimination of discrimination in respect of employment and occupation.	*Operating grievance addressing system for employees *Operating fair evaluation system	41, 45
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;	*Donating to tentative environmental school *Establishing environmental guideline *Taking part in CDP	69, 72
	Principle 8: undertake initiatives to promote greater environmental responsibility; and	*Carrying out energy-saving campaigns *Participating in Green Start and Green Sports	71~72, 74
	Principle 9: encourage the development and diffusion of environmentally friendly technologies. Anti-Corruption	*Developing Evergreen Auto Insurance *Developing special agreement to use eco-friendly parts *Developing special weekday-based agreement	74~75
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	*All employees write oaths to abide by the Ethical Code of Conduct *Operating auction for sharing love with others *Operating whistle-blowing system	61~62

History

1962~1999

- 1962. 03 Founded Korea Public Automobile Insurance Company
- 1968. 11 Dissolved Korea Public Automobile Insurance Company and established Public Automobile Insurance Co.
- 1976. 05 Introduced, for the first time in Korea, unlimited coverage liability insurance for car owner indemnity, a precursor of current automobile insurance
- 1983. 05 Dongbu Group acquired the managerial right of the company
- 1984. 02 Began selling all lines of non-life insurance products except for guarantee insurance
- 1984. 10 Opened a branch in Guam
- 1995. 10 Renamed Dongbu Insurance Co. Ltd.

2000~2006

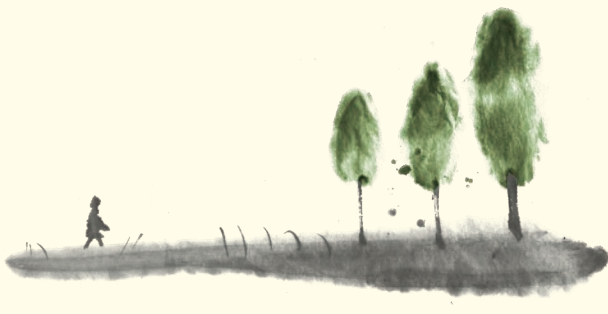
- 2001. 10 Rated A-(Excellent) by A.M.Best
- 2002. 09 Adopted PROMY as its auto insurance brand
- 2004. 02 Launched motorbike-based "PROMY SOS Speed Service" (the industry's first)
- 2004. 05 Declared the New Management Innovation 'Change & Challenge No. 1 (C&C No.1)'
- 2004. 07 Sales of direct automobile insurance commenced as a strategic alliance with Tesco Homeplus
- 2005. 01 Launched Best Life Accident Insurance through Hyundai Home Shopping
- 2005. 10 Established the Dongbu Promy Basketball Team
- 2006. 04 Opened the Hawaiian branch
- 2006. 05 Introduced Promy Life, a long-term insurance brand
- 2006. 07 Established an office in China

2007~2008

- 2007. 01 Opened Call Center in Jeonju
- 2007. 12 Acquired patent of BM (Business Method) in claim handling
- 2008. 01 Rated 'BBB+' by S&P for two consecutive years and Rating Outlook was adjusted upward from 'Stable' to 'Positive'
- 2008. 01 Certified of 'Excellence in Consumer Complaints Management System, CCMS' for H2, 2007
- 2008. 08 Took over Dongbu Securities as a subsidiary
- 2008. 09 The Risk Management Research Center obtained an ISO 14001 certificate, a first for an insurance company in the world
- 2008. 12 Rated A (Excellent) by A.M.Best

2009~2010

- 2009. 01 Certified as 'the Best Financial Company with Outstanding Consumer Protection Program' by FSS
- 2009. 02 Won an ISO 27001 certificate
- 2009. 04 Rated First Grade of Customer Complaints Handling by FSS for five consecutive years
- 2009. 04 Dongbu commercial claims handling service acquired ISO 9001 certification, a first for a Korean non-life insurance company
- 2009. 08 The Risk Management Research Center acquired OHSAS 18001 certification, a first for the risk management area in the world insurance industry
- 2009. 09 Included as a member of the 70 companies in the SRI of the Korea Stock Exchange
- 2009. 10 Selected as 'the Best Industry Company in Korea of Dow Jones Sustainability Index'
- 2009. 12 Opened the LA branch
- 2009. 12 Rated 'BBB+' by S&P for four consecutive years and Rating Outlook of 'Stable'
- 2010. 01 Completed the construction of the Jukjeon Data Center
- 2010. 01 Certified as '2010 Excellent Company in Customer Complaint Management System (CCMS)' by Fair Trade Committee
- 2010. 02 Completed construction of its Risk Based Capital (RBC) system
- 2010. 10 Announced a new slogan, "Dynamic Dongbu"
- 2010. 10 Selected as 'the Best Industry Company in Korea of Dow Jones Sustainability Index' for two consecutive years



Awards and Recognition

2010

Jun

- Won Grand Prize in Korea Service Awards of Korea Standard Association
- Won Grand Prize in Trust Company Category of Company of Korea 2010 for Five Straight Years
- Certified as Excellent Personal Information Protection Site by KAIT

Aug

- Ranked 1st in Auto Insurance Category of KS-WCI for 3 Straight Years

Oct

- Ranked 1st in Insurance Category of DJSI Korea
- Ranked 1st in Long-term Insurance Category of KS-SQI for 2 Consecutive Years
- Won Grand Prize of Korea Financial Innovation Awards of Money Today
- Certified as Best Call Center by Korea Call Center Information Research Center

Nov

- Won Prize of Minister of Environment in MOU Sector in Green Start National Network Contest

Dec

- Won Grand Prize of GWP Awards of GWP Korea.

2009

Apr

- General Claims Service Acquired Industry-First ISO 9001 Certification

Aug

- Acquire OHSAS18001 (Occupational Health and Safety Management System) Certification

Sep

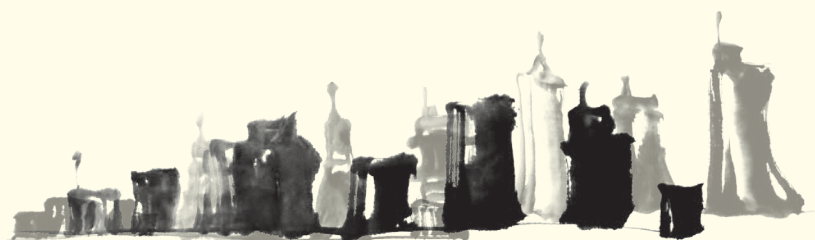
- Won Best Korean Company Prize of KCEOA

Oct

- Selected as Korea's Highest Brand by Joong-Ang Ilbo

Dec

- Selected as Best Company in CSR Society Sector of



DJSI Korea



**Ranking First in Insurance Sector of DJSI Korea for
3 Years Running**



Ranking First in Insurance Sector of DJSI Korea for 3 Years Running

Dongbu Insurance came in first in the DJSI Korea in 2011, ranking first in the standings for three straight years. The DJSI is an objective and authoritative sustainability management evaluation index which worldwide SRI organizations use.

Dow Jones, a global financial company and SAM, a sustainability management evaluation organization, evaluate sustainability management performances of major companies around the world and announce excellent companies by industrial sectors every year. Dongbu Insurance has cemented its position as a sustainability management leader by ranking first in the insurance sector for three consecutive years among the top 200 Korean companies in the DJSI Korea in 2011. This is expected to contribute to enhancing the corporate value of Dongbu Insurance along with the expansion of socially responsible investment.

Selected as Member of Bronze Class and Sector Mover in Insurance Sector of Global Sustainability Management in SAM Sustainability Year Book

Dongbu Insurance was selected as a member of the Bronze Class* and a sector mover** in Sustainability Year Book, 2012 of SAM, a global sustainability management evaluation organization. Dongbu Insurance is pushing for sustainability management as the most important management task. We are laying the foundation for the win-win growth of companies and society through a wide array of activities. At the same time, we are fulfilling our corporate social responsibilities as a leading company in sustainability management by participating in the Carbon Disclosure Project or CDP and the UN Global Compact

*) Bronze Class : Top 5% to 10% of leaders in the insurance sector in the world. There are the Gold Class (less than 1%), the Silver Class (1%~5%) and the Bronze Class (5%~10%).

**) Sector Mover: A title given to one of the top 15% companies in each sector which rose most from a year before.

Memberships in Associations and Organizations

Federation of Korean Industries

Exchanges of opinions and networking among companies

Korean Non-Life Insurance Association (KNIA)

Deals with industry issues and pushes for joint projects for public good

Korean Fire Protection Association

Prevents fires, checks fire warning facilities, offers research and education on fire-related issues

CFO Forum

Builds global CFO networks, suggests opinions on company management and capital market, implements ethical management

Korea Personnel Improvement Associate

Builds networks to share information on personnel and education and training issues

Association of Listed Firms in Korea

Exchanges opinions and protects rights and interests

National Quality Award (NQA) Winners

Builds a network of companies which won world-class national quality prizes Benchmarks global standards

Korean Association of Business Ethics

Shares examples of excellent ethical management

BEST Forum

Shares examples of excellent ethical management and conducts research on sustainable management

Korean Insurance Academic Society

Studies theories, laws, regulations, and actual operations of the insurance industry / collects and applies research data

Korea Management Association

Exchanges information for management innovation and stronger competitiveness

Korea Employers Federation

Exchanges opinions on major issues including labor relations

Financial Security Agency

Exchanges various information protection activities such as preventing and coping with financial security accidents

Korea Financial Information Protection Council

Exchange opinions with financial institutions and supervising organizations to protect information



Code of Ethics

I . Foreword

II . Main Contents

Chapter 1. Pursuit of Customer Satisfaction and Prosperity

Chapter 2. Building Partnership Trust

Chapter 3. Basic Ethical Responsibilities of Employees

Paragraph 1. Responsibilities to Company

1. Employees shall have passion for their work.
2. Employees shall execute their duties in a fair manner by prioritizing customer value.
3. Employees shall conduct themselves in a dignified manner by showing exemplary self-management.
4. Employees shall continuously learn new skills and grow their capacities

Paragraph 2. Responsibilities to colleagues

1. Employees shall aim for solidarity based on order, trust and love.
2. Employees are forbidden from exchanging gifts.
3. Employees are forbidden from engaging in financial transactions with each other.
4. Sexual harassment is strictly prohibited.

Chapter 4. Protecting Rights and Interests of Shareholders and Investors

1. The Company shall protect interests of shareholders and investors
2. Shareholders shall have fair treatment
3. The Company shall reliable and useful information in a timely manner.
4. The Company shall maintain transparent accounting practices
5. Insider trading shall be prohibited

Chapter 5. Pursuit of Free Competition Market Order

1. The Company shall respect the order of the insurance market based on free competition principles.
2. The Company shall acquire and use information in a legal manner.
3. The Company shall pursue fair trade and a win-win relationship with partner firms.

Chapter 6. Duty to Country and Society

1. The Company shall engage in sound business practices based on quality management.
2. The Company shall contribute to social development and the prosperity of mankind.
3. The Company and employees shall not engage in political activities.
4. Eco-friendly environment management



Glossary of Terms

1. Stock-Listed Corporation

A corporation whose securities are listed on the stock market

2. Comprehensive Insurer

An insurance company which sells insurance policies through sales agencies

3. Reinsurance Company

An insurance company which underwrite some of insurances which comprehensive insurers underwrote

4. Guarantee Insurance Company

An insurer that sells products which guarantee a loss incurred due to default.

5. Direct Premiums Written

Insurance premiums from original insurance policies

6. Earned Premium:

The amount of total premiums collected by an insurance company over a period that have been earned based on the ratio of the time passed on the policies to their effective life. This pro-rated amount of paid-in-advance premiums have been earned and now belong to the insurer.

7. RBC System

Risk-based capital (RBC) represents an amount of capital based on an assessment of risks (insurance, interest rate, market, credit and operational risks) that a company should hold to protect customers against adverse developments.

8. Dynamic Leader

Those in charge of GWP and CS activities by departments

9. Dongbu Service Standard 36

A service standard for employees of Dongbu Insurance. The standard has six items of "Promises with Customers." Each item has six detailed items to practice.

10. Consumer Complaints Management System (CCMS)

New CCM system certification is conducted after a change in the old certification. This evaluates companies with consumer-oriented management every two years.

11. IFDS

An anti-insurance fraud system consisting of a pre-payment recognition system which turns insurance claim risks into indices and automatically reports them to those in charge of claims and a post-payment claim analysis system.





More information on this report is provided through the home page and the management planning part of the Management Innovation Team (Sustainable Management Office)

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