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SAMSUNG LIFE INSURANCE

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2013 Samsung Life Insurance Integrated Report



2013 SAMSUNG LIFE INSURANCE INTEGRATED REPORT

SAMSUNG LIFE INSURANCE

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COVER STORY

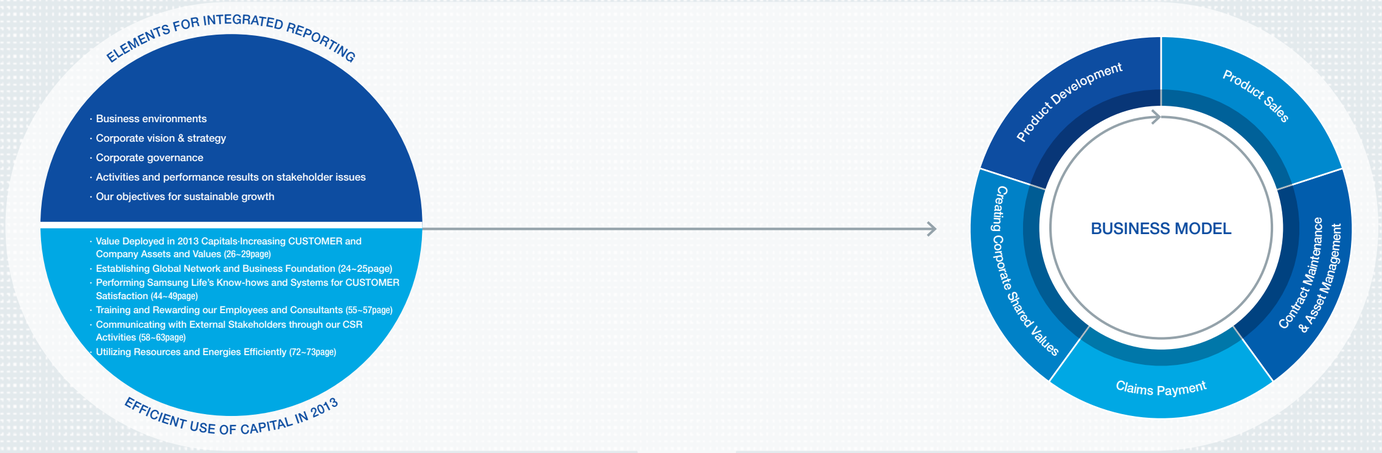


'One direction with your heart'

As mentioned on Samsung Group's New Management Initiative, Samsung Life is concentrating all efforts in 'one direction' to raise its speed to take a great leap towards the future.
The cover photo of a heart beating inside the transparent statue expresses our business concept of 'Nurturing people with greater love to build better financial security,' which is only possible with the transparent business management of Samsung Life.

INTEGRATED REPORT

Samsung Life has been publishing annual Integrated Report on its financial and non-financial performance results based on Samsung Group's value system, business concept, and medium and long-term business strategies. We hope to communicate further with our stakeholders about Samsung Life's efforts on sustainable growth.



KEY PERFORMANCE INDEX

	Tasks	Indicators	2011	2012	2013
Economic Performance	Achieving the vision of becoming a leading global life insurer	Total Assets (KRW bil.)	161,072	186,039	192,949
		Annual Premium Equivalent (APE) (KRW bil.)	3,905	5,299	3,034[1]
		Listed on the Dow Jones Sustainability Index(DJSI)	-	DJSI World	DJSI World
	Stable risk management	Risk-Based Capital (RBC) ratio (%)	386	408	330[2]
	Pursuing integrity management	Mis-selling Ratio (FCs) (%)	0.25	0.21	-[3]
		Number of employees having participated in the integrity education (persons)	12,989	17,472	28,623
Social Performance	Realizing CUSTOMER benefits	Ranked no.1 in the National Customer Satisfaction Index (NCSI)	1st	1st	1st
		13th month persistency rate (%)	86.1	87.4	88.5
		Rate of on-the-date claims payment (%)	26.9	51.8	79.2
	Implementing contiuous social contribution activities	Participation rate (%)	43.3	90.4	94.7
		Participation time (hour/person)	7.4	7.0	10.5
	Corporate responsibility on employees and FCs	Number of Samsung Life's tied agents (financial consultants) who have sales record (1,000 persons)	24.1	24.6	25.8[4]
	Strengthening mutual growth	Number of trainees who have completed the Junior CEO program (persons)	103	204	384
Environmental Performance	Expanding socially responsible investment (SRI)	Amount of investment contracted for green business (KRW 100 mil.)	3,074	4,474	10,399
	Efforts to save the environment	Greenhouse gas emissions per square ($TCO_2eq/1,000m^2$)	85.4	77.7	73.8
		Amount of paper usage (ton)	1,311	1,360	1,286
	Volunteer activities on environment protection	Accumulated number of the mangrove trees planted by SLI (trees)	10,500	17,500	24,500

[1] Due to the amendment of Enforcement Decree of the Insurance Business Act coming into effect in 2013, the fiscal year-end month has changed from March to December; which is the reason why economic performance of FY2013 shows the data of only 9 months from April to December, 2013.
[2] RBC ratio has been decreased from the previous year due to rise in bond interest rate and the reinforcement of regulations on financial authorities. However, Samsung Life has maintained the highest level of RBC rate among the industry.
[3] Announcement date of the mis-selling rate is scheduled after the publication of the integrated report. The mis-selling rate of FY13 will be included in the next year's report.
[4] Number of Samsung Life's tied agents (financial consultants) who have at least more than one sales record per month.

This report contains Samsung Life's commitment to sustain for the coming decades.

As Korea's leading insurance company for the past half century, Samsung Life aims to become a highly respected global company. Based on our strong commitment to uphold the noble value of insurance, we are continuously implementing CUSTOMER-oriented business activities, and giving back the love that we have receive from our CUSTOMERs by contributing to the society.

Insurance is love 사랑, 사랑

2013 HIGHLIGHTS

A global life partner nurturing people with greater love to build better financial security, focusing on CUSTOMER-benefits

SAMSUNG LIFE'S MAJOR ACTIVITIES AND PERFORMANCE RESULTS FOR 2013



Chang-Soo Kim, appointed as President & CEO of Samsung Life Insurance

On December 2013, Chang-Soo Kim was appointed as the President & CEO of Samsung Life, expressing his management philosophy of maximizing corporate values through "qualitative growth", "emphasizing the sales division", "sense of ownership" and "open communication." Samsung Life is undergoing creative changes and innovation to take a leap forward into a new era of growing as a better and stronger company, well known for its corporate values.



Taking a leap forwards as a global leading life insurer

Samsung Life is aiming to become one of the world's top 15 life insurers by 2020. To attain this goal, we are focusing all our efforts on key strategies, including "strengthening core competencies on the major business area", "solidifying global businesses" and "exploring new business opportunities."
As a result of these efforts, Samsung Life was the first financial company in Korea to be listed on the Fortune magazine's Global 500 Companies.



Implementing various business activities to maximize corporate values

Samsung Life established an exclusive organization to boost the sales channels by developing new products based on data analysis made on customers and market conditions. As a result, we were able to come up with tangible results of increase in sales of whole life insurance, number of customers and expansion in market share.



Listed on the Dow Jones Sustainability Index(DJSI) World for two consecutive years

On September 2013, Samsung Life has been listed on the world's most renowned sustainability index, the DJSI World, making it the first Korean insurer to be named on the influential list. Being listed on the DJSI World, Samsung Life is now recognized as one of the global top 15 and Asia's top 3 life insurer in terms of sustainability management.



Ranked as the no.1 company in the National Customer Satisfaction Index(NCSI) for ten consecutive years

Samsung Life is enhancing customer satisfaction based on its business philosophy of "CUSTOMER-benefit focused management" by easing the insuring conditions, improving the claims payment services and implementing various customer care services. Through these efforts, Samsung Life has been ranked the number one company on the renowned National Customer Satisfaction Index (NCSI) survey for ten consecutive years. Besides the NCSI, Samsung Life has been recording grand slams on customer satisfaction surveys by being ranked number one on the Korea Standard Service Quality Index(KS-SQI) for 11 consecutive years and also on the Korea Customer Satisfaction Index(KCSI) for nine consecutive years.



The Bridge of Life reborn into a world famous attraction in Seoul

Mapo Bridge has been reborn into the Bridge of Life to clear its name of being known as the suicide bridge over the years. In June 2013, it held its renewal opening with about 8,000 encouraging sentences and images collected from Seoul citizens. While in November of the same year, the Hangang Bridge was reborn as the second official Bridge of Life. Through these efforts, these two Bridge of Life attracted world-wide attention, and received awards in a total of 39 categories at the Clio Awards, the Cannes Lions International Festival of Creativity and the London International Awards.



Established a corporate culture based on open communication

In order to strengthen communication with our employees and FCs, Samsung Life is sharing all management issues, company vision and business strategies by operating various communication tools. Samsung Life has been hosting regular visits and meetings within the management and the regional sales divisions, operated the Two-day Communication (Soh-Tong) Camp for employees and FCs, and activated the internal communication channels by accepting employee proposals on communication ideas.



Strengthening the corporate culture of sharing and pursuing mutual prosperity in management practices

Samsung Life is operating various social welfare programs such as the Sesalmaeul Cooperative Childcare Centers, Serotonin Drum Clubs and Suicide Prevention Campaigns to help solve our society's current issues on low birthrate, juvenile delinquency and high suicide rate. We are also operating programs to pursue mutual growth with the medium and small sized enterprises: such as the Junior CEO Course to share our management know-hows with the small businesses and the "Life Design Center" which is Samsung Life's research center established to support medium and small enterprises.



Systemizing the green management system to carry out eco-friendly corporate culture

To systemize our efforts paid on green management, Samsung Life has developed a green management system which corresponds to international standards, and acquired relevant certifications from global certification authorities. (Environmental Management System: ISO14001/ Energy Management System: ISO 50001)

CEO MESSAGE

"Nurturing People with Greater Love to Build Better Financial Security"
This is the commitment we make for our CUSTOMERS by providing our insurance plans.

Dear stakeholders,

I am pleased to report on the sustainability management of Samsung Life's activities as we strive to become one of the world's most respected global companies.

Over the past half century, based on our strong sense of duty to provide insurance for our customers, Samsung Life has emerged as Korea's top insurer.

However, as the past success does not equal future success, it is not easy for a company to sustain growth for more than 100 years.

Therefore, in order to be a long-lasting company, Samsung Life focuses all of its efforts on the company's goal of 'maximizing corporate values through qualitative growth' to firmly secure our position as a leading global insurer.

First, Samsung Life is developing competitive products that increase corporate values and bring innovation for business success, thereby strengthening our position as a top Korean insurer.

Also, Samsung Life is solidifying our foundation to become one of the world's respected global companies by implementing integrity management in our everyday life and actively conducting overseas business.

To be more specific, we recognize the current crisis as an opportunity to take a leap forward, which is why we are taking the following measures to create a virtuous cycle that brings quantitative growth from qualitative improvement.



Strengthening CUSTOMER-oriented management practices

We are well aware of the fact that Samsung Life is not able to sustain without the love and faith of our customers, and all of our business activities start from our customers and end with their evaluation. Thus, we place customer value on priority and implement various business activities to secure competitiveness. We provide differentiated financial services by establishing all of our systems and processes to best serve the needs of our customers by improving the policy underwriting processes, developing diverse sales channels and providing prompt claims payment. In particular, we raised the rate of on-the–date claims payments from 50 percent in 2012 to 80 percent in 2013. In recognition of such CUSTOMER-oriented management practices, Samsung Life was the first Korean insurer to be ranked in the first place on the National Customer Satisfaction Index (NCSI) for ten consecutive years in 2013. With the unwavering belief that CUSTOMER-oriented business practices will eventually lead the company towards becoming a highly respected global company, Samsung Life will continue to further strengthen CUSTOMER-oriented management practices.

Promoting a corporate culture based on the respect for people

Samsung Life firmly believes that its people are the driving force and the major competitive edge of the company. Therefore, we are doing our best to recruit and train outstanding talents with diversity, while creating a flexible corporate culture so that all members can display their full capability.

We are also operating a systematic Human Resources Development Program to foster our employees into next-generation leaders and to enhance the competence of our FCs, so they can play a major role in leading Samsung Life into a global life insurer. Samsung Life will work further to build a corporate culture where its "people" are the source of the company's growth, making it into a differentiated competitiveness only found in Samsung Life.

Creating shared values from communicating with the society

It is our firm belief that a company which has stopped communicating with the society and lost its trust from the public resembles a fish out of the water. Therefore, Samsung Life understands that making social contributions, carrying out green management and pursuing mutual growth are essential elements in communicating and building trust within the society, and the values created from these management practices are being delivered to the society. Samsung Life is also carrying out social welfare programs to resolve social issues on low birth rates, juvenile problems and high suicide rates, and to support green growth of our society by establishing an internal green management process and proceeding environmental volunteer programs. We are also doing our best to promote mutual growth with the small and medium-sized enterprises by sharing Samsung Life's corporate management know-hows.

Samsung Life is now recognized as a company loved and trusted by its customers and the public, based on its communications and contributions made to the society and the nation. Our efforts made to become a highly respected global company resulted in Samsung Life becoming the first Korean insurer to be named on the world's most renowned sustainability list, the Dow Jones Sustainability Index (DJSI) World, for two consecutive years. In addition, Samsung Life had the honor of being the only Korean financial company included in the list of Fortune magazine's Global 500 Companies.

Dear stakeholders,

Although we take pride in these achievements, we will not stay content as we aim to become a highly respected global company by continuously undergoing innovations to meet challenges and by maximizing corporate values. As a responsible corporate citizen, we will faithfully fulfill our commitment to give back to society and create new social values that can benefit others.

I hope that our stakeholders will accept my sincere gratitude when I thank them and ask for their continued support of Samsung Life as we move forward.

Thank you.

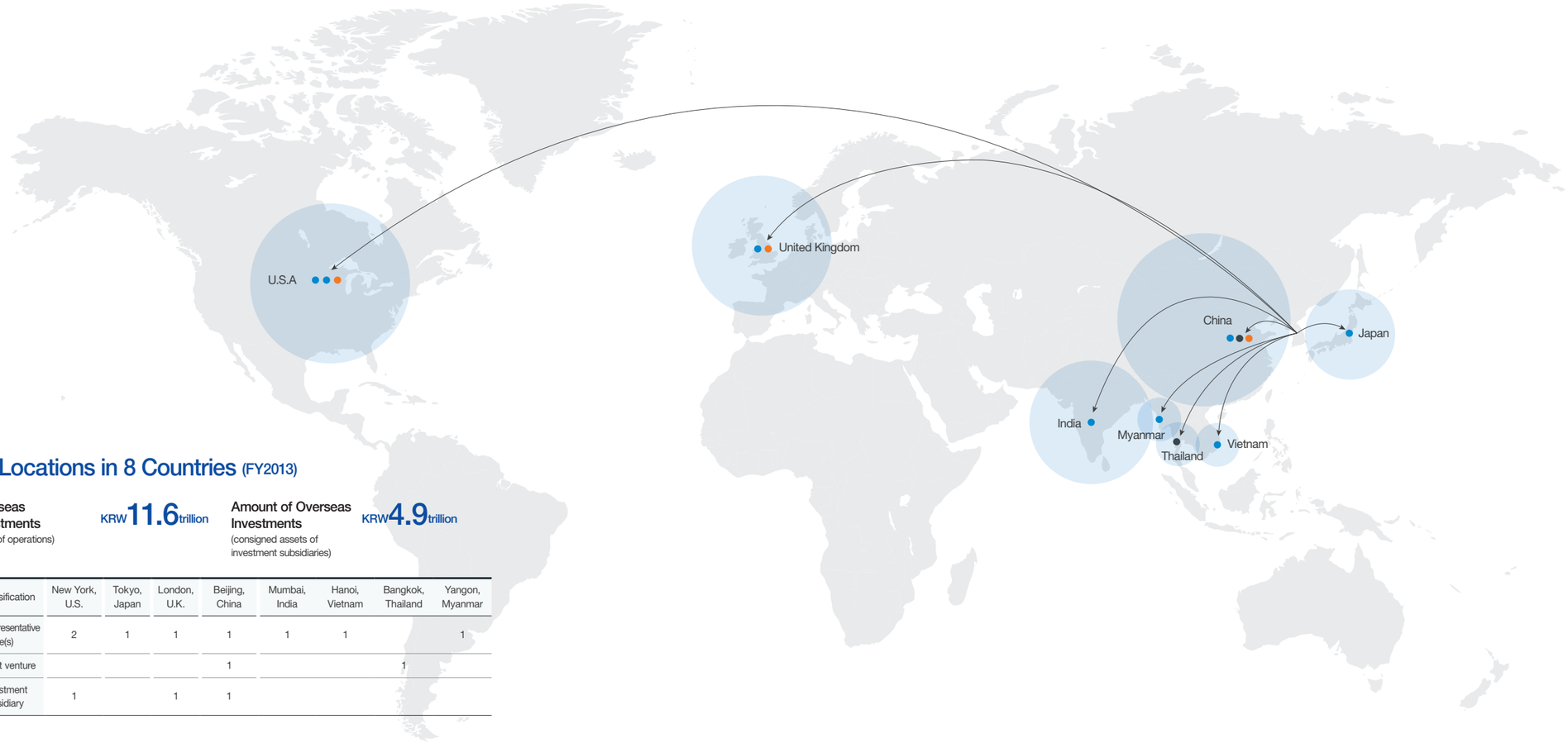
金彰洙

March 2014
President & CEO **Chang-soo Kim**

01. OUR COMPANY

A global life partner focused on CUSTOMER-benefit to nurture people with greater love to build better financial security

Since its foundation in 1957, Samsung Life has committed itself to strengthening the innate value of the insurance business for the sake of its customers and society, contributing to the development of Korea's life insurance industry at every step of the way. Beyond a remarkable half-century of monumental accomplishments, we will continue growing as a globally competent life insurer that leads the world's insurance industry and financial sectors.



13 Locations in 8 Countries (FY2013)

Overseas Investments (scale of operations) KRW **11.6** trillion

Amount of Overseas Investments (consigned assets of investment subsidiaries) KRW **4.9** trillion

Classification	New York, U.S.	Tokyo, Japan	London, U.K.	Beijing, China	Mumbai, India	Hanoi, Vietnam	Bangkok, Thailand	Yangon, Myanmar
• Representative office(s)	2	1	1	1	1	1		1
• Joint venture				1			1	
• Investment subsidiary	1		1	1				

Nurturing people with greater love to build better financial security

At Samsung Life, we believe our true value lies in supporting our customers as they care for their loved ones. We are striving to create and deliver the noble value of happiness and love to our customers and to the society, under the firm belief that insurance industry starts from people's love for their families.

A global life partner focused on CUSTOMER-benefits

Samsung Life delivers the highest customer value well beyond the Korean market, reaching people past our borders and around the world. While moving forward as a reliable life partner, we aim to become a leading global insurer that puts customer value first.

Total assets
KRW **193** trillion

Number of customers
819 million people

Credit rating
AAA 9 consecutive years
NICE Investors Service Co., Ltd.

Total amount of claims paid
KRW **7** Total amount of claims paid
*FY2013

Company Profile

Company name	Samsung Life Insurance Co., Ltd.
Address of head office	#55, Sejong-daero(Taepyeong-ro 2-ga), Jung-gu, Seoul, Republic of Korea
CEO	Chang-soo Kim
Date of foundation	May 5th, 1957
Type of business entity	Limited Company
Major countries for our business	Republic of Korea, U.S., China, U.K., Japan, India, Vietnam, Thailand, Myanmar
Homepage	http://www.samsunglife.com

Shareholders

On May 12th 2010, Samsung Life strengthened its position as Korea's largest life insurer by listing its name on the Korea Stock Exchange; attracting many domestic and foreign investors.



• Kun-hee Lee	20.76
• Samsung Everland	19.34
• E-Mart	7.38
• Samsung Life's Employee Stock Ownership Association (ESOA)	2.63
• Others	49.89

(As of December 31st 2013)

01. OUR COMPANY
2020 VISION

Business Concept

Business Concept

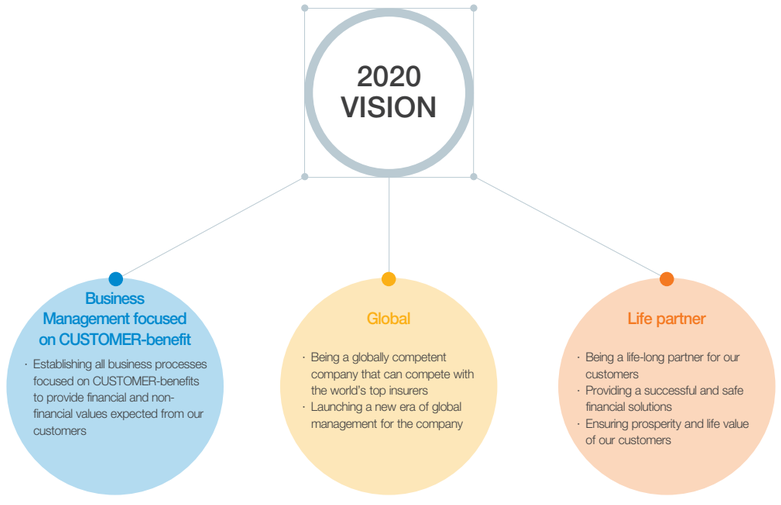
Nurturing People
- A caring heart originated from the love of your family
- A special value that needs to be protected upon all circumstances
- Heart of the insurance business

with Greater Love
- The spirit of mutual help that gathers love from our customers
- Providing financial and emotional security against unknown risks

to Build Better Financial Security
- Providing long-term services for generations to come
- Expanding business through asset management, and ensuring a stable company
- Looking after customer asset with care and giving it back when needed

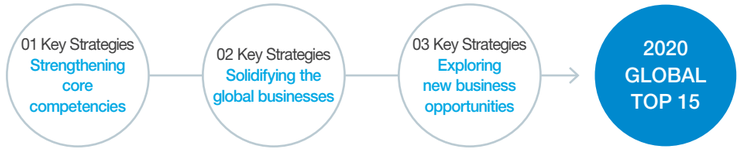
Vision

Vision



Goal & Strategy

Goal & Strategy



Estimated Growth (2010-2020) (Unit: KRW trillion)



Core Values

In line with our business concept and vision, we have also instituted five core values—customers, people, professional, challenge and communication—as the behavioural guidelines for all our employees, as well as 20 codes of conduct.

1. Customers
We aim to be a company that our customers are proud of. We pursue to become a company that our customers can rely on in difficult times.

2. People
We pursue to become a company where employees and consultants maintain a healthy work-life balance. By creating great work environment, employees can fully and happily commit themselves to their jobs with pride and affection for the company. At the same time, we respect diversity and individual's personalities within the organization.

3. Professional
We are doing our best to remain as the best group of financial experts our customers can rely on. Every employee and consultant at Samsung Life is committed to their job, and is working to make a company that has competency and expertise to stand in line with the global leading insurers.

4. Challenge
By pre-emptively responding to today's rapidly changing markets, we are maintaining dominant market leadership. We are recognized as a leading company in the insurance industry for our entrepreneurship in coming up with prompt decisions on new business ideas.

5. Communication
We pursue open communication for both inside and outside of our company. Internally, we are building a communicative atmosphere, so that our employees can speak their minds regardless of their position within the organizational hierarchy, generating synergies from this inter-departmental communication and cooperation. We are also open to thoughts and opinions of communities, which in turn generates greater corporate value.

Our Responsibilities in Business Models

Samsung Life plays the role of creating and delivering the noble value of happiness of the individuals, family and the society

Product Development: Creating the noble value of insurance industry

Customers are our top priority when it comes to product development activities concerning products, social responsibilities and values. As part of our commitment to customer-oriented product development, we have expanded the scope of our new business underwritings and developed new products exclusively for customers with geriatric patients, further reinforcing our product competiveness.

Product distribution: Delivering the inherent value of insurance to customers

We provide the best quality insurance products and services focusing on CUSTOMER-benefit. We have expanded the insurance sales channels and simplified the processes required for contracting insurance products to provide convenient customer service.

Policy maintenance and asset management: Preserving the noble value of life insurance

We are always open to thoughts and opinions of our customers, and engage in various customer activities to enhance customer satisfaction. At the same time, we are improving all of our customer satisfaction activities, such as providing adequate information on products to customers and addressing customer complaints as we strive to increase the value of our customer assets.

Claims payments: Putting the inherent value of insurance into action

We have revamped the claims payment procedures by introducing Customer-love Payments System focused on our customer-benefits. It is now more convenient for our customers to file claims payments, due to the reduced process duration required for the actual payment.

Creating shared corporate values: Nurturing people with greater love

We are actively fulfilling our corporate social responsibilities to solve social issues and to help both our customers and the society. Due to such efforts, Samsung Life is now recognized as a company loved and admired from our customers and nation for its contributions to the society.

02. BRAND MANAGEMENT

Insurance is Love

Samsung Life is a strong advocate of the inherent value of the insurance business, as it takes great pride in protecting all its customers and their loved ones from unexpected risks. Committed to remaining a company that is admired and respected by its stakeholders, we launched a new brand slogan called “Human, Love” in 2011. This brand slogan personifies a basic fundamental of the insurance business: protecting the people you care from unexpected risks. Insurance is an expression of love and a commitment to protect your loved ones and financial security in the event of adversity. In order to deliver the true meaning of insurance, we have redefined our business concept to better serve our customers. We have also taken a series of steps to improve our business systems and processes, while always giving back to our customers, shareholders and society.

People, Love Report 2013

Samsung Life implemented a corporate advertising campaign called the ‘People, Love Report 2013’. The episode on a father who had a late child comically portrayed how valuable family’s love is by showing the father’s dedicated love to his son, while the episode on a father who is devoted to his baby girl warmly displayed the everyday life of a family. This ‘People, Love Report 2013’ campaign aims to deliver the message of the inherent value of insurance, by wittily showing diverse episodes that can occur in our daily lives, allowing our customers to rethink about the importance of family’s love.



Offering diverse recreational experiences at Life Valley

On May 2013, Samsung Life opened Life Valley in Everland located in Yongin, Gyeonggi-do where families can come and enjoy diverse recreational experiences. It is located inside the Lost Valley, which is Everland’s huge safari facility, with diverse digital contents to experience safari on virtual reality. On the first floor of the two story building, a resting area welcomes its visitors with free drinks, including coffee and ice tea. As you enter the Life Valley, there is a magic mirror that allows you to take pictures with imaginary animals, and also an area where they issue certificates proving that you are a brave explorer of Life Valley. Other fun and educational contents on the first basement floor include: the Life Sketchbook which shows moving animals when you paint the picture of an animal and fly it to the wall, and the Animal Step that makes the sound of animals when you step on them.



Publication of character cartoon portraying Samsung Life’s brand value and release of relevant insurance products

Samsung Life created two cute and cuddly characters named Sarangee and Sarangkong to deliver the inherent value of insurance to our customers. Embodying our brand slogan “People, Love,” Sarangee and Sarangkong represent our commitment to customers for life. After publishing the first episode in 2012, the second and third episode titled <Encountering Love with Sarangee and Sarangkong> were published in 2013, illustrating the value of insurance and how it is related to love in easy-to-understand stories on families and neighbours. Allowing children to rethink about family love, importance of neighbourhood, and love for nature, this comic book was chosen by Kids Hankook Ilbo as the outstanding children’s book for 2013.

Samsung Life’s Bridge of Life







“Have you eaten? How are you these days?”

These are the phrases you can find on the Bridge of Life, which is the world’s first of its kind. This interactive bridge responds to pedestrians as if someone is trying to talk with people walking on the bridge, asking you daily greetings and even making light jokes. The Seoul City, Samsung Life, and Cheil Worldwide jointly designed and created the Bridge of Life, as part of the efforts to prevent suicide by using moving lights instead of suicide prevention walls and delivering messages of hope and comfort through warm messages.

Renewal opening of Mapo Bridge as the new Bridge of Life with citizen participation

Starting from January 7th 2013, an on-line event was held to promote citizen participation in making the Bridge of Life for two months. This nation-wide event aimed to establish a consensus on the project by promoting citizen participation, attracting about 8,000 comforting and humorous phrases and images to be used on the Bridge of Life. Experts made the final decisions among the citizen submissions, and chose 48 phrases and images to be engraved on the guard rail of Mapo Bridge.

The Historic Hangang Bridge reborn as the Bridge of Life

Following the world’s first storytelling bridge, the historic Hangang Bridge was also reborn as the second Bridge of Life in November 2013. The second Bridge of Life was created with talent contributions from famous public figures in Korea to deliver messages of hope motivated from their own experiences in overcoming their difficult times. Besides the interactive rail on Hangang Bridge, there also are figurative art works displayed on Nodeul Islet and bridge pier which portray the noble value of life. These art works were made by young artists to comfort pedestrians visiting the Hangang Bridge just as if you were in an art museum. Moreover, people will also be comforted by the Bus Shelter of Life that shines brightly along the Hangang Bridge during the night.

Samsung Life’s Bridge of Life was awarded in 39 categories, attracting world-wide attention.

Cannes Lions International Festival of Creativity | May 2013, France
- Titanium Lion Winner in Titanium & Integrated Category
- 2 Gold Lion Winners in Promo & Activation Category
- Silver Lion Winner in PR Category
- Silver Lion Winner in Outdoor Category
- Bronze Lion Winner in Direct Category
- Bronze Lion Winner in Media Category
- Bronze Lion Winner in PR Category
- Bronze Lion Winner in Design Category

Busan International Advertising Festival | Aug. 2013, Busan
- Grand Prix Winner in Direct Category
- Gold Winner in Outdoor Category
- Gold Winner in Public Service Advertising Category
- Gold Winner in PR Category
- Silver Winner in Innovation Category
- Bronze Winner in Media Category
- Crystal Winner in Branded Content Category
- Crystal Winner in Campaign Presentation Video Category
- Brand Stars Winner

London International Awards | Nov. 2013, U.K.
- Gold Winner in Innovation - Branded Content Category
- Gold Winner in Innovation - Live Events Category
- Gold Winner in Corporate Image Category
- Bronze Winner in Integration Category
- Bronze Winner in The NEW Category

Spikes Asia 2013 |Sep. 2013, Singapore
- Grand Prix Winner in Outdoor Category
- 2 Gold Winners in Media, PR Category
- Silver Winner in Branded Content Category
- Silver Winner in Direct Category
- Silver Winner in Media Category
- Silver Winner in Promo Category
- Bronze Winner in Design, Bronze PR Category

Clio Awards | April 2013, U.S.
- Grand Prix Winner
- Gold Winner in PR Category
- Silver Winner in Engagement Category

Reddot Design Award | June 2013, Germany
- Winner in Communication Design Category

ONE SHOW | May 2013, U.S.
- Gold Winner in Design Category

ADFEST | March 2013, Thailand
- Gold Winner in Outdoor Category

03. CORPORATE GOVERNANCE & STAKEHOLDER ENGAGEMENT

Corporate Governance

Board of Directors (BOD)

Samsung Life's top decision-making entity is the company's board of directors (BOD), which deliberates and approves basic business principles and management issues, as well as individual agendas stipulated by corporate bylaws and its Article of Incorporation. In addition to these major functions, the BOD also plans and authorizes the annual general shareholders' meeting (GSM). As a result of the 2013 GSM, there are a total of nine persons on the BOD, including four executive directors and non-executive directors. Also, a total of six subcommittees are under the BOD, including the Sustainability Management Committee, the Audit Committee, the Related Party Transactions Committee, the Risk Management Committee, the Compensation Committee and the Independent Director Recommendation Committee.

Independence of the BOD

A non-executive director serves as chair of the BOD, ensuring the board's independence from management and allowing objective and balanced decision making from its board members. In case where various issues occur concerning the company from economic, social and environmental aspects, the related matters will be shared through an explanatory meeting to non-executive directors, while Samsung Life's management will report on the progress of operations to the BOD at least once every quarter to keep the BOD abreast of major management issues.

Transparency and expertise in electing directors

Both executive and non-executive directors are appointed by resolutions passed at the GSM. Candidates up for executive directors are recommended by the BOD, while candidates for non- executive director are nominated by the Independent Directors Recommendation Committee. In accordance with the guidelines set out for non-executive directors, people with in-depth knowledge and abundant experience in relevant fields, including finance, economy, management and accounting, have been appointed. We were able to acquire expertise in various fields by having two professors, two financial experts and one environmental energy experts as our non-executive directors. Non-executive directors are also kept up to date with major management issues and general management activities, allowing them to contribute their specialized skills to the company.

BOD Composition (As of March 2014)



④ ⑧ ⑤ ⑦ ⑥ ① ② ③

Executive directors (4 persons)

Chang-soo Kim / President & CEO [1]

Tae-gon Mun /Internal auditor [2]

Hong-Joo Gwak / Internal director [3]

Shin-hyung Choi / Internal director [4]

Non-executive directors (5 persons)

Bong-heum Park / Chairman of the Board [5]

Doo-cheol Kim / Independent director [6]

Jong-nam Lee / Independent director [7]

Jong-seop Jeong / Independent director [8]

Jeong-kwan Kim / Independent director

BOD principles and activities

In addition to the regular quarterly meetings, ad hoc meetings can also be convened whenever deemed necessary. To ensure an efficient, cost-effective decision-making process, some functions of the BOD are entrusted to related subcommittees so that every issue of great importance is deliberated on prudently. The presence of a majority of directors constitutes a quorum for all BOD meetings, and a resolution is adopted when a majority of those directors in attendance vote in favor of said resolution. In addition, directors may exercise their voting rights via electronic means. However, BOD rules stipulate that directors cannot proxy their votes, and any director who has personal interest in a resolution at a general meeting cannot exercise their voting rights on such resolution. Also, if a director usurped a corporate opportunity or conducted a self-dealing transaction, it requires a two-thirds vote in favor from directors, while trading and offering credits of over KRW 1 billion with large shareholders require a majority of directors voting in favor. In addition, Samsung Life ensures that the BOD makes rational decisions by providing relevant materials to the BOD Secretariat ten days before convening the BOD meeting. As part of the BOD's procedure for submission and consideration, the decision makers of the BOD, including standing directors and independent directors, are provided with materials in advance, giving them sufficient time to review them. In cases where an agenda requires a better understanding in a specialized field, directors are given sufficient time to understand and review the agenda by holding explanatory meetings, before they make rational decisions. During the period of January to December of 2013, the BOD was convened 13 times, and among a total of 70 agendas, 58 agendas were adopted as resolutions, while 12 agendas were reported. Also, during the same period, the rate of independent directors in attendance was an average of 97 percent.

Communication with the BOD

Samsung Life's BOD also maintains communication channels with internal and external stakeholders, including specific channels for disclosure. The GSM functions as the top decision-making body, with major decisions concerning management issues immediately disclosed to all stakeholders, including shareholders. Moreover, we have our own systems in place that are used as channels for active communication throughout the company, where any employee can make suggestions to the CEO, who often responds in a timely manner to the submission.

Evaluation of the BOD

Compensation for BOD members consists of a base annual salary and a performance-based pay that are paid within the limits approved for at the annual GSM. At the 2013 meeting, the limit was set at KRW 18 billion, which is an increase of KRW 1 billion compared to the previous year. From this amount, only KRW 5.5 billion was actually paid out. Base salaries are calculated depending on the job position of each director and decided by the BOD according to the performance evaluation, while performance pay is determined according to other corporate business results. In order to ensure fair compensation for management performance, the company operates a long-term incentive plan according to the guidelines set out for a performance-based pay scheme. More details concerning compensation are deliberated on by the Compensation Committee, which then passes the motion onto the BOD for final resolution.

Subcommittees (As of end of December 2013)

Category	Members	Subcommittee functions
Sustainability Management Committee	2 executive directors	Deliberation and resolution of issues passed on by the BOD; other general management issues; management and supervision of general business operations matters, including sustainability management issues
Audit Committee	1 standing auditor, 2 non-exeutive directors	Assessments and supervision related to the appropriateness of the company-wide internal control system; requesting reports on company information required for company audits
Related Party Transactions Committee	3 non-executive directors	Deliberation and resolution of related parties to ensure higher transparency in business management
Risk Management Committee	1 executive director, 2 non-executive directors	Establishment of guidelines for risk management in line with management strategies; creation of risk-weighted master plan for management strategies; development of mid-to long-term business plans for efficient risk management
Compensation Committee	1 executive director, 3 non-executive directors	Annual review of compensation scheme independent from the management board; establishing, evaluating, deliberating and reviewing directors' remuneration and its appropriateness
Non-executive Director Recommendation Committee	1 executive director, 3 non- executive directors	Recommendation of non-executive director candidates to the GSM

03. CORPORATE GOVERNANCE & STAKEHOLDER ENGAGEMENT

Sustainability Governance

Sustainability Management Committee

Samsung Life operates the Sustainability Management Committee and its Working Council under the BOD as part of its commitment to building trust with insurance consumers and contributing to the sustainable development of society. We reformed our Management Committee in April 2012, changing it to a Sustainability Management Committee to take on the role as a sustainable company to address major issues. This new Committee deliberates on and resolves general management issues connected to the company's medium- to long-term business strategies and plans, while also monitoring and overseeing general business operations matters. Additionally, it is responsible for making important decisions regarding investments and asset management, including real estate, while also handling matters concerning major stakeholders, most notably customers and employees, and overseeing company-wide corporate social responsibility (CSR) activities and green management strategies. For instance, the Sustainability Management Committee makes important decisions concerning social and environmental investments and sets targets for reducing greenhouse gas emissions and energy consumption. Another important responsibility of the committee concerns signing up with and supporting various sustainability-related international organizations and initiatives.

Sustainability Management Working Council

Samsung Life operates the Sustainability Management Working Council to efficiently implement decisions made by the Sustainability Management Committee, while some of the Management Committee's authority is delegated to the Working Council to handle. Consisting of six working-level departments, this council controls and fine-tunes various issues related to the company's financial and non-financial operations. A total of four meetings of the Working Council were held in 2013, where members discussed about the performance results and implementation plans by department, the establishment of environmental management system, and the domestic and international trends of sustainability management. Additionally, the Working Council reviews the final version of the sustainability management and integrated report to take note of issues raised from the materiality test, so that areas of high concerns for stakeholders are reflected in business activities. In the future, the council will convene on a quarterly basis to monitor and coordinate progress and performance results by department.

Major agendas of the Sustainability Management Working Council

Number of times	Date	Major agenda
1st	February 2013	· Performance results and implementation plans of sustainability management by department · Results of employee satisfaction measurement survey · Enhancement of brand value · Implementation plans of major public-interest projects and green management
2nd	April 2013	· Performance results and implementation plans of sustainability management by department · Summary of environmental management system (ISO 14001) · Example of green finance in advanced countries and the company's implementation direction · Trends of domestic and foreign investors
3rd	July 2013	· Performance results and implementation plans of sustainability management by department · International trends of sustainability management and countermeasures · Trends of domestic and foreign investors
4th	October 2013	· Performance results and implementation plans of sustainability management by department · Evaluation results of the DJSI for 2013 · Trends of domestic and foreign investors

Stakeholder Engagement

Samsung Life's stakeholders

At Samsung Life, we classify our stakeholder groups into shareholders & investors, customers, communities, governments, employees and financial consultants (FCs). We maintain diverse channels to communicate with all of these people on their ideas and opinions regarding our sustainability management practices. Through these activities, we remain abreast of all key sustainability issues of high concern.

Shareholders and investors

Samsung Life has a stable ownership structure, with the majority of its shareholders holding more than 50 percent of outstanding shares. Majority shareholders include the company's chairman, Kun-hee Lee, other Samsung affiliates, and Samsung Life's Employee Stock Ownership Association (ESOA). As we move forward, we will continue with our innovation initiatives to secure sustainable growth engines, and work tirelessly to become a world-class company that is respected and trusted by customers and shareholders alike.

Customers

Samsung Life strives to reflect its full appreciation of customers' trust and support of its insurance business by providing services that exceed their expectations, while working hard to enhance the inherent value of insurance by addressing any concerns that customers might have and developing products that meet customer needs. Recognizing the protection of customer privacy as one key value of our business activities, we reformed the organization and systems, as well as provide regular training and education to our employees and FCs on this matter.

Communities

Samsung Life puts into action its commitment to supporting communities through various social contribution programs, giving back to society at every step of the way. We help make dreams come true for young people in part by sustaining regional development and providing assistance to some of the nation's cultural and sports circles. Lending our business acumen as a financial company, we also make financial contributions to the microfinance project and offer socially responsible products that contribute to regional development.

Governments

Samsung Life fulfils its legal obligations in terms of fair trade practices, complete sales practices, and transparent disclosure of all management activities. In answer to the Korean government's initiatives on mutual cooperation, safety and health, we continuously implement business activities in these areas, while also meeting all of our tax responsibilities. Furthermore, we proactively respond to the Korean government's microfinance programs as we make every effort to ensure the sustainable growth of Korean society.

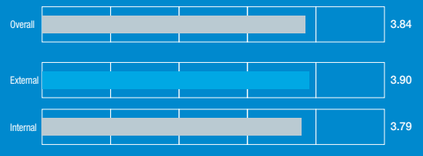
Employees & FCs

In recognition of the importance of internal communication within the company, Samsung Life implements various programs facilitating communication, while also providing generous employee benefit programs that include various maternity-protection programs to better serve our female employees. Additionally, we believe that fostering competent employees and FCs is crucial to our sustainable growth. To that end, we have been developing and subsequently operating career development programs that are tailored to specific job positions and the competencies of our employees and FCs. We also support our FCs with related courses when they wish to attain a relevant certificate for their job, as well as offering online career training programs on finance and taxation.

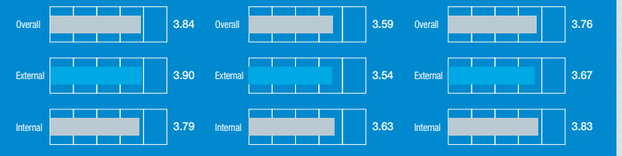
Results of the survey on sustainability management awareness from internal and external stakeholders

Period: November 15th 2013 – November 29th 2013
Number of participants: 7,458 persons

How would you evaluate the current sustainability management level of Samsung Life? (a score out of 5)



How would you evaluate Samsung Life's current sustainability management level by field? (a score out of 5)



* The results of this survey on sustainability management awareness from internal and external stakeholders showed that the level of awareness has improved to record a score of 3.84 (a score out of 5) as a whole. Looking at the results by field, the respondents gave high scores for the company's business activities and CSR, but answered the environmental management activities were at a low level.

DRIVING SUSTAINABLE BUSINESS & STRATEGY

As Korea's preeminent life insurer that is leading the way when it comes to change and innovation with creative, cutting-edge products and services, Samsung Life will pursue sustainable growth to become a leading global company with more than 100 years of history.

01 Our Business & History
02 Our Business Activities In 2013
03 Financial Highlights
04 Risk Management



01. OUR BUSINESS & HISTORY

Insurance

Samsung Life provides the highest level of products and services that meet customer needs through its systematic customer relationship management (CRM). Our financial consultants (FCs) help our customers set up a financial plan for life cycle by giving customized consulting to each individual, while also helping our customers get a better understanding about our products through various channels, including Samsung Life advisors (SA), telemarketing company (TC), agency marketing (AM) and cyber marketing (CM). Also, we have the most experience and competent consultants who contribute to the development of our corporate customers by providing consulting on the company's welfare, as well as protecting the happiness of workers and their families by constantly improving their services.

Retirement Annuity

As a leader of the market related to severance pay for the past thirty years, Samsung Life introduced the retirement annuity in 2005 based on its abundant experience and know-how to provide services in diverse areas, including product system and consulting. We take pride in offering the highest level of manpower and systems in Korea in both qualitative and quantitative aspects by hiring experts in retirement annuity from global financial institutions, as well as the professional consulting team, the valuation team, the business support team and the call center that are in charge of record keeping services and subscriber education. Through these efforts, we were able to rank first in the financial industry in terms of accumulated fund for retirement annuity (as of December 2013, Financial Supervisory Service's disclosure on operation management). In the future, we will continue to widely promote the importance of retirement annuity complying with its initial purpose of saving up for old age, while also striving to reinforce the foundations of social security to prepare for the aged society.

Loans

In addition to investing in equities and bonds to operate customers' funds, Samsung Life offers a variety of loan products to companies and households, contributing to the development of national economy by providing funding to different industrial sectors. For instance, the stable operation of mortgage loans is ensured through mid-and long-term basis with stricter screening and a more efficient work process, while credit loans are approved after going through a fair and accurate credit evaluation. As a result, Samsung Life was Korea's first to issue overseas mortgage-backed securities (MBS) based on mortgage loan assets. Also, we signed a business agreement with the Korea Land & Housing Corporation in 2004 to become an affiliated institution for selling mortgage loans (the current Bogeumjari mortgage loans), further strengthening our position as a housing finance institution.

Fund

Samsung Life has started the fund business from 2004 as a latecomer, but was able to provide high-level of services to our customers that are differentiate from others. Also, the know-how we gained from operating large-scale and long-term assets as an insurance company has been applied in selling funds, so that our customers are ensured of efficient asset management. Moreover, we will continue to increase customer satisfaction by recommending products with long-term profits, as well as providing useful information and thoroughly managing their assets even after selling the products.

Trust

Since we started trust business in December 2007, it has become our new growth engine in pursuit of the latest trend of financial conglomeration and convergence. We have developed management-typed trust products so that our customers can set up inheritance plans to prepare for old age, while the disabled can be ensured of social stability and property protection. Also, we offer diverse investment-type of products to generate transparent and stable revenues according to the asset and period set by customers.

Milestones

Since its foundation in 1957, Samsung Life has committed itself to strengthening the innate value of the insurance business for the sake of its customers and society, contributing to the development of Korea's life insurance industry at every step of the way. Beyond a remarkable half-century of monumental accomplishments and an enterprising spirit, we continue to grow as a globally competent life insurer that is helping lead the world's insurance and financial sectors.

MAY. 1957

Founded as Dongbang Life Insurance in May 1957

Dongbang Life was founded with family values at its heart and a goal to enrich individuals' and society's happiness. Back then, people knew very little about the life insurance business, but Dongbang Life made a significant first step towards ultimate success while championing the notion of hope.

JUL. 1963

Incorporated into the Samsung Group in July 1963

In July 1963, Dongbang Life was merged to the Samsung Group, one of the main drivers of Korea's unprecedented economic growth at the time. The strategic incorporation into Korea's leading business group allowed the company to establish a foundation for sustainable growth as the undisputed leader in the insurance industry.

JAN. 1971

Computerization of business procedures in January 1971

In January 1971, Samsung Life Insurance became the first Korean financial institution to set up an IT Team. The computerization procedure began with encoding insurance policy numbers, which was followed by computerizing its insurance business. The company then became the first Korean insurer to equip its nationwide branch network with personal computers in November 1985, taking a giant leap forward in office automation.

MAY.1994

First company to introduce an insurance quality guarantee policy in May 1994

In 1994, Samsung Life became the first Korean insurer to introduce an insurance quality guarantee program. As the unrivaled industry leader, the company was committed to raising public awareness about the insurance business. This program was a milestone in Korea's insurance industry, as it improved the nation's overall insurance service quality.

APR. 2006

Total assets reach KRW 100 trillion in April 2006

Samsung Life was the first in Korea's non-banking sector to reach KRW 100 trillion in total assets. This achievement can be attributed to the company's systematic investment policy, which is based on thorough analysis. Since first reaching the KRW 1 trillion mark in 1983, its asset size continued to grow, reaching KRW 2 trillion in 1985, KRW 20 trillion in 1995, and KRW 50 trillion in 2000.

MAY. 2010

Going public in May 2010

Samsung Life made an initial public offering (IPO) in May 2010 to lay the foundation for becoming a truly global financial company. Since then, everyone at Samsung Life has been dedicated to following the complete sales practices in order to attain both qualitative and quantitative growth.

MAR. 2012

Proclamation of business concept and new vision

Samsung Life redefined its business concept related to life insurance and set a new vision to become a customer-oriented global life partner. As a result, all business processes have since been turned into customer-oriented ones. By providing the best possible products and services, our goal is to be a global insurance company with KRW 500 trillion in assets by 2020.

DEC. 2013

Ranked 1st in the National Customer Satisfaction Index (NCSI) for 10 consecutive years

Based on its customer-oriented management, Samsung Life has improved customer satisfaction by easing restrictions so that customers have more opportunities to take out insurance plans, while also improving claims payment services and implementing customer satisfaction activities. Through these efforts, we were the first Korean insurer to be ranked first in the National Customer Satisfaction Index (NCSI) for ten years in a row.

02. OUR BUSINESS ACTIVITIES IN 2013

Reinforcing Core Competencies

Strengthening competitiveness with CUSOTMER-oriented management

In line with its management policy of "Creative Change, Innovation, Challenge" in 2013, Samsung Life has widened its gap with competitors by developing new customer-oriented products and services and innovating business processes, to proactively respond to the changes in domestic and foreign financial environments. We also focused on increasing productivity from the exclusive insurance agent channel with competitive advantage, while establishing a solid foundation for continuous growth by expanding non-exclusive channels, such as bancassurance and independent agencies. Samsung Life is working on a company-wide integrated marketing to provide products that best serve individual life cycle through the most effective channels, so that we can implement differentiated strategies for our customers, products and channels to meet individual customer needs. Additionally, we are striving to maintain our position as unrivalled industry leader in the retirement market for personal and retirement pension reserves, while also targeting the growth market by providing solutions that meet diverse needs of high net worth individual clients through specialized channels.

Playing a leading role in helping people prepare for a financially secure retirement

Samsung Life's Life Design campaign is assisting customers so they can achieve financial security with our comprehensive portfolio of coverage and pension products. The campaign integrates our existing insurance review consulting system with a pension planning system, providing a sound financial guide depending on the different needs of individual customers. Based on an in-depth analysis of customers' preparedness regarding pensions and coverage, we offer them optimum solutions. For instance, if customers submit a consent form for review to the financial consultant in charge, they will get an analysis of their consumption pattern and their life style after retirement to be informed of the insurance coverage and pension amount. In order to promote a culture of preparing for retirement, we are planning to operate an experience group for retirement planning against housewives, as well as a senior school (retirement lecture) for people in their fifties who are close to retirement. Additionally, we are taking the time to enlighten the public about the necessity of preparing for retirement through various lectures and programs. With the target age of potential future customers set as early as people in their 20s, or those who have just started their careers, we give lectures on how to prepare for a comfortable retirement and how important it is to start as early as possible.

Building an integrated marketing system for the retirement market

In cooperation with Samsung Life's Financial Planning (FP) Center, the Retirement Research Center operates a portal system dedicated to retirement planning called Smart Life Design (www.smartlifedesign.co.kr), providing retirement planning and consulting services for our customers and consultants, as well as retirement marketing teams. Furthermore, we are raising our brand power in the retirement market with a new comprehensive retirement service system that combines non-financial services such as health and life care services with the asset management services.

www.smartlifedesign.co.kr

Enhancing product competency

Samsung Life is enhancing our product competency in the retirement market by developing new investment vehicles and new guarantee options for variable insurance products. To start, we diversified our variable pension funds portfolio and developed new guarantee options. We then diversified premium payment methods and segmented product offerings by customer group, while developing new and independent retirement accounts (IRA) that come with an annuity rider. Finally, we increased the portion of long-term investments in riskless assets and discovered new profitable investment targets, reinforcing our overall investment competencies.

Expanding market share in high net worth individual clients through diverse channels and services

Samsung Life is reinforcing our expertise and infrastructure to tap into the high net worth individual (HNWI) client base. Thus, we newly set up the Wealth Management (WM) Business Division by integrating all relevant teams on HNWI clients, while placing the FP Center, Samsung Family Office, beneficiary certificates and trusts underneath it. In July 2013, we launched the Wealth Management Board, consisting of our top consultants to target the HNWI clients. At Samsung Life, we seek differentiation by first offering high expertise to our financial consulting services on insurance, which cover taxation, legal affairs, real estate, investment and family business inheritance, and then selling beneficiary certificates and trusts through our comprehensive portfolio. Furthermore, we have set a new paradigm for marketing against HNWI clients by extending our services to non-financial areas, including child education, culture and healthcare.

Specialized products and services for HNWI clients

Samsung Life offers both financial and non-financial services for our HNWI clients. We have a comprehensive asset management program that takes extensive care of wealth, including tax reduction, as well as giving useful information about investment and real estate. Additionally, we have improved our specialized services for HNWI clients by establishing a fast and convenient policy underwriting and supporting high-class healthcare service, while also providing various information and services on areas of interest for individual customers.

Samsung Life's Retirement Research Center

Samsung Life's Retirement Research Center is Korea's first and largest research institute for retirement planning. It aims to help many people dream of a beautiful and abundant future by conducting in-depth researches on what sort of life to lead after retirement. For instance, it conducts researches not only on the financial aspects of retirement planning, but also the non-financial aspects related to the quality of life, including work, social activities, hobbies, leisure times, families, personal relations, health and living conditions. Based on these researches, we have developed an advanced model for retirement planning and promoted them to ensure a happy life after retirement. In 2013, we launched the Samsung Life Design Academy, which is an extensive and intensive version of the center's lifecycle design training, to be chosen as the main business operator for developing the Ministry of Health & Welfare's nation-wide lifecycle design training program. Also, Samsung Life hosted and operated 8 events related to retirement planning, including being the main sponsor of the IAGG 2013 conference held in June 2013, as well as the retirement expo, international conferences and a tripartite conference among Korea, U.K. and U.S. Through these efforts, Samsung Life's Retirement Research Institute has been widely promoted all around the world as the best private research institute to take the lead in aging and retirement issues both domestically and internationally.



2013 IAGG World Congress of Gerontology and Geriatrics

Marketing for HNWI clients through Family Office

Samsung Life has established a new marketing for targeting HNWI clients called Samsung Family Office, which is Korea's first of its kind, under the concept of family business management service. This idea comes from how butlers used to manage all household matters of a noble family during the Middle Age in Europe, and developed into a new model for today's financial services. Unlike other financial institutions that only focus on individual customers' financial assets, we expanded the scope of management to cover everything owned by the family, including real estate and other businesses, so that not just revenues are generated but also in-depth consulting services are provided on risk management, tax reduction and family inheritance. Also, we aim to offer the total care package on everything concerning a family, covering corporate succession, child education, healthcare, cultural service, and social contribution. Samsung Family Office is currently operated by one branch in the Gangnam district of Seoul, but we plan to expand it to other major areas in the future.



SAMSUNG Family Office

02. OUR BUSINESS ACTIVITIES IN 2013

Sound Growth of Overseas Expansion

Aiming to become a highly respected global insurer

In order to find fundamental breakthroughs in profitability and growth, Samsung Life has implemented highly profitable overseas business in pursuit of greater corporate values through qualitative growth. To achieve this, we will first reinforce our overseas business currently in place in the ten ASEAN countries, while also expanding into new markets. Moreover, we will take steps to increase overseas investments by stage through our investment subsidiaries, as well as improving our review procedures and risk management skills, and diversify investment regions and products.

Strengthening the overseas business network

We have built our own know-how for entering into global markets so that it is internalized within the company. First, we published country reports on the ten ASEAN countries that have shown rapid growth in their economies and financial markets, including Myanmar, Cambodia, Indonesia, Vietnam, Philippine, Malaysia, Singapore and Laos, by conducting intensive research and analysis. Based on these efforts, we have strengthened our competence to find new markets and business opportunities, while also establishing the foundation for future researches on overseas expansion. Additionally, Samsung Life has investigated the overall conditions of countries expected to enter, published white papers on them, and established the basic models and processes for overseas market entry, including entry strategies and incorporation manual. For instance, we have operation manuals for different business models, as well as manuals on products, channels and back office, allowing the prevention of any risks associated with new market entry. There are also systems for managing human resources to acquire a pool of core personnel and management required for incorporation.

Entering into the Asian market

Samsung Life has expanded its overseas business in the growing Asian market. The annual average growth of sales during the past five years in China and Thailand recorded 34% and 11%, respectively, and we made entries to more ASEAN countries in 2013. First, we were the third Asian insurer to set up a representative office in Myanmar, which is expected to act as a bridgehead for advancing towards Myanmar and its neighboring countries. We also began to localize by renaming the joint venture in Thailand to Thai Samsung and setting up a joint venture in China through equity alliance with the Bank of China. Additionally, we signed MOU on broad cooperation with various state-run insurance companies in ASEAN countries to expand our overseas network, including the Insurance Institute of India, Vietnam's national insurance company BaoViet, Myanmar's MI and IKBZ and Indonesia's Jiwasraya. Moreover, we are conducting joint researches and market researches on these countries through business cooperation with diverse institutions. In the future, the research results are expected to play important roles in acquiring business approval for market entry and establishing business plans and entry strategies for customers, products and channels (CPC).



Myanmar Insurance Company's General Manager, Sein Min

Interview

The Myanmar Insurance Company is well aware that Samsung Life ranks first in the Korean market and we think very positively about Samsung Life's entry into Myanmar. We expect Samsung Life to maintain its position as a globally respected company if it develops new insurance products to suit the characteristics of Myanmar consumers, and holds diverse workshops to enhance and promote Myanmar people's understanding on insurance. I hope Samsung Life continues to contribute to the development of Myanmar insurance market by developing new products and holding insurance seminars in the future.



New Growth Engine

Expanding corporate value through asset management and healthcare service businesses

Samsung Life plans to expand asset management businesses in the order of establishing an affiliate for asset management, Samsung SRA Asset Management, making joint investments on funds with New York Life Investments, and strengthening the management function of overseas marketable securities. Currently, we have entered into New York (U.S.) and London (U.K.) and plan to advance to advanced countries in the long run based on our alliance with New York Life Investments. In addition, we have strengthened our healthcare service by providing medical checkup, consultation and education through U-healthcare, which will bring synergy in other healthcare-related businesses. In June 2013, we signed MOU for sharing advanced information and know-how on retirement with Age UK, while also signing MOU for business cooperation with Japan's Nomura Research Institute in October 2013.

Established a strategic alliance on asset management with New York Life Investments

For the globalization of its asset management, Samsung Life officially signed strategic alliance on asset management with New York Life Investments to strengthen related partnership. As a result, we made joint investments with New York Life Investments on Samsung-U.S. Dynamic Asset Allocation Fund worth US$ 500 million that was launched in the early October of 2013. This signals the start of an alliance where various attempts will be made by New York Life Investments with its global expertise in asset investment and Samsung Life with its know-how in asset management. In the short run, there will be detailed discussions on real options in U.S.'s real estates through joint investments by Samsung SRA Asset Management and New York Life Investments. In the long run, we will make joint entry to the Asian asset management market based on our experience and trust from various joint investments. Additionally, with the joint investment on the fund as a starting point, Samsung Life and New York Life Investments will step up our strategic alliance to explore new investment markets and secure global asset management skills of both companies. As an affiliate of New York Life (founded in 1845, ranked 20th among global life insurers, as of 2012), New York Life is a major asset management company in U.S. that operates a total of US$ 381 billion (KRW 427 trillion, as of the end of June 2013), including operating assets of US$ 172 billion.



03. FINANCIAL HIGHLIGHTS

Financial Highlights

Achieving growth through customer-oriented management practices

Through firmly established customer-oriented management practices, Samsung Life generated KRW 19.6 trillion in total premium in FY2013. Excluding immediate annuities, corporate pensions and retirement insurance, the figure stood at KRW 15.7 trillion, up 2.3 % from the previous year. As a result of our customer-oriented management practices, our embedded value (EV) amounted to KRW 24.5 trillion (KRW 122,366 per share) as of the end of December 2013, while our RoEV was up 0.5 % compared to the end of March 2013.

· Embedded Value (EV): the present value of future profits plus adjusted net asset value
· RoEV(Return on EV): the increase rate of EV before cash dividends and buybacks

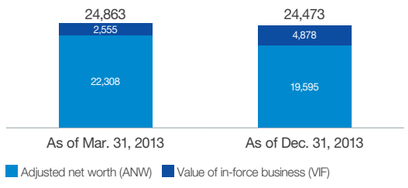
FY2013 business results

Net income stood at KRW 586 billion, down 14 % compared to the previous year due to the low interest rate environment and an increase in one-off expenses. However, our insurance business remains solid thanks to strict underwriting and efficient cost management. Should interest rates rise going forward, we can also expect positive upside on our investment profit. In addition to cash dividends, we have implemented a share repurchase program each year since IPO, continually returning more than 60 % of our net profit per annum to our shareholders. By maintaining a proactive capital management policy, we will continue to commit to maximizing shareholder value and enhance capital efficiency.

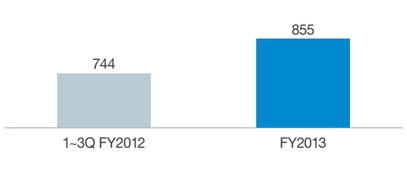
New Business Value

As of FY2013, Value of New Business grew 15.0 % year-on-year to KRW 855 billion driven by an increase in higher margin protection sales and conservative pricing scheme for newly launched products. As a result, our New Business margin improved by +7.7% point year-on-year to 28.1%. We will continue to drive the growth of VoNB by generating strong protection sales and by attaining an appropriate level of New Business Margin.

EV (Embedded Value) (Unit: KRW billion)



New Business Value (Unit: KRW billion)



Samsung Life's Financial Highlights (Unit: KRW billion)

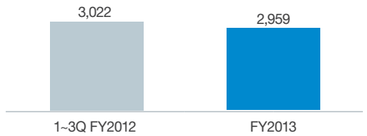
Classification		FY2011	FY2012	FY2013
I/S Summary	Premium Income	22,864	30,755	19,601
	New Business APE	3,905	5,299	3,034
	Net Income	948	1,007	586
B/S Summary	Total Assets	161,072	186,039	192,949
	Invested Assets	130,272	150,667	155,376
	Total Equity	18,113	21,730	19,637
	RBC Ratio	386%	408%	330%
EV Summary	EV	23,741	24,863	24,473
	New Business Value	1,080	1,148	855
	New Business Margin	27.7%	21.7%	28.1%

* In accordance to the amendment to the Enforcement Decree of the Insurance Business Act, the closing period for the fiscal year has been moved from March to December since FY2013, and as a result, FY2013 has been reduced to nine months, from April through December.

New Business APE by product

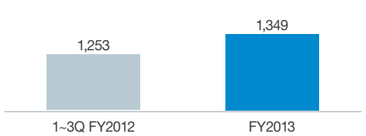
The industry average first month premium for FY2013 declined by 10 % year-on-year, while Samsung Life's total APE was down by only 2.1%, maintaining a similar level as the previous year. By product, protection APE continued a robust growth of 7.6%, not only through whole life and critical illness sales, but also through sales of health products such as the cancer product launched last April, and another silver cancer product launched last November. On the other hand, annuities declined by 20.5% year-on-year, when we exclude sales of immediate annuities. The year-on-year decline in annuity sales stems from a high base in 1H of FY2012 caused by a surge in sales in anticipation of the new mortality table adoption in July 2012, and a temporary curb in annuity demand after very strong sales early last year just prior to the Income Tax Act amendment coming into effect. Meanwhile, our effort to increase higher-margin protection sales started to pay off since 3rd quarter of last year, with growth momentum further rising this year. This year, we are committed to further accelerate quality growth by driving protection sales.

New Business APE* (Unit: KRW billion)



*Excluding immediate annuities

Protection New Business APE (Unit: KRW billion)





Merrill Lynch International Securities Seoul Branch, Research Center Head, Managing Director, Ki-seok Song

Interview

Samsung Life is a leading company in the Korean insurance industry with unparalleled customer base and assets. Samsung Life's financial strength was achieved not only through its strong brand power as an affiliate of Samsung Group, but also through its endless efforts to understand and meet customer needs. In order to ensure continuous commitment and trust from customers, it is crucial to understand the overall social trend such as aging population, as well as to develop new insurance products that meet customer needs in a timely manner. Under the current low investment return environment, which is an obstacle in obtaining customer satisfaction, Samsung Life should continue to increase its investment yield by capitalizing on its economy of scale including its large asset size to increase investment efficiency, diversify investment vehicles and expand the proportion of risk assets. Such measures will help Samsung Life to achieve its core value to protect its customers from future uncertainties and to become Korea's most respected company as customers' true life partner.

Distribution of economic returns

Samsung Life is committed to fairly distributing its economic returns to its stakeholders, including shareholders, customers, employees and partner companies, through various ways, such as dividend payouts, claims payments, social contribution initiatives and tax payments. Our distribution to stakeholders amounted to KRW 16.7 trillion in FY2013.

Distribution of economic returns (Based on K-IFRS) (Unit: KRW 100 million)

Stakeholder groups	Classification	FY2011	FY2012	FY2013[1]
Shareholders	Dividends	4,000	3,940	2,910
Customers	Claims paid/ Policy reserves[2]	165,128	237,814	143,877
Employees	Wage & bonuses	4,566	4,778	3,911
	Employee benefits	914	1,176	784
	Severance allowances	1,235	596	655
Business expenses (excluding full-time employee expenses)		8,062	8,224	6,724
Government	Taxes	2,513	2,444	1,327
Communities	Social contribution expenses	644	536	521
Total		187,062	259,508	160,709

[1] In accordance to the amendment to the Enforcement Decree of the Insurance Business Act, the closing period for the fiscal year has been moved from March to December since FY2013, and as a result, FY2013 has been reduced to nine months, from April through December.
[2] Policy reserves: the percentage of premiums that an insurer must set aside in reserves to pay all claims and fulfill insurance contract obligations

03. FINANCIAL HIGHLIGHTS

Enhancing Asset Management Efficiency and Soundness

RBC ratio
(FY2013)

330%

Achieved the industry's highest total assets, invested assets and RBC ratio

As of the end of December 2013, Samsung Life's total assets grew 7.9 % year-on-year to KRW 193 trillion, while our investment assets grew 6.6 % year-on-year, reaching KRW 155 trillion. Meanwhile, our RBC ratio at the end of December was 330%. This is one of the highest capital levels in the industry. Our financial soundness will provide a competitive advantage in the Korean financial market which is expected to undergo structural changes due to stronger regulation on financial solvency in the future.

* RBC ratio: an indicator of an insurer's solvency margin as stipulated in the regulation on supervision of insurance business

Sound investment yields despite low interest rates

Samsung Life adheres to an effective asset liability matching (ALM) investment strategy to ensure the stable operation of policy reserves by keeping interest-bearing assets such as bonds and loans at 80 percent of our overall investment assets. Despite the persisting low interest rates, with rates reaching an all time low in early May last year, we were able to maintain our annual adjusted investment yield similar to that of the previous year. Going forward, we will strengthen our base for stable interest income generation by focusing on interest earning assets. At the same time, we will increase investments in high-margin alternative assets and gradually grow our overseas investments, such as developed market equity and fixed-income funds, in pursuit of higher yields.

* Investment Yield: yield based on adjusted invested assets which exclude net valuation gains and losses on AFS securities

Conservative interest-bearing asset management investing a chunk in treasury & agency bonds

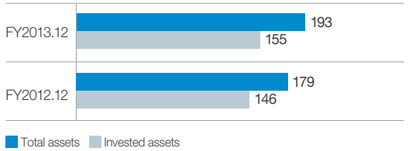
At the end of December 2013, Samsung Life's bond portfolio was KRW 92 trillion. Of that, KRW 76.4 trillion was Korean treasuries and agency bonds. The corporate bonds that we hold are almost rated single A and above, as we continue to maintain a high quality bond portfolio. Meanwhile, the size of our total loan book was KRW 27 trillion. Policy loans – comprised KRW 14.2 trillion, or 53% of our total loan book. Our household credit loans amount to only KRW 1 trillion and our mortgage loans – which have an average LTV of 43% - was KRW 6.7 trillion. Together, our total exposure to Korean household loans is KRW 7.7 trillion, which is significantly lower than that of other Korean financial institutions.

* Loan to Value ratio (LTV): a financial term used by lenders to express the ratio of a loan to the value of an asset purchased

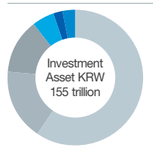
Debt restructuring through improved long-term reserve margin

Next is our improving reserve composition. Ever since we shifted to floating-rate products back in 2001, the share of our fixed-rate reserves has continued to fall. In FY2013 the fixed-rate reserves fell below 50% for the first time, and we expect our reserve composition to further improve going forward thanks to the continued increase in sales of floating-rate reserves. The spread between our average reserve interest rate and our yield on interest earnings assets widened over the past two years, due to the sharp fall in market interest rates. Nonetheless, we made efforts to increase investments in relatively higher interest-earning assets. And as the share of fixed-rate reserves continued to fall, and as the impact of our crediting rate adjustments flowed through our in-force book, this spread began to stabilize after reaching an all time high in the 1st Quarter. Going forward, we expect this gap to gradually narrow should interest rates rise. That said, our non-interest investment income – such as rental income, dividends, and various fee income - is steadily increasing, and covering the negative margin in interest earning assets.

Asset growth (Unit: KRW trillion)



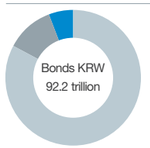
Investment asset portfolio & yield (Unit: KRW trillion, %)



FY2013 Investment yield: 5.0%

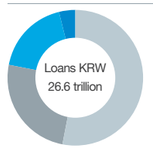
Bonds	92.2
Loans	26.6
Equities	20.5
Real estate	8.0
Beneficiary certificates	3.7
Cash & deposits	4.4

Bond portfolio (Unit: KRW trillion)



Treasury & Agency Bonds	76.4
Corporate Bonds	10.5
Overseas Bonds	5.3

Loan portfolio (Unit: KRW trillion)



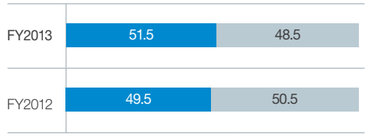
Policy	14.2
Residential Mortgage	6.7
Corporate	4.8
Household Credit	1.0

Increase in expense ratio, stabilization of loss ratio and improvement of persistency rate

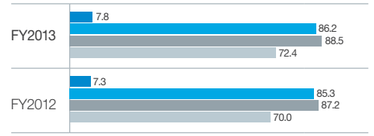
Our expense ratio temporarily increased compared to the previous year due to special bonuses and expenses for manpower efficiency in the third quarter, but excluding these one-off expenses, it improved to 7.1 %. Our loss ratio has slightly increased due to increases in large-sum accident death benefits and medical indemnity coverage. However, we will maintain our loss rate at a steady level of 85 % by continuously increasing risk premium through protection sales, and improved claims management. Our 13th month persistency rate rose to 88.5%, while our 25th month persistency rate continued to improve to 72.4 %. We will continue to improve our persistency rates by minimizing product mis-selling and by strengthening post-sales relationship management. This in turn will help drive the steady increase in our insurance profit.

* Expense rate = expense/adjusted total premium (ATP), ATP excludes corp. pension & retirement insurance and includes 1/10 of single premiums
* Loss rate = (net amount at risk + waiver of premium + reinsurance expense)/risk premium
* Persistency rate (13th month): percentage of policies remaining in force at the time of 13th month duration
* Persistency rate (25th month): percentage of policies remaining in force at the time of 25th month duration

Reserve composition (Unit: %)



Expense rate, loss rate, persistency rate (Unit: %)



Increasing our social overhead capital (SOC) investments

Samsung Life is continually mobilizing its diversified and advanced financial engineering skills to meet the varied financial needs of our customers. In fact, our extensive financial services include build-transfer-operate (BTO) and built-transfer-lease (BTL) as SOC financing means through the private sector, fundraising for power plant construction and operation, LBO financing for M&As, real estate financing, asset-backed securities (ABS), and asset-backed loans (ABL). Today, 86 % of our SOC investments go to building roads, railways, ports, sewage facilities, schools and military facilities. We also maintain our portion of project financing to SMEs versus large corporations at a ratio of 4.4:5.6.

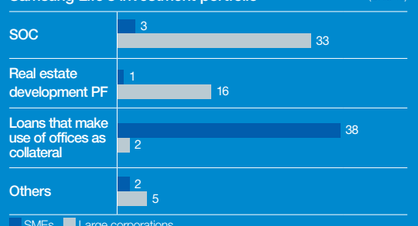
* Asset Backed Securities (ABS): securities whose value is derived from and collateralized by a special pool of underlying assets

Samsung Life's SOC investment portfolio by industry (Unit: %)



Roads, railways, ports (BTO)	41.4
Sewage facilities, schools, military facilities (BTL)	44.1
Power plants, energy processing facilities	14.5

Samsung Life's investment portfolio (Unit: %)



04. RISK MANAGEMENT

Strengthening Our Risk Management to Protect Our Customers and Corporate Value

At Samsung Life, we believe that corporate value can be increased by early preventive measures and systematic management of the risks associated with normal business activities. In addition, we maintain our RBC ratio well above the level recommended by Korea's financial supervisory authorities to ensure a sound financial structure and policy reserve.

Relentless risk control

Samsung Life classifies risk types into several categories: insurance, interest rates, credit, markets, liquidity, and operations, with the Risk Management Committee under the BOD as the highest decision-making body for risk management. The Risk Management Committee establishes guidelines and work procedures for risk management, set up permissible tolerances and guidelines by type, and operate monitoring and management on risk levels. Also, we use different empirical statistics and models by type to assess the effect of the risks involved, establishing risk tolerance and operational guidelines based on these assessments. We then attempt to minimize the risk potential through constant monitoring and counterplans.

Applying preventive and follow-up measures on controlling risks

Samsung Life employs a phase-by-phase approach to manage all potential risks throughout the asset management process, such as establishing risk management policies and monitoring, so that measures can be taken before and after risks occur. We begin by managing assets in consideration of their individual liability characteristics, pre-emptively ensuring all risks are under control while balancing risks and returns. We have quantitative risk management systems in place to measure risks, including the Value at Risk (VaR) system and the Stress Test System. Furthermore, our highly experienced underwriters and advanced credit risk management system allow us to filter out toxic assets even as we enhance our capabilities to analyse the quality of new financial instruments. We also screen for any investment products that have potential risks related to customer complaints, legal disputes, or risks that could undermine the company's reputation. Finally, to protect against any potential loss arising from an obligor's inability or unwillingness to meet its obligations to the company, we maintain provisions for loan loss reserves and secured guarantees to mitigate our exposure to credit risk.

Detention and management of operational risks

Samsung Life has a system in place to detect and control operational risks to hedge potential losses from mistakes, illegalities, law suits, mis-selling, system failures, calamities, and other non-financial risks. In accordance with our risk management regulations and rules, we classify the operational risk types into several categories: business, legal, compliance, IT and reputation. First, in order to prevent accidents and illegalities and ensure rational work processes, we have a work process standard in place to manage important documents, train employees with duties susceptible accidents and maintaining internal security. The guidelines on managing important documents designate the persons responsible for such documents in each department, while the documents are kept for a set period according to its importance. Also, regular monitoring is conducted on areas vulnerable to accidents like finance, compliance, business and IT. For instance, we have guidelines for disaster prevention to ensure early detection and prompt resolution of financial accidents, prevent and minimize damages, and come up with countermeasures for recurrence prevention, while raising the employees' awareness on preventing financial accidents through prevention training, irregular inspections, and sharing examples of such accidents. Additionally, we are conducting monitoring on operational risks by type to detect potential risks by establishing key risk indicators.

Input What has Samsung Life done to strengthen its safety management activities?

SAFETY MANAGEMENT CENTER | In recognition of the risks that may arise from various safety accidents and the importance of creating a safe work environment, Samsung Life has newly established the Safety Management Center, making it the first in the financial industry to set up an exclusive division for safe environment. The center holds the Safety Management Committee every quarter to discuss issues related to safety management, designate one day in each month for the safety inspection of office building, and hold prevention training and promotional activities for employees. Additionally, we are actively building a cooperation system for safety management by holding regular meetings with other affiliates and facility management companies. In the future, we will distribute manuals on safety management to notify internal risk factors and prepare for disasters, while also considering the adoption of a safety and health management system to systematically implement our safety management activities.



Safety Management Meetings

Input What kind of risk management process does Samsung Life run to manage risks more effectively?

STRENGTHENING OF THE RISK MANAGEMENT SYSTEM IN ACCOUNT OF EC | Samsung Life has established an enterprise risk management (ERM) system in order to strengthen its management of risks related to economic capital (EC), which reflects its actual risks, to create a business environment where business decisions are made based on EC and the company's solvency. As a method of measuring a company's total risks, EC can be classified into five risks, including interest rate, insurance, credit, market and operations allowing these risks to be taken into consideration when making systems for various business activities, including asset management and product development.

PROGRESS UPDATE FOR 2013 | Samsung Life has been phasing an ERM system over three stages since 2011, to review the gap between our risk management practices and best practices to determine the appropriate level for our capital position, while also forming an integrated decision-making system within the given risk limit. In the third phase of the project in 2013, we are working to establish a work process and infrastructure that meet the highest global standards. For instance, we are also investigating overseas examples of managing risk limits, internalizing the calculation of EC by product and asset, re-establishing a new system for asset liability management (ALM), and setting up methods of long-term asset allocation (LAA)* and strategic asset allocation (SAA)* by insurance class. Through these efforts, our ERM system with risk limit setting and management can be applied to business activities, while an ALM based on liability and asset structures ensures differentiated asset allocation strategies to be made by insurance product.

* Long-term Asset Allocation (LAA): the planning of long-term asset allocation refers to the limitations analyzed by the company-wide risk management division to set the efficient investment line for operating assets

* Strategic Asset Allocation (SAA): establishing the mid—and long-term asset management policies on proportions, maturity structures and credit investments by operated asset, with consideration of profitability, stability, and mid-and long-term debt status.

Phase 1, Setting ERM plan

- Review of the gap between our risk management practices and best practices
- Setting appropriate risk calculation methodology for Samsung Life

Phase 2, Measuring company-wide/ individual risks

- Arriving at worst case scenarios based on all assumptions
- Measuring company-wide and individual risks
- Developing profitability indicators taking account of the sensitivity analysis of EC

Phase 3, Reflecting in business activities, including managing limits, etc.

- Operating target solvency
- Setting/managing risk limits
- Internalizing risk measurements
- Re-establishing ALM system
  - Re-establishing the concept of duration
  - Establishing a new ALM system
  - Implementing asset allocation strategies by product

Input What kind of effort does Samsung Life make to protect customer privacy?

OUR EFFORTS TO ENSURE THE PROTECTION OF CUSTOMER PRIVACY | Recently, a series of customer privacy leakages from many Korean financial institutions have increased concerns about privacy protection. Thus, the government has enacted and reinforced relevant laws to ensure stronger restrictions are imposed on those that are in violation. Also, companies with privacy leakages lose customers' trust, resulting in economic loss like a fall in stock prices and a drop in sales. In particular, since we have massive customer information as the Korea's largest insurer, Samsung Life firmly believes that the protection of customer privacy is the key to improving our customer value. In line with the growing importance of privacy protection, we have established an Information Protection Center as a control tower for overseeing all our security-related duties.

PROGRESS UPDATE FOR 2013 | Having the Information Protection Center as the control tower, Samsung Life has reformed the divisions in charge of security to operate them in four areas, including personal privacy protection, IT security, entrance/document/communication security, and facility security. For instance, in order to strengthen the responsibility of security-related duties and enhance the effectiveness of lower organization's security duties, we assigned security managers and supervisors for various departments that are in charge of operating security-related duties. In 2013, we are implementing measures of managerial, technical, and physical aspects to protect customer privacy. From managerial aspects, we reformed various regulations and policies to train our employees and partner companies, while also improved our security groups and areas of weakness. Additionally, we enhanced our security measures from technical aspects to strengthen customer privacy encryption and system authorization, as well as adopting security solutions, while also taking measures from physical aspects to reinforce security on document keeping and strengthen the security of facilities. In the future, we will establish security solutions to deal with hacking and security threats, as well as faithfully complying with the government's stronger security regulations, to make further improvements in protecting customer privacy.



Campaign on security enhancement

FOCUSING ON SUSTAINABLE CUSTOMER VALUES

Samsung Life is pursuing customer-oriented management practices. As a reliable life partner to our customers, we are committed to providing the highest quality of products and services to maximize customer satisfaction.

01 Developing customer-oriented products

02 Properly selling products that meet customer needs

03 Thinking of customer satisfaction as the top priority



01
DEVELOPING CUSTOMER-ORIENTED PRODUCTS

Stakeholder Interview



Samsung Life's Product Development Team
Manager, Chang-joo Lim

"We are developing products to maximize customer value, as well as to deal with national and social issues."

In order to develop customer-oriented products, Samsung Life has focused on creating customer profits by providing the highest quality of products based on our ability to develop advanced products with differentiated insurance coverage and reasonable prices, ensuring long-term stable income. We are also striving to increase customer value by receiving internal and external opinions throughout the whole process from the early stage of selling products to the stage after the product is sold. Moreover, we offer a wide range of products that consider social values and interests when developing products, including Hope & Love Insurance that covers various risks of lower income classes like a single-parent family, grandparent-headed family, and multicultural family; Hope & Sharing Insurance that helps the bereaved families maintain life and studies; Medical Indemnity Insurance that guarantees medical expenses for the children of low-income households; Gomduri Comprehensive Coverage Insurance that covers the disabled's accidents, diseases, disasters, etc.; and Baby Angel Insurance that offers free insurance for newborns through the Sesalmaeul program, which is a childcare program that addresses Korea's low birthrate. As Korea's largest life insurance company, we are working on becoming a highly respected insurer by developing a variety of products that actively address the nation's social issues, including low birthrate, aging, and environmental problems, while also being considerate of socially vulnerable groups like low income groups and the disabled.

Disclosures on Management Approach (DMA)

Business Environment

- Need to develop new growth engines in the trend of low growth and ultra-low interest rate from global economic recession
- Need to respond promptly to changes and crisis with insights on society, financial and insurance industries
- Need to reinforce core competitiveness by dominating the new, attractive HNWI market

Social and Environmental Backgrounds

- Need to develop a wide range of products that customized to their age, lifecycle and needs
- In particular, the social demand to prepare for old age has increased due to Korea's aging society
- Need to create an environment where members of society can get easy access to insurance

2013 Business Activities

- Preparing for the future through research activities
- Introducing insurance plans that are customized to people's specific stage of life
- Developing products to prepare for aging society
- Diversifying channels to ensure customer convenience

Future Goal

- Aiming to create new business performance by restructuring the protection-type product portfolio, especially with respect to whole life insurance plan products, and reinforcing our product competitiveness

OUR EFFORT 1

Preparing for the Future Through Research Activities

Continuous and diverse R&D activities

Samsung Life has developed a framework for future monitoring and forecasting to gain greater insight into social developments and the finance and insurance industries so that it can preemptively respond to future changes and challenges. We have already set up a future R&D organization that focuses on forecasting trends within the finance and insurances businesses of Korea, and then reports their findings to management. This organization consists of two teams: one that monitors the direction and speed of future developments, and another that forecasts future developments by utilizing reliable forecasting methods. In an effort to better reflect the growing voice of women in society into our corporate management, Samsung Life has strengthened its ability to conduct research on women in three specific categories: leadership, customers, and public welfare. The leadership category governs our personnel management policy, which aims at fostering future women leaders through a female-friendly corporate culture, female leadership development programs, and competency-building programs for FCs. The customer category focuses on meeting the specific needs and expectations of our female customers, with products customized to particular female demands, as well as female-oriented marketing and customer services. In terms of public welfare, we are continuing our R&D activities so we can promote women's rights both socially and economically.

Developing customer-oriented products

Samsung Life has established a systematic customer-oriented product development process that covers from the initial stages of product development to aftersales feedback. Ever since we adopted an advanced product development process in 2002, we have been committed to developing products that meet the needs of both customers and society. More recently, we have consolidated our marketing and product development activities to ensure we have an advantage in emerging markets such as retirees and the affluent, while also adding a process for reviewing opinions on assets, ensuring customers' assets are operated safely and effectively during the trend of low interest rate and low growth. In the future, we will further reinforce our customer-oriented product development process so they seamlessly fall in line with our customer-oriented management practices.

Product Development Process

1 Market opportunity analysis
- Generating ideas for new products (collaboration among departments in charge of products/marketing/sales channels)
- Reviewing target markets and customers in line with strategies

2 Feasibility studies
- Specification of products: developing and fine-tuning product concepts
- Pre-commercialization studies: feasibility review, risk factors, risk ratio statistics, possibility of authorization

3 Feasibility tests
- Planning product structure
- Reviewing product development and revisions by related department
- Submitting reviews by department
  - Impact assessment table of insurance frauds
  - Expected schedule/personnel by system
  - Testing of concepts and prediction of demands

4 Commercialization
- Developing sales strategies and anticipating sales volume
- Listing business cases
  - Review of possible insurance frauds/civil appeals
  - Review of asset management opinion
- Product Committee consultation: final review of customer-oriented products and associated risks

5 Strategy review
- Finalizing the product development/renewal proposal (in terms of risks and products)

6 Internal & external product approval
- Approval by CEO: product development
- Paperwork completed and preparation for the licensing of products with relevant authorities
- Acquiring licenses

7 Preparation for launch
- Preparing for the launch and making launching plan
- Checking for legal and compliance risks during preparation of all related materials

8 Final review prior to launch
- Distributing training materials/customer promotion materials/marketing materials
- Ensuring proper training on new products is given to customer service staff

9 Launch
- Approval for the launch: confirm checklist by department and provide Q-Sign for products sold
- Launch: notification of established regulations

10 Performance review and feedback
- Analyzing marketing performance (sales, etc.) and operational results (profit/loss, risks)
- Checking for shortcomings or what needs improvement by the Product Committee for changes to the conditions of sale or possible termination of sale

OUR EFFORT 2

Introducing Insurance Plans that are Customized to People's Specific Stage of Life

Whole life insurance plans with lifetime coverage

Whole life insurance plans offer lifetime coverage with death benefits, regardless of whether the cause of death is from an illness, an accident or old age, which also ensures stability for the bereaved family in case the head of household dies. Samsung Life has various whole life insurance plans available to cater the different needs of customers, including risk preference, age, income level and purpose of insurance. In 2013, we launched our Smart Variable Universal Life Insurance providing the investment function of Current Assumption Whole Life in traditional whole life insurance, with switching to annuity or savings products allowed. This product aims at improving customer value with differentiated product competitiveness by not only guaranteeing death benefits, but also preparing for old age life.

Integrated insurance covers the whole family under a single policy

As a product that offers comprehensive insurance coverage for every family member under a single policy, the integrated insurance has been a steady seller ever since we became the first Korean life insurer to introduce it in September 2008. This product brings together whole life, critical illness, and medical indemnity plans under a single insurance policy, with convenience and flexibility to change coverage to suit customers' specific stage of life like marriage, child birth and old age. The most popular plans are Integrated Smart Variable Universal CI Life Insurance and Perfect Up Integrated Insurance, customized to meet specific needs of each customer.





Input What has Samsung Life done to ensure a better customer-oriented process?

ESTABLISHED THE CPC STRATEGY CENTER | In June 2013, Samsung Life created a Customer-Product-Channel (CPC) Strategy Center to oversee work related to analysis and strategies on customers, products, and channels. The CPC Strategy Center's main role is to carefully analyze customer needs and based on it, developing new products to provide the inherent value of insurance to customers through the best sales channel. These efforts reinforced our customer-oriented management practices, as well as reflected our commitment to enhancing customer-oriented services. To achieve this, the CPC Strategy Center has strengthened its MI (market intelligence) function and set up customer-oriented strategies, so that it played a leading role in the whole process from customer data analysis and product development to channel strategy implementation.

* MI (Market Intelligence): an overall activity of analyzing customers and markets to reflect such information in the decision-making phase of a company. In order to ensure effective operation of MI, it is necessary to obtain diverse knowledge and abilities, such as better understanding of products, identifying changes in customer needs and market trends, and forecasting new trends.

Main duties of the CPC Strategy Center since its establishment

- Conducted the periodic customer surveys to analyze customer needs (August–October 2013)
- Implemented customer segmentation based on the result of customer surveys
  - Classified all customers into six groups to implement marketing strategies that meet customer needs by group
- Improved the ability to consolidate marketing information and make better analysis by recruiting and developing specialists in MI
- Collected MI information systematically and established its management plan
- Established product, marketing and channel strategies that reflect the corresponding characteristic by customer group
  - Set up product strategies for 2014 that reflect market competition structure and customer trends, including developing differentiated marketing tools customized to customer needs

OUR EFFORT 3

Developing Products to Prepare for Aging Society

Protection-type/CI insurance plans offer a wide range of benefits, covering various risks from illnesses and injuries

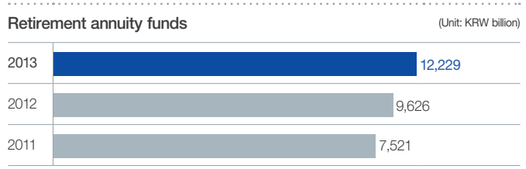
Samsung Life offers a variety of products and services to best serve customers' age, specific stage of life and needs. Our integrated stage CI insurance plans provide a comprehensive lifetime of benefits according to the severity of illnesses and operations, covering expenses for long-term care, medical indemnity and death when the policy holder is diagnosed with a critical illness such as cancer, acute myocardial infarction, or stroke. Additionally, our cancer insurance plans offer a lifetime coverage period of cancer for customers up to 100 years old, while the elderly with illnesses can get benefits through our Silver Cancer Insurance Plan, as well as prepare for medical expenses from a critical illness surgery through our Universal Living Care Whole Life Insurance. Other specific plans include 100 Years Old Love Protection Insurance that covers death or injury from unforeseen accidents, Term Life Insurance that offers death benefits during the economically active period, and Kids' Protection Insurance that ensures coverage during the development stages of children. In the future, we will continue to release a wide range of products customized to the changing needs of our customers and market conditions.

* CI: Critical illness insurance allows customers to make claims to part of the coverage if the critical state from a sudden accident or illness continues for some time.

Annuity plans for preparation of old age

Samsung Life offers a wide range of annuity plans so that customers are ensured of an abundant and comfortable life after their retirement. With the projection that the average life expectancy has reached 100 years old, it has become essential for the nation, companies and individuals to be well prepared for various unforeseen risks of the aging society. Therefore, in 2013, we introduced Smart Annuity with a variety of flexible benefits, allowing premium payment and annuity payable made at a stable crediting rate, and Employee Annuity customized to bring coverage and discount benefits for employees. We also released 2-STEP Variable Annuity that makes investment through fund management, with high rates of return on investments by dividing the timing of receiving annuity payment into two stages. In particular, this product acquired the right to exclusive use from the Korea Life Insurance Association in recognition of its originality of product structure. In the future, we will contribute in enhancing the national welfare of aging society by developing advanced annuity plans, with stable profits and actual benefits in preparation of later life.

Retirement annuity funds (Unit: KRW billion)







OUR EFFORT 4

Diversifying Channels to Ensure Customer Convenience

Diversifying channels to improve competitiveness

Samsung Life has diversified its sales channel into exclusive channels consisting of financial consultants and other non-exclusive channels without FCs. We strive to offer differentiated products and services through each channel. Our exclusive channel network is maintaining sustainable growth to expand our sales through an AM* free competition growth program, a GFC* collective sales program, and our SFA* (Samsung Financial Agency) and SA* franchised general agency program. Our non-exclusive channels are also improving the competitiveness of products and prices and working on increasing the market dominance from non-price aspects of competitiveness. In our BA* channel, we have expanded their sales networks and reinforced product competitiveness, while we developed a new system dedicated to GA* channel to strengthen our sales support system. Additionally, we maximized customer convenience by establishing a new channel directly for TM as a complete online sales system.

* AM (Agency Marketing): a sales channel consisting of an exclusive corporate agency comprised of representatives who have retired from Samsung Life and employees who have retired as financial consultants at Samsung Life, AM branches of individual agency owners, tax accountant branches, and SFAs.

* GFC (Group Financial Consultant): sales channels dedicated to corporate clients and group and corporate client markets.

* SA (Samsung Life Advisor): a channel comprised of experts with bachelor's degrees for marketing aimed at affluent clients and professionals.

* BA (Bancassurance): sales alliance channels with banks and financial institutions.

* GA (General Agency): an agent channel comprised of a non-exclusive corporate agency

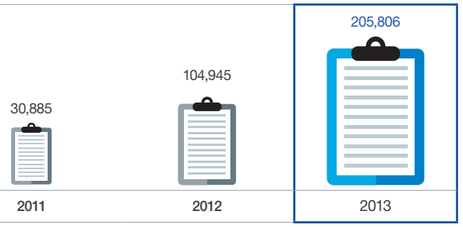
A more professional sales channel through a Univ channel

Samsung Life established a Univ channel that consists of young professional financial experts, by offering university students with insurance/financial consulting internship programs. In 2007, we set up a taskforce team dedicated to diversifying sales channels and introducing a younger sales force, with the opening of our first Univ branch in March 2008. In 2009, we reinforced the competitiveness of Univ channel by placing it under the direct command of Samsung Life's headquarters, demonstrating a sound business performance. It has also contributed to resolving the youth unemployment problem in society, as well as built a corporate image of young, professional sales people.

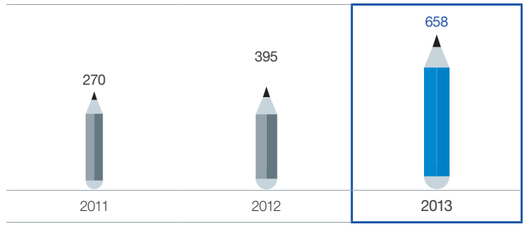
Samsung Life Finance Cafe

Samsung Life is operating a Finance Cafe where customers can get consulting services in a friendly atmosphere with free drinks served. This program received high customer satisfaction, with lots of products sold by our financial consultants. Moreover, it has shown positive results as a new sales channel by signing an average of 658 insurance plans per month through the Finance Cafe.

The number of subscribers to Samsung Life Finance Cafe Membership (Unit: persons)



The number of insurance contracts signed through Samsung Life Finance Cafe (Unit: monthly average, cases)



Input **What has Samsung Life done to expand its sales channels to be more competitive?**

Samsung Life is reinforcing its growth strategy for new and differentiated sales channels to actively respond to the changes in social and cultural conditions and enhance customer convenience. For instance, we introduced Partner FC System in 2013 as a new sales channel for women because their employment trends have changed from being high income to adequate income, enabling them to carry out work both at home and office. We have also improved job satisfaction by paying commission on a weekly basis, without the burden of commuting to work. Since the whole process of insurance recruitment is done through a tablet PC in mobile environment, it specializes on selling protection-type plans of middle-low prices, which are easier to sell. In addition, we established a complete online sales system called Internet Insurance Lounge to expand our internet channel networks. In the future, we plan to develop the optimum multi-channel services that meet customer needs and conveniences through our new sales channels.

Performance

1 Insurance product development

In 2013, Samsung Life developed Hope Sharing Insurance exclusively for low-income classes, providing property accumulation savings with non-taxable interest income benefits to support the property formation of working classes. Our 2-Step Variable Annuity allows the baby boomer generation near retirement to dualize their annuity payment period, while our Cancer Insurance and Silver Cancer Insurance offers a comprehensive coverage of cancer for our customers with low costs on premiums. Also, our Kids' Protection Insurance expanded its coverage to provide lifetime benefits up to 100 years old, so that a total of twenty products have been developed, including 8 protection-type, 6 annuity, and 6 savings, to ensure comprehensive coverage for the future.

Insurance product portfolio by stage of life

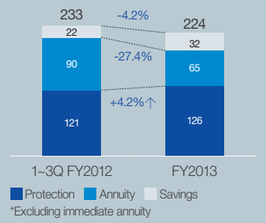
Growth/Education (Ages 0~24 yrs.)	Career Beginning (Ages 25~34 yrs.)	Family Building (Ages 35~44 yrs.)	Family Expansion (Ages 45~54 yrs.)	Retirement/Golden Years (Over 55 yrs.)
· Kids' Protection Insurance · My Kids' Rich Annuity · My Kids' Variable Annuity · Kids' Education VA	· 100 Years Old Love Protection Insurance · Cancer Insurance · Perfect Integrated Insurance II · Smart Savings Insurance · Annuity Savings Gold Annuity	· Integrated Stage CI Insurance · Perfect Up Integrated Insurance · Smart Variable Universal Whole life Insurance · Top Class Universal Whole Life Insurance · Integrated Universal Whole Life Insurance · Integrated Smart Variable Universal CI Whole Life Insurance · VIP Term Life · Universal Living Care Whole Life Insurance · Employee Annuity · Smart Top Variable Annuity · Smart Up Variable Annuity	· Platinum Smart Variable Universal Whole Life Insurance · VVIP Universal Whole Life Insurance · VVIP Smart Variable Universal Whole Life Insurance · Smart Annuity · 2-Step Variable Annuity · Women's Happy Annuity	· Beautiful Life Insurance · Silver Cancer Insurance · Power Immediate Annuity

2 Performance by channel

Our APE for exclusive channels, a strategic medium for highly profitable coverage insurance, decreased by 4.2 percent due to a decline in annuity sales, but our new business portfolio improved with the growth rate for protection-type at 4.2 percent. Our new business market share stood at 31.6 percent, an increase of 2.3 percent from the previous year. In particular, the number of FCs in operation who sold more than one plan per month from exclusive channels was 25,600 persons as of December 2013, an increase of 4.9 percent from the previous year, with our protection-type APE improving 7.7 percent year on year. In the future, we will focus on the qualitative growth of exclusive channels with a new development system to improve the retention rate of consultants, while also generating more profits from protection-type by increasing the number of actual consultants at service.

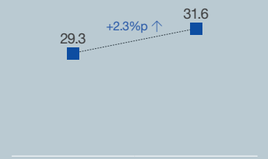
Meanwhile, our APE for GA channel showed an increase of 4.1 percent, recording a high year-on-year growth rate of 33.4 percent due to sales increase in the newly released cancer insurance plan. Even though GA had a slow business overall because the deferral limit of new businesses has been reduced, Samsung Life steadily grew its GA channel by expanding alliances in outstanding GA and improving marketing and training programs. Also, our APE showed a year-on-year growth rate of 2.8 percent for bancassurance by maintaining steady sales in annuity and savings markets, with improvements shown in both single payment and monthly payment markets.

Exclusive channel APE (Unit: monthly average, KRW billion)

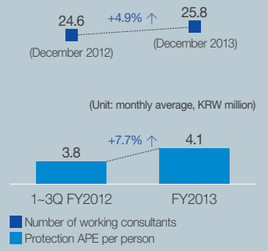


*Excluding immediate annuity

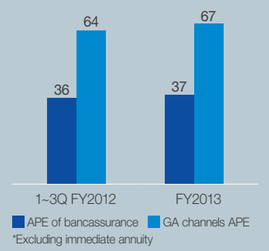
Exclusive channel M/S (Unit: %)



Number of working consultants and productivity for exclusive channels (Unit: thousand persons)



Performances of bancassurance & GA channels (Unit: monthly average, KRW billion)



*Excluding immediate annuity

02
Providing the Right Product in the Right Way

Stakeholder interview



Samsung Life's Compliance Department
Department Head, Hyun-wook Huh

"We are implementing compliance management to keep our promise to be a life partner to our customers."

Unlike other industries, we are committed to the inherent value of insurance to be a life partner to our customers. We consider all illegal acts and irregularities as being harmful to the company and should not be tolerated, which is why we focused on coming up with a fundamental solution with specific details to eradicate them. Also, the recent financial incidents led us to pay more attention to consumer protection. Samsung Life has reinforced its training and supervision on employees and consultants to ensure that our customers are fully aware of the details of coverage and benefits, so that there is no mis-selling of products. Compliance management is the foundation of keeping our promise as a life partner up to 100 years old. Samsung Life will strive to raise the compliance-related awareness of all employees and FCs so that they are fully implemented.

Disclosures on Management Approach (DMA)

Business Environment

- Mis-selling and the non-compliance of integrity management are important business risks that increased the awareness of having a significant impact on company management.
- Complying with laws and ethics are considered as a foundation of corporate management, and the integrity management principles are emphasized inside Samsung Group.

Social and Environmental Backgrounds

- Increasing demands in society to eradicate mis-selling are met by providing accurate product information to customers
- Reinforcing fair competition regulations such as the financial supervisory authorities' investigation on unfair trade practices and regulatory activities for the protection of customer rights and interests

2013 Business Activities

- No mis-selling
- Management integrity
- Fair trade compliance program

Future Goal

- Zero-tolerance of mis-selling

OUR EFFORT 1

Management Integrity

Integrity management principles

Samsung Life is striving to implement integrity management practices at a group level in recognition of it as an important ethical value for good decision-making processes and actions. In order to carry out our role as a company properly and fulfill our social responsibilities, we established the integrity management principles with behavioral standards, to provide the ethical value that must be met as a corporate citizen.

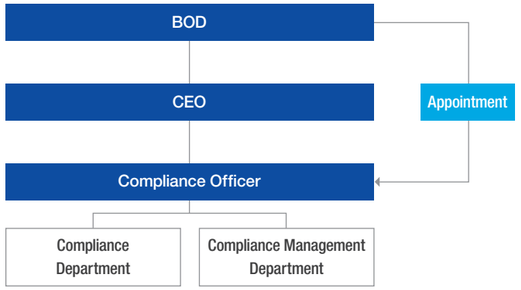
Integrity Management Principles

1. We comply with laws and ethical standards.
2. We maintain a clean organizational culture.
3. We respect customers, shareholders and employees.
4. We care for the environment, health, and safety.
5. We are a socially responsible corporate citizen.

Integrity management organization

At Samsung Life, we have in place a well-organized compliance and business ethics management system to prevent compliance risks from arising. Through these systems, we appointed managerial-level employees to take charge of monitoring compliance practices company-wide. In 2011, we established a corporate compliance system through regular reports and training programs to articulate the roles and responsibilities of compliance officers.

Organization & Regulatory System



OUR EFFORT 2

Minimizing Mis-Selling Practices

Complete selling management

Samsung Life has established an internal control system to improve customer confidence through complete selling practices. We actively prevent mis-selling through a systematic management that monitors the signing of contracts and provides training programs for FCs. In order to prevent risks associated with our sales practices, we comply with our service call program, preventive policies with sales qualification, internal regulations, and work processes. Also, compliance managers are dispatched to front offices, while we also prevent losses by vigilantly monitoring monthly mis-selling practices.

- Monitoring daily the current status of mis-selling practices by department
- Monthly check-ups on site and systematic training programs for FCs
- Special training for regional divisions with a high mis-selling ratio

Improvement of selling practices

In order to improve selling practices and protect our customers, Samsung Life monitors its complete selling practices to ensure that major details of insurance plans have been explained to customers, with a specialized counselor making a service call when a new contract has been signed. We also constantly improve our selling practices by regularly analyzing our branch offices and FCs, and providing the information to sales manager and FCs. Moreover, we have a compliance management organization at the head office to ensure the compliance of laws and regulations related to customer attraction, while the compliance manager at each regional division hold training on complete selling practices for sales managers at least once every six months, including regular training programs for FCs to emphasize the importance of complete selling. Any complaints that customers might have during the insurance contract are promptly accepted through the call center or FCs, allowing relevant divisions to resolve the issue as quickly as possible.

OUR EFFORT 3

Faire Trade Compliance Program

Integrity education

Samsung Life supports its employees in raising their work ethics-related consciousness through a number of integrity education programs. Since 2010, internet-based courses concerning anti-money laundering and fair trade compliance have also been offered to all Samsung Life employees. Our employee and FC training programs feature integrity education as the basic mandatory class. Even after they complete this course, employees and FCs have to attend ad hoc training sessions whenever necessary while working at our head office and branch offices.

Employee Education System

* Integrity training shall be included in all courses for recently promoted employees
* Managerial courses include integrity education as a basic course to heighten integrity awareness among branch managers and the directors of regional headquarters

FC Education System

Integrity training shall be integrated into the new FC orientation courses and regular courses (four and seven months after registering) for FCs to raise their awareness concerning customer information protection and the prevention of mis-selling

Compliance program

Samsung Life is operating a compliance program to prevent unfair trading practices among employees, as well as unfair competition that disturbs a fair market order. We have a compliance manual used as a guideline for business processes, while an internal supervisory system is in place to prevent and correct illegal actions through the monitoring system. Also, all employees including the CEO have to express their commitment to compliance, there by complying with the Fair Trade Act while performing all work duties at all times. In line with this, we conducted compliance inspections on sales agencies (AM, GFC, SA, etc.) in accordance with the annual inspection plan, focusing on unfair and illegal actions during the contracting and sales processes, mis-selling practices, compliance of standards in insurance guide materials, unsound business practices, and the compliance of customer attraction processes.

Whistle-blowing

Samsung Life encourages whistle-blowing on any unethical practices so that integrity management practices are well maintained within the organization. People are encouraged to immediately report any irregularities, illegal or unethical practices via our online whistle-blowing channel, ensuring any fraudulent actions inside the company are prevented.

The seven steps of the compliance program

CEO's commitment to the compliance program	From the CEO on down, every employee has to explicitly commit to comply with this program, The CEO should publicly declare his resolve to comply with this program
Appointment of compliance officer(s)	Compliance officer(s) are assigned with the binding authority to effectively implement the compliance program, Executives and high-level management should be appointed by the BOD.
The compliance manual should be easy be drawn up and distributed.	Guidelines for implementing work duties should be easy to understand , Case studies should make it clear what to do and what not to do.
Various training programs should be provided.	Training should be held for different divisions and job positions at least two hours for every six months.
A monitoring system should be established.	An internal supervisory system should prevent illegal actions and provide early detection that ultimately leads to timely corrections. , Reports should be made to the Bod at least once every six months for any mitigation of punishments made.
Punishment and discipline should be administered when related laws or regulations are violated.	Disciplinary measures should be provided and operated on employees who violated related laws or regulations.
A system for managing documents should be established.	A person should be assigned to be in charge of documenting the operation of fair trade compliance program to ensure an efficient management of such documents.

Performance

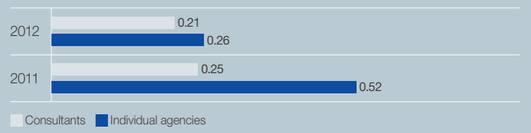
1 Incentives & penalties

At Samsung Life, incentives and penalties on integrity management practices are made under clear principles of evaluating and compensating employee performance results, while violations are punished with disciplinary action, according to established disciplinary protocol, encouraging employees to be highly aware of integrity practices. In the case of outsourcers who maintain our office buildings, they are graded based on a Tenant Satisfaction Index (TSI) and are paid according to their grade. We also restrict any supplier with high number of compliance risks from conducting any transactions with us. Based on our evaluation of their integrity practices, we reward or sanction suppliers according to an established incentive and penalty system. Furthermore, outsourced sales agencies with zero cases of mis-selling are rewarded with incentives such as prizes, cash incentives, and long-term contracts with Samsung Life.

2 Minimizing mis-selling ratio

In order to minimize mis-selling practices, Samsung Life's compliance department regularly monitors our sales practices to ensure customers are fully informed about our products and any risks involved, which helps reduce our mis-selling ratio. Since high mis-selling ratio results in additional costs from civil complaints, law suits, reputational risks, and internal regulations, we are doing our best to cut down on potential expenses by preventing mis-selling, contributing to improving customer protection and customer confidence.

Mis-selling ratio (Unit: %)



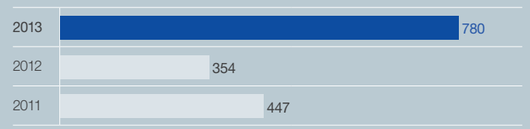
Mis-selling ratio by channel (FY2012) (Unit: %)

Consultants	Individual Agencies	Bancassurance
0.21	0.26	0.43
Agency Marketing(AM)	**TM**	**Home shopping**
0.44	0.50	0.50

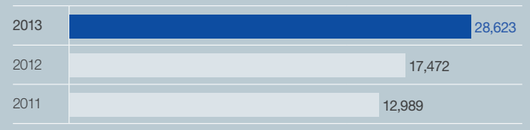
3 Integrity management training

Samsung Life has increased the number of integrity training sessions and participants in these sessions every year. In 2013, a total of 28,623 employees took part in 780 training sessions.

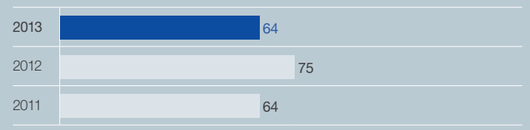
Number of integrity training sessions (Unit: sessions)



Number of integrity training participants (Unit: persons)



Time spent on hour of integrity training (Unit: hour/person)



* The number of sessions, participants and hours related to integrity training refer employees who attended online and/or off-line integrity training sessions, including the training programs for FCs held since 2012.

03
Customer Satisfaction as the Top Priority

Customer interview



From the 2013 Samsung Life Customer Reviews

"Samsung Life has been a real support to customers during the most difficult times by showing genuine services and benefits."

When I suddenly learned that I was diagnosed with cancer, I wondered if I could get better and also how I was going to pay for all the medical expenses. In fact, I met many people at the hospital who gave up because they couldn't pay for the expensive medical fees. That was when Samsung Life gave me a helping hand till the end. Even though I was overwhelmed by expensive medical fees from a big surgical operation, repeated chemotherapies and long-term stays at hospital, Samsung Life's insurance plan lifted my burden to become my savior. My FC called me several times a day to tell me the required documents and consoled me, so that I was able to receive the claims to pay for the hospital bills on time. Also, my family and I were truly touched by how worried my FC was about my health and were truly touched by his sincerity. I learned that having insurance was not just a product that paid for hospital bills or gave money if you died, but it was a real support to my family and me during the most difficult times, which is why I am truly thankful to Samsung Life for giving me chance to live on."

Disclosures on Management Approach (DMA)

Business Environment

- Need to strengthen the non-price competitiveness such as customer satisfaction activities due to the serious competition in life insurance and financial industries
- Need to achieve economic performances and improve customer satisfaction by easing restrictions to provide more opportunities to take out insurance plans
- Demands for marketing activities to practice customer satisfaction management

Social and Environmental Backgrounds

- Demands for improved customer satisfaction in management practices including protection of customer information
- Demands for acceptance of people who have been diagnosed with diabetes and high blood pressure to take out insurance policies
- Demands for companies to increase online and offline communication with customers in society have become an evaluation factor globally

2013 Business Activities

- Improving customer satisfaction through increasing new business underwriting
- Expanding claims payment services
- Implementing customer satisfaction activities
- Promoting active communication with customers

Future Goal

- Aiming to rank first in the life insuranc category of the National Customer Satisfaction Index (NCSI) for the 11th straight year

OUR EFFORT 1

Improving Customer Satisfaction Through Increasing New Business Underwriting

Improving the underwriting process

Samsung Life is striving to improve its underwriting procedures by streamlining all the paperwork and procedures involved with taking out an insurance policy in a number of ways. For instance, we adopted a mobile subscription system allowing customers to join insurance plans more conveniently, operated a preliminary review process, and established a mobile-based process when obtaining customer consent for insurance planning services, while also providing the best conditions when taking out an insurance policy by expanding our acceptance of insurance application such as an additional premium system. Moreover, in order to increase contact points with customers, we provided on-site education to our FCs and employees on guidelines connected to taking out insurance policies and improving customer convenience by streamlining our procedures and standards for taking out insurance policies.

More options for those with chronic diseases

Samsung Life is continuously easing the restrictions for people who have been diagnosed with a disease to take out an insurance policy. We have already made it easier for people who have been diagnosed with minor angina and myocardial infarction, as well as customers with 10 major geriatric diseases, including high blood pressure and diabetes, to take out an insurance policy. Additionally, we have eased the restrictions to accept customers with a medical history of cardiovascular system diseases, including the cardiac and blood vessel diseases. In the future, we plan to further ease up on medical qualifications for our policy application through extensive analysis of customer needs.

Easing up on restrictions and qualifications for taking out policies

Samsung Life has expanded the limit on the hospitalization rider and raised the limit on our cancer diagnosis rider from KRW 30 million to KRW 50 million when customers join an indemnity insurance policy, so that customers have more opportunities to take out insurance plans. Moreover, we have improved our occupational risk classification and grading criteria to lessen the number of restrictions on customers working in dangerous jobs, allowing the criteria for disqualification of indemnity to be eased up. As we move forward, we plan to further increase people's chances of taking out an insurance plan by adopting advanced underwriting techniques for healthy customers, while also easing up on our restrictions and qualifications for taking out policies to lessen the number of restrictions when applying for an insurance policy.



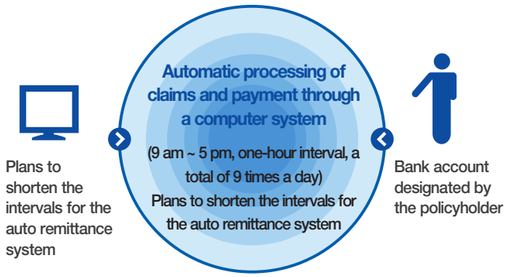
OUR EFFORT 2

Expanding Claims Payment Services

Improving claims payment services

Samsung Life has completely reorganized its claims payment services to pay out claims quickly and conveniently. In our efforts to realize the inherent value of insurance, we have always kept our pledge to our customers by providing efficient claims payment services. In order to resolve any inconvenience customers found in maintaining insurance contracts and filing for claims, we completely revamped our claims payment procedures, from filing claims and claims adjustments to payments and follow-ups, to greatly enhance customer convenience. We will get rid of negative perceptions we had before through our improved claims payment services, especially raising the awareness that taking out an insurance policy not only means paying premiums, but also getting claims paid.

Auto Remittance System for Claims



Expected benefits

1. Reduced workload with the claims process (tellers working at SLI Plaza and claims adjusters)
2. Increased the claims payment rate within 24 hours of filing, with shortened intervals connected to handling claims filing and payments



OUR EFFORT 3

Implementing Customer Satisfaction Activities

Convenient claims inquiry/filing procedures

In order to make filing claims and making inquiries more convenient, Samsung Life set up a call center dedicated to filing claims on accidents, which is directly connected to one of our tellers without having to go through the automatic response service. We have also diversified channels for filing claims, such as receiving them through our FCs visiting customers in person and the Samsung Life Plaza (branch office), and by mail, branch office's fax, and our homepage. For instance, even for customers without a designated FC, our FCs will visit them in person if they call the call center. We will work towards streamlining documents required for claims payment services to lessen any customer inconvenience in the entire procedure.

Quick claims payment

For faster, more accurate claims adjustments and payment procedures, Samsung Life established an auto remittance system so that now when a filed claim meets all the requirements for auto remittance, the system automatically sends the claims payment to the insured's designated bank account, without having to go through additional payment and remittance procedures. This system has considerably increased the claims payment rate within 24 hours of filing, and also informed about the filing and payment procedures on a real-time basis. In addition, in the case where urgent money is needed, we provide the service of immediately paying out some of the death benefit in accordance with the standards we have set.

Differentiated aftercare services

Samsung Life offers differentiated aftercare services to our customers even after paying out claims. We offer the claim recipient with financial consulting services on how to protect and manage their newly acquired assets. As for recipients of living benefits, they are provided with health care services that inform them of useful information on treating diseases, as well as text message services that provide health information customized to their age. In the future, we will continue to develop and provide a wide range of services to improve customer convenience.

Implementing customer-oriented management practices

Samsung Life has transformed from customer satisfaction management practices to customer-oriented management practices. In 1994, we were the first Korean insurer to introduce an insurance quality guarantee program to raise public awareness about the insurance business and adopted a company-wide customer relationship management (CRM) system to listen to the voice of customers. Additionally, we introduced a chief listening officer (CLO) system to meet customer needs throughout our whole insurance procedures and services by continuously implementing customer satisfaction activities.

Customer interest protection program

Together with our customer-oriented management practices, Samsung Life runs a customer value protection program to resolve fundamental problems found from the voice of customer (VOC) process. For this reason, we have appointed the employees at the head office in charge of VOC as protectors in addition to the existing on-site employees, so that customer complaints are immediately addressed to reduce the VOC process on a monthly basis. Also, we are striving to improve our customer value protection program through a meeting hosted by CS Support Team Leader.

Consumer Support Center helps increase customers' confidence

To improve consumers' rights, Samsung Life immediately addresses consumer complaints by establishing a consumer protection system, with a chief consumer officer appointed to be in charge of operation under the direct command of the CEO. As the central department dealing with consumer protection activities, the Consumer Support Center supervises the eight regional CS centers across the nation, to establish internal controls on customer protection throughout the whole process including product development, sales and after service, as well as providing quick claims payment services. Moreover, we set up a dedicated VOC team at the call center to ensure consumer complaints are immediately addressed through a one-stop response system.





OUR EFFORT 4

Promoting Active Communication with Customers

Heightened customer information protection

Samsung Life recognizes protecting customer information as an integral part of financial operations. After Korea's Personal Information Protection Act came into effect in September 2011, Samsung Life set up an Information Protection Center dedicated to information security. To begin, we expanded the scope of encoding customer information. Since then, we have established an Intrusion Prevention System and an Intrusion Detection System to heighten customer information protection.

Smart CRM system

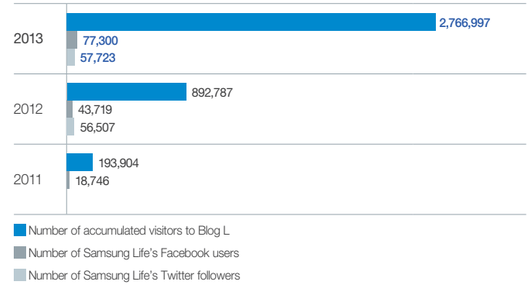
Samsung Life makes use of its Customer Relationship Management (CRM) system for higher customer services. This Smart CRM is a mobile-based platform that allows FCs to log on to the company's CRM system via mobile devices like smartphones and tablets. This allows FCs to respond quickly to the particular needs of customers when they are out in the field by logging on to the CRM system and retrieve customer and market information, while also getting access to customized information on customers' characteristics.

Increased accessibility to on-line channels

Samsung Life has improved communication with customers through easier access to its on-line channels. We are operating a customer communication room for customer suggestions and compliments, while a benefit service is provided to offer differentiated contents to customers and continuously enhance customer convenience. In April 2013, we reorganized our website to improve the web accessibility, so that many people including the disabled and seniors can use it under the same conditions as others. Through these efforts, our customers are able to get easier access to our website, with differentiated digital contents provided according to the specific life cycle of customers and their purpose of visit. As a result, we received a certificate for outstanding web accessibility from WebWatch, an affiliated organization of the Human Rights Forum of Persons with Disabilities in Korea.

A certificate of outstanding web accessibility

Results of communication through on-line channels (Unit: persons)



Input What is Samsung Life doing to improve communication with customers?

RECEIVED THE KOREA INTERNET COMMUNICATION AWARDS | Samsung Life received grand prizes in two categories at the 6th Korea Internet Communication Awards and Korea Social Media Awards for life insurance/securities and social contribution, which as sponsored by the Ministry of Science, ICT and Future Planning and hosted by the Korea Internet Communication Association. The winners are from 231 companies and 138 public institutions out of about 1,200 companies and 860 public institutions that were above certain levels in an evaluation conducted for the first half of the year in June 2013. Since 2010, we operated Samsung Life Blog L to be frank in delivering our stories to customers based on the theme of people and love, which was highly praised for openly communicating with our customers for providing information on living, finance, investments and campaigns. In the future, we will continuously provide lots of warm stories and useful information to improve communication with customers.



Received the Korea Internet Communication Awards and Korea Social Media Awards

Customer panels

Samsung Life's customer-oriented management begins with listening to what our customers have to say. In 2004, we became the first Korean financial institution to adopt a customer panel, which ultimately helped to reflect people's thoughts and opinions in our management activities. Consisting of customers insured with Samsung Life, currently the 15th customer panel has ended its activities. In 2013, they made suggestions for a Finance Cafe and got to experience firsthand what it is like to receive variable insurance consulting service, while also came up with new ideas for insurance plans. Based on these results, we renovated our Samsung Life Plaza, established a call center dedicated to claims payments, separated claims adjusters according to different customer groups, and raised the rate of claims payments made within 24 hours.

Young Samsung Life Cafe for communication with young people

In addition to Daehak-ro, we opened the second Young Samsung Life Cafe in front of Hongik University exclusively for members to enjoy free drinks, resting spaces, seminar rooms and book cafe. The cafe allows visitors to get a glimpse of Samsung Life's brand image through the latest IT devices, as well as run simulation programs with their life financial planning and learn more about investment strategies. The cafe also serves as an effective communication channel to promote the insurance business to these young people, who may be less interested in insurance than those who are older than them.

A real-time response call center

Samsung Life has widened the scope of work for its call center so that customers can get one-stop service with just a phone call without having to come in person. We also increased the number of tellers to answer inquiries and take customer complaints during the peak hours, to significantly reduce our response rate to less than 20 seconds. Additionally, we accurately predicted the number of customer complaints made by adopting the Work Force Optimization (WTO), which is an operating system exclusively for call center, so that the highest services are provided to customers through real-time response process. Due to these efforts, we ranked first in the call center quality index for life insurers in 2013.

Retirement portal called Smart Life Design

Samsung Life is operating a retirement portal called Smart Life Design (www.smartlifedesign.co.kr), which not only provides financial information that is useful for a happy retirement life, but also other non-financial information covering contents customized to customers' generation regarding preparation for old age, including property, family, housing, social activities, hobbies, leisure life, and health. Additionally, Smart Life Design has become a site where our customers can share freely share information about common interests, worries and other experiences on life after retirement, social activities and family issues, in addition to obtaining useful information.

Input What is Samsung Life doing to provide better customer-oriented services?

CUSTOMER-ORIENTED SERVICES THAT VISIT CUSTOMERS IN PERSON

| Since 2012, Samsung Life has carried out customer-oriented services where our FCs visited customers in person. Our customer-oriented services ensure customers are fully aware of insurance coverage and benefits by paying a visit in person and making sure any unclaimed policies are paid, while also updating customer information so that they are not left out from receiving information and providing customized life planning to prepare for old age. We inform our customers of the visit through mobile text messages and letters sent out at the beginning of each month, with more than 400,000 customers applying for this service. The number of customers we have visited until now has reached 4 million persons, which is almost half of our customers.



Samsung Life's customer-oriented services

Performance

1 Increased rate of claims payment within 24 hours

Samsung Life understands the inherent value of the insurance business by honoring its pledge to customers through fast and accurate claims adjustments and payments. In particular, we have developed an auto remittance system for the fast payment of claims in 2013. As a result, we achieved our last year's goal of 50% for the rate of claims payment within 24 hours. In 2013, we introduced the concept of managing time in unit from filing claims and claims adjustments to payments and follow-ups, aiming to improve the rate of claims payment within 24 hours to be over 80%. Therefore, throughout the whole year in 2013, we completely revamped our claims adjustments and payments procedures to go up to 79.2% as of the end of 2013, achieving close to our goal of 80%.

Rate of claims payment within 24 hours (Unit: %)



2 Persistency rate

An insurance company's persistency rate is the source of profit/loss and also serves as the measurement of customers' trust in the company and the standards for determining a leading insurer. Since it launched the 857 efficiency innovation campaign in 1999, Samsung Life has raised company-wide awareness concerning efficiency. The 857 efficiency innovation campaign was aiming at an 88 percent persistency rate, 55 percent in consultants' retention rate, and KRW 700,000 in productivity per FC. To attain these goals, the campaign involved various management efficiency drives, such as systematic training of FCs, a customer retention system, differentiated customer services, and enhanced product competeveness. Starting from 2011, we upgraded this campaign, calling it Persistency Rate 9080 Strategy. As a result, the 13th month persistency rate for the fourth quarter of FY2013 stood at 89.9 percent, a figure very close to leading insurers around the world.

Persistency rate (Unit: %)

	2013 1Q	2013 2Q	2013 3Q	2013 4Q
13th month persistency rate	87.4	87.9	87.6	89.9
25th month persistency rate	72.7	73.7	72.5	71.0

3 Improving customer satisfaction index

In 2013, Samsung Life achieved a grand slam in customer satisfaction evaluations as a result of the company's consistent efforts towards customer-oriented management practices, by ranking first in Korea's National Customer Satisfaction Index (NCSI) for the 10th year in a row, ranking first in the Korean Customer Satisfaction Index (KCSI) for the 9th straight year, and ranking first in the Korea Standard Service Quality Index (KS-SQI) for the 11th straight year.

Classification of awards

	2013
National Customer Satisfaction Index (NCSI)	1st for 10 straight years
Korean Customer Satisfaction Index (KCSI)	1st for 9 straight years
Korea Standard Service Quality Index (KS-SQI)	1st for 11 staight years
Korea Standard Call Center Quality Index (KS-CQI)	1st



CREATING CORPORATE SHARED VALUES

Samsung Life's social contributions go well beyond fulfilling its basic social responsibilities so that we actually create social benefits that help others. Dedicated to giving back to society, we are committed to raising awareness about the inherent value of insurance through diverse communication activities.

01 Enhancing corporate values through open communication with employees and consultants

02 Developing shared values with local community

03 Growing together with partner companies for win-win partnership

04 Striving to become one of the top global green companies



01

Enhancing Corporate Values Through Open Communication with Employees and FCs

Stakeholder interview



Honorary Director and FC at Samsung Life,
Gyu-sung Han

"Hoping Samsung Life will be a strong, trusting workplace for employees and FCs through a corporate culture of communication and harmony."

I had worked as a branch manager at a bank for twenty years before I retired and got my second job at Samsung Life where I worked for fifteen years. At first, I was worried about working as a consultant for not only individual customers but also corporate customers, but Samsung Life's systematic training program and sales support program helped me gain my confidence. In particular, I steadily developed into a FC with the brand power of Samsung Life. In addition, Samsung Life is always striving to listen to the voices of its employees and even the CEO has worked on communicating with FCs. Therefore, it was very positive to see the increased number of consultants in the Communication Camp in 2013. Social contribution activities have become an integral part of Samsung Life, with FCs actively participating in these activities by helping out with donations. In the future, Samsung Life will continuously contribute to society as a leading insurer, while also acting as a strong, trusting workplace for employees and FCs through open communication within the organization.

Disclosures on Management Approach (DMA)

Business Environment

- Demands for changes and innovation in companies to survive in new environments
- Widespread perception that people are the competitiveness of insurance companies and the most valuable asset
- Need to recruit talented workforce with localization strategies including education and cultural experience for overseas expansion

Social and Environmental Backgrounds

- Need for innovative employees with customer-oriented and global training programs
- Widespread social awareness that the pursuit of open communication and close cooperation are directly linked with corporate competitiveness
- Demands for creating a workplace with a balance between work and life have increased in society

2013 Business Activities

- Establishing a more communicative corporate culture
- Creating a happy, healthy workplace
- Two-day Communication Camp Ver.2.0
- Fostering next-generation financial experts

Future Goal

- Aiming to continuously establish a communicative corporate culture
- Striving to become one of the world's top 15 life insurers by 2020

OUR EFFORT 1

Establishing a More Communicative Corporate Culture

Samsung Life pursues an interactive corporate culture throughout the organization. In addition, trust-based communication between labor and management is helping ensure Samsung Life remains a great workplace for everyone.

Establishing a more communicative corporate culture

Samsung Life values open communication within the organization and diverse programs are in place to promote communication between labor and management. In 2013, we reinforced interactive corporate culture by holding sports and artistic programs like a table tennis contest and a chorus contest and implementing a campaign encouraging employees to join at least one club activity. Additionally, on-line panel discussions were held so that all employees can freely share ideas and opinions about the corporate culture and the way of working, as well as a Changing Habit campaign to improve a corporate culture of respect for one another throughout the organization.

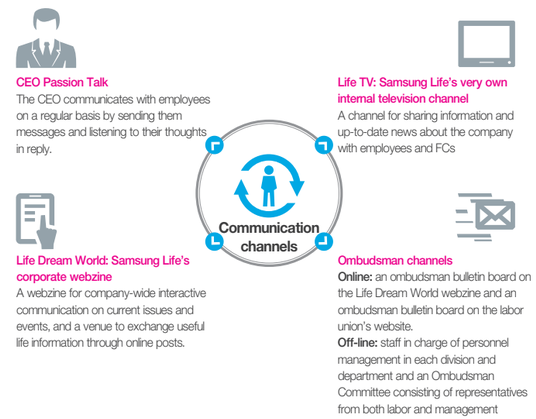
Samsung Life's sports and artistic programs	·Company-wide table tennis contest: participated by about 400 employees ·Chorus contest: participated by about 400 employees in 13 teams
Promoting club activities	·Campaign encouraging one employee to join one club activity: participated by about 4,200 employees ·Operating 176 club activities
On-line panel discussion	·March : Work Smart ·July : Respect and trust - words ·October : Respect and trust - actions
Changing Habit Campaign	Implemented a total of 4 campaigns in 2013 under the slogan of making good habits for changing myself and the workplace ·February ~ April : corporate innovation in reporting and meeting process I, internal etiquettes ·May ~ July : corporate innovation in reporting and meeting process II, internal etiquettes ·August ~ October : incorporating thanking and complimenting into corporate culture, conversation etiquettes ·November ~ December : incorporating greeting and thanking into corporate culture, phone/ messenger/email etiquettes

Sharing best practices

Samsung Life runs a Knowledge Management System called InforYOU, a database consisting of our business know-how that allows employees to share best practices company-wide. In addition, we are giving additional credits to those who are singled out for their exceptional ideas and outstanding activities in connection with the corporate training programs, to create a corporate culture of voluntarily sharing best practices. The Knowledge Fair was held as a venue to share best practices and business know-how and reward those with outstanding inputs. In particular, the Knowledge Fair celebrated its 10th anniversary in 2013 giving significance as the third year of innovating change and reforming awareness, with aims of achieving the 2020 vision by pursuing change and improving communication channels.

Diverse communication channels

Samsung Life is operating a variety of programs through a corporate culture secretariat that is dedicated to promoting communication between labor and management.



Input What is Samsung Life doing to implement family friendly management practices?

CERTIFIED AS THE BEST FAMILY FRIENDLY MANAGEMENT CORPORATE | Samsung Life is creating a workplace where employees can achieve a work-life balance as the women's participation in economic activities have increased together with low birth rate and the aging society, by implementing many maternity protection activities such as establishing a Maternity Protection Center, introducing flexible working hours, allowing more time to spend with family, and supporting with leisure life. As a result of these efforts, we received a certificate for best family friendly management in 2013. This certificate is issued by the Ministry of Gender Equality & Family to companies that set examples in operating the necessary programs for promoting a family friendly environment at workplace. In the future, we will continuously improve the balance between work and life for our employees by establishing a family friendly corporate culture.

OUR EFFORT 2

Creating a Happy, Healthy Workplace

Healthy workplace

Samsung Life does its utmost to ensure the safety and health of our employees. To this end, we offer annual check-ups for employees and regular safety and health training. At the same time, we are constantly improving working conditions at all of our workplaces and run various in-house drills and campaigns to help employees achieve a healthier work-life balance.

In addition, we are offering assistance to employees through a stress management program called the Healing Program. The program is an informal test of one's stress levels, suggesting meditation and stress management program solutions based on the test results. This in turn helps employee deal with their stress both physically and psychologically to adjust body awareness and physical control. In 2013, a total of 2,141 employees participated in the program, which we will keep operating in the future. Based on our belief that revenues are gained with employees who are satisfied, we operate a variety of welfare benefit programs so that our employees can lead both a safe personal life and a happy workplace, including assistance helping with living safety, housing and life after retirement.

(Unit: KRW 100 million)

	2011	2012	2013
Welfare benefit expenses	914	1,176	1,190

Welfare benefit system

Cafeteria Plan	·Self-development: buying books on economics and management, acquiring certificates, learning foreign languages ·Healthcare: medical expenses, fitness center costs ·Cultural experience: watching various performances, going to amusement parks, using condominiums
Health Management	· Medical expenses: providing full medical coverage for employees and their spouses ·Group insurance policy: covering death, illness, and hospital bills ·Medical check-ups: Total or partial check-ups
Living Safety Assistance	·Personal annuity for living safety assistance
Housing support	Housing loans, rent loans, and corporate housing for employees working outside of Seoul
Others	·Leisure facilities (Caribbean Bay/condominiums/ski resort, etc.), supporting memberships to comprehensive physical facilities, tuition for children, anniversary gifts, congratulatory and condolence allowances, club activity supports, subsidies to four major public insurance premiums (National Pension, Health Insurance, Industrial Accident Compensation Insurance, Employment Insurance)

Input What has Samsung Life done to ensure interactive communication between labor and management?

Operating a number of communication programs

Samsung Life is promoting communication with employees and FCs through diverse communication programs, including once a month on-site visit by management with meetings with employees, a Two-day Communication Camp for employees and FCs, lunch meetings and mountain climbing together with the CEO, an internal communication channel called the Life Dream World (communication portal, ombudsman bulletin board, club activities, etc.), and an internal suggestion system. These programs were always held in a harmonious and comfortable atmosphere, contributing to improving our corporate value by identifying all management issues and setting the company's future direction and strategies.



Samsung Life's Employee Mountain-Climbing for the New Year

Maternity protection programs

Samsung Life is playing a proactive role in addressing Korea's low birth rate and in improving working conditions for female employees through the company's maternity protection programs. We have also established paternity leaves, a one-hour paid leave per day for new mothers who are breastfeeding their baby, and allow employees to take split maternity leaves. In addition, we have introduced flexible working hours for female employees so they can balance their personal life with work. In particular, we opened the Maternity Center in October 2011 to operate on the advice of outside professional counsellors and clinical psychologists.

(Unit: %)

	2011	2012	2013
Rate of using maternity leaves	7.2	6.3	6.4
Ratio of returning to work after going on maternity leave	88.7	99.5	91.4

Retirement planning program

Samsung Life provides a retirement planning program to assist employees in maintaining a stable life after retirement. First of all, we are operating a corporate pension plan for retirees in accordance with the Korean Employee Retirement Benefit Security Act. We also run a Career Development Center to provide soon-to-be retirees with consulting services on their retirement planning and useful information about starting their own company, while providing information about external training programs including the Small and Medium Business Administration's Business Start-up School for Seniors.

Current status of the employees' retirement pension plan (Unit: 100 million)

	2012	2013
Defined benefit-based (DB) plans	2,627	2,971
Defined contribution-based (DC) plans	87	119

OUR EFFORT 3

Development of Next-Generation Financial Experts and Compensation

Human resources development program

Samsung Life runs a human resources development program called the SL4U (Samsung Life Four Universities) for all employees. SL4U is an education program contributing to the market value of employees and foster talented people needed for implementing business strategies, including SL-iMBA, a mandatory entry-level course for all employees; SL-Proway, which focuses on job training by division and/or department; SL-Master, which supports employees in acquiring different certificates; and SL-Leader, which strategically fosters future leaders by instilling leadership qualities in them.

Samsung Life Human Resources Development Program

Customer-oriented global life partner
(One of the world's top 15 financial companies by 2020)

Creative innovation & challenges

·Redefining business domains ·Reinforcing core competencies ·Strengthening management constitution

SL4U: instilling a passion for lifelong education into our corporate culture

Securing the best organizational competitiveness	Enhancing our capabilities to implement strategies by division	Improving the company's corporate value	Developing next-generation leaders
SL-iMBA (Company-wide mandatory entry-level course)	SL-Proway (Job training course)	SL-Master (Certificate preparation course)	SL-Leader (Leadership course)

Training professionals in their job duties

In 2013, Samsung Life implemented special training programs of creative changes, innovations and challenges against the financial leaders for achieving our vision 2020. We also established a company-wide job training programs by selecting core job duties in financial-related fields so that employees can receive the professional training for their job duties. Besides these programs, we enhanced the education benefit ratio of employees by holding job training and studying meetings internally to share know-how between employees. Additionally, we are focusing on self-development and reinforcing employees' work competencies, to promote the learning culture of employees through certificate preparation programs. For instance, in the case of some job qualifications, we offer high-quality programs mainly for employees through external lectures and special courses, but also higher success ratio and more educational opportunities are provided, with a camp training held before the certificate test for employees from junior to assistant manager level.

Strategic training programs	Operating a strategic training program to develop professionals with leadership qualities by selecting key talents (regional experts, advanced job training, MBA, etc.)
Key & professional certificate preparation program	Operating a program giving credits to personnel evaluations for acquiring certificates and covering actual expenses required to acquire a total of 31 types of certificates, including 13 types of key certificates and 18 types of professional certificates.

Global competency-building program

Samsung Life takes a two-prolonged approach to its global competency-building program, helping our employees acquire a second language while learning about the culture associated with that same language as well. We offer a number of self-studying programs to develop next-generation leaders for global financial companies. For instance, we provided assistance in learning English as the basis for our global business expansion in 2013, so that they could actually apply English at job duties by getting evaluations on dialogues instead of written tests and introducing classes for learning foreign languages. Additionally, intensive courses for cultivating the linguistic skills of junior-level employees and executives dispatched to overseas businesses resulted in high learning effect in a short period of time, while we created an environment to learn the languages of strategic nations by holding studying meetings within the company.

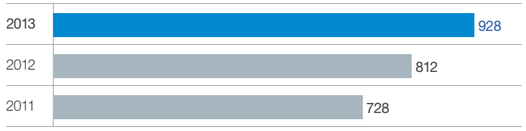
Education programs

Samsung Life encourages division- and/or department-driven training programs so as to ensure expertise in people's job duties, while continuing to expand our education programs and infrastructure through the Korea Banking Institute. As part of our knowledge management practices and outsourced training courses, we promote CoP activities to subsidize employee training at the Korea Insurance Institute and other outsourced training courses as well, to share the knowledge they have gained within their division and/or department. As of 2013, a total of 40,593 people had attended one or more of our training programs. During that same period, training hours per employee stood at 153 hours, with total expenses amounting to KRW 2.12 million per employee.

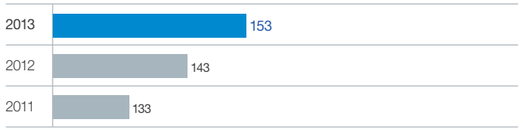
Key certificate holders

Samsung Life revamped its certificate preparation program, encouraging employees to acquire the key certificates—notably CFP (Certified Financial Planner), insurance actuary and CFA (Charted Financial Analyst) certificates—required in sales, product and asset management business activities, while ensuring key certificates are acquired within the organization through choice and concentration. After going through reform in 2011, we expanded certificate preparation programs in the following year to promote a corporate culture of learning in 2013. As a result of these efforts, we continuously increased the number of employees who acquired certificates and those that participated in the training program. As of the end of 2013, 928 employees acquired key financial certificates.

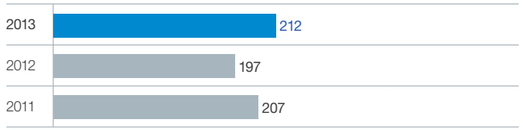
The number of key certificate holders (Unit: persons)



Number of education hours (Unit: hours)



Education expenses (Unit: KRW 10,000)





Next-generation leader awareness raising program



Global competency-building education for female employees

Promoting Workplace Diversity

Samsung Life is giving equal opportunities to recruit and retain talented people with profound expertise in their respective areas. Therefore, we are increasing the number of job opportunities for socially vulnerable groups, such as those who have graduated from regional universities, those who did not attend university at all, and the disabled, while also working on hiring talented foreigners to enter into overseas market. In fact, five percent of all new employees are the basic livelihood security recipients or from the lower-income families, with 35 percent of total recruitment from regional universities. Since 2012, we also started recruiting high school graduates based on our merit-based employment policy. In 2011, we gradually increased the number of disabled people recruited by hiring them mostly for branch offices across the nation in cooperation with the Korea Employment Agency for the Disabled. With the aim of becoming one of the world's top 15 financial companies by 2020, we are focusing on recruiting talented foreign workforce to make inroads into overseas market, not only from Western countries, but also from Southeast Asian countries. In 2013, we recruited 460 new employees.

Employee status

Samsung Life is providing equal opportunities to everyone, including socially vulnerable groups such as females, the disabled, and recipients of the order of military merit or national security merit. As of 2013, we recruited 6,628 employees, with 51 percent male and 49 percent female by gender. Also, our turnover rate and retirement rate for 2013 stood at 0.4 percent and 2.0 percent, respectively. In an effort to further lower the turnover and retirement rates, we adopted a personnel management system customized to specific job titles, while also implementing cumulative wage schemes to improve working conditions with more equality in wages.

(Unit: persons)

Classification	2011	2012	2013
Full-time employees	5,819	6,249	6,284
Indefinite contract employees	3	4	5
Professional/specialized/general contract employees	369	397	339
Females	3,169	3,370	3,266
Disabled people	100	111	99
Total number of persons	6,191	6,650	6,628

(Unit: %)

Classification	2011	2012	2013
Turnover rate	0.6	0.5	0.4
Retirement rate	2.4	1.5	2.0

Respect for human rights

At Samsung Life, we prohibit employment discrimination based on the basis of gender, religion, race and age. In compliance with the Korean Labor Standards Act and the International Labor Organziation (ILO)'s regulations, we strictly prohibit any form of child labor or forced labor at all our business premises based on the ILO's Convention Concerning the Prohibition and Immediate Actions Towards the Elimination of the Worst Forms of Child Labor and Abolition of Forced Labor Convention. In 2013, we had no cases of violation. In addition, we enhanced cooperation with the labor union to establish a productive labor and management relations based on a relationship of mutual trust and respect between labor and management. The labor union's autonomous activities are ensured by frequently sharing opinions about the working environment and conditions of employees with management, so that they can gather requests for improvement to reach an amicable agreement. Currently, there are 3,999 persons who joined the labor union for pursuing sustainability through active communication between labor and management. Since the establishment of the labor union, we did not have a single instance of any disputes or conflicts between labor and management.

(Unit: persons)

Classification	2011	2012	2013
Total number of employees with labor union membership	3,214	3,514	3,999

Fair Performance Evaluations

At Samsung Life, we conduct achievement evaluations and competence evaluations across the entire workforce twice a year. Achievement evaluations look at individual on-the-job accomplishments in line with an individual's team goals, while competence evaluations assess individual's competence for his/her job level and position to achieve set targets. In order to ensure a fair performance evaluation, we also run evaluator training sessions and notify each employee of the evaluation results, as well as hold three-step interviews and operate appeal channels if an employee disagrees with their performance evaluation results.

Compensation for FCs

At Samsung Life, we provide systematic training sessions as well as compensation for our FCs who play important roles in delivering the inherent value of insurance on site with our customers. We reward their contribution to the company and to customer value with incentives based on a fair evaluation scheme. In addition to various welfare benefit programs to support their business activities, we also offer refresh leaves, medical check-ups, scholarship and occupational health and safety insurance coverage. In order to develop FCs with expertise, we provide professional training programs to help them with their work duties.

02
Spreading a Culture of Sharing with Local Communities

Stakeholder interview



Korea Health Promotion Foundation's Team Manager,
Chang-beom Kang

"I hope Samsung Life continues to spread a culture of sharing with its customers, local communities and the people."

Korea Health Promotion Foundation signed an agreement with the Life Insurance Social Contribution Committee and Samsung Life to carry out social contribution activities, such as preventing suicides and diseases for the respect of people's health and life, with this year being the second year. Under the sharing management practices, Samsung Life is implementing social contribution activities for children, youngsters, local communities and the environment, which has been highly evaluated by everyone. For instance, Samsung Life has renamed the Hangang Bridge as the Bridge of Life in 2013 after it has done the same with the Mapo Bridge, to prevent suicides with messages written on the posts of the world's first storytelling bridge. Likewise, the Bridge of Life has addressed our social issue to prevent suicide attempts by instilling the spirit of respect for life instead of just using it as a means of transportation. Until now, it has been very meaningful to see the activities we carried out reach fruition. In the future, I hope Samsung Life will continue to gather different opinions of local communities when implementing its social contribution activities, ensuring customers and the people can join in Samsung Life's culture of sharing.

Disclosures on Management Approach (DMA)

Business Environment

- Widespread awareness that corporate social responsibilities are not optional but essential
- Raising the corporate image and name through social contribution activities
- Establishing social contribution activities as the most efficient localization strategy for overseas expansion

Social and Environmental Backgrounds

- Widespread perception that companies should actively address numerous social issues such as low birth rate, suicides and juvenile delinquency
- Demands for low-income people to have more opportunities to financial services such as insurance plans
- Heightened interests in society for creating shared value (CSV)

2013 Business Activities

- Sharing with society more than ever before
- Financial services pursuing social responsibilities and value
- Spreading a culture of sharing through global social contribution activities
- Instilling hope throughout society

Future Goal

- Aiming to become a highly respected global life insurer by contributing to the nation and society

OUR EFFORT 1

Sharing with Society More than Ever Before

Sharing management practices

As Korea's first insurer to establish the Samsung Life Public Welfare Foundation in 1982, Samsung Life has implemented numerous sharing management practices for children, youngsters and local communities as a global corporate citizen, to share with society so that more people could enjoy happiness. Through these activities, we actively fulfilled our corporate social responsibilities to give back to society by having our employees and FCs actively implement social contribution activities and comply with ethical virtues, so that we can achieve mutual prosperity. In the future, we will strive to become a highly respected company that contribute to the nation and society through sharing management practices.

Social contribution organization

Devoted to fulfilling its social responsibilities, Samsung Life operates the Samsung Life Public Welfare Foundation and the Sustainability Management Center. We conduct social contribution campaigns for youth/children, local communities, the environment, global communities, culture and sports through 218 volunteer corps across the country and a nationwide branch network that consists of 6,000 employees and 40,000 financial consultants. These individuals participate in volunteer activities at a number of social welfare centers and charities around Korea. On top of that, our employees and FCs make voluntary contribution to Samsung Life's Heart Fund every month, with the money collected used to subsidize social contribution activities and volunteer works. In the future, we will strive to create a harmonious society with the awareness as a global citizen.

Performance of social contribution activities

In 2013, Samsung Life spent 7.3% of its annual net income on social contribution programs, the highest percentage of revenue spent by any Korean insurer. Also, our per person volunteer hours stood at 10.5 hours and we account for more than 50% of the Korean life insurers' social contribution donations.

Traces of Social Contribution Activities

Beginning period	Expansion period	Transformation period	Jumping period
Public welfare works by the foundation (1982 ~ 1994)	Volunteer works system (1995 ~2004)	Foundation of social contribution activities (2005 ~ 2010)	Sustainability management (2011 ~)
·Established Samsung Life Public Welfare Foundation ·Operated Samsung Life's Cooperative Childcare Center	·Launched social volunteer corps ·Held volunteer works festivals	·Implemented programs for women ·Conducted marketing with public interests	·Implemented sustainability management practices ·Carried out management for people and love

Traces of Social Contribution Activities

Children/Youth	Local communities	Environment	Global	Culture & Sports
·Sesalmaeul project ·Serotonin Drum Club ·Samsung Life's Cooperative Childcare Center	·Suicide prevention ·Disease prevention ·Mother's Somang Lamp ·Volunteer corps (university supporters) ·Junior CEO course ·Supporting single mothers with start-up businesses ·Supporting disabled athlete teams ·Sisterhood tie with rural area ·Employee/FC volunteer activities ·Sponsoring sniffer dogs as detection dogs	·Green volunteer corps ·Stairs of Creativity and Contemplation ·Green Office ·Tree-planting in Thailand ·Forest experience activities for youth	·Providing electric wheelchairs to the disabled in China ·Donating educational equipment to Thailand ·Subsidizing one-time airfare for Vietnamese families to visit relatives ·Donating educational equipment to Vietnam	·Youth art competition ·PLATEAU ·Women's basketball team ·Wrestling team ·Men's table tennis team ·Women's table tennis team

Disclosure of the performance of FY2013 social contribution activities

	2013
Social contribution expenses to earnings after tax	7.3%
Samsung Life's social contribution expenses out of all Korean life insurers' donations	55.7%
Per person volunteer hours	10.5 hours

Input **What has Samsung Life done to provide assistance to rural areas?**

RURAL SOCIAL CONTRIBUTION CERTIFICATE | Samsung Life has been highly praised for its hard efforts in providing assistance to rural areas through establishing a sisterhood relationship with farming village, to be chosen as the best rural social contribution company certified by the Korean government. The rural social contribution certificate, headed by the Korean government and the National Rural Area Movement Headquarters, gives certificates to companies that set up sisterhood relationship with farming villages to implement numerous activities on a regular basis. Until now, our employees have continuously participated in volunteer activities and regularly visited the village of sisterhood relationship by signing an agreement with a farming village. In the future, we continue to actively implement volunteer works as a company of rural social contribution certificate, as well as encourage participation from our employees.



OUR EFFORT 2

Social Value Creation and Sharing

Three-step social contribution system

Samsung Life has carried out a wide range of activities to improve social value by establishing a three-step social contribution system that cover from infants and children to youngsters. We plan to consistently implement our social contribution activities with the three-step social contribution system in place for three stages, including the Sesalmaeul program for infants, Samsung Life's Cooperative Childcare Center for preschoolers, and the Serotonin Drum Club for youngsters.

Sesalmaeul program

In order to help reduce the concerns over the cost of giving birth and childcare leading to Korea's low birth rate, Samsung Life has been implementing the Sesalmaeul program. Since 2011, Sesalmaeul has provided free education on childcare to 8,451 pregnant women and their parents across the nation in Korea. In addition, Samsung Life representatives visited 2,359 families during a baby's baekil (the 100th day of a baby's life) to offer gifts and childcare consulting services. Later, we revisited 3,049 families when their babies reached 6 and 12 months of age to update their childcare information. Besides these, we offer group play programs and nursery products for babies up to the age of 3, to provide customized total childcare services for babies at different ages.

Samsung Life's Cooperative Childcare Center

Samsung Life has started its Cooperative Childcare Center, together with the Ministry of Gender Equality and Family, to address Korea's social issues such as low birth rate and the cost of childcare. The Cooperative Childcare Center is a place for children to play and study with their parents and to meet new friends of their age, while also borrowing toys and books and exchanging useful information on childcare. In May 2013, we opened Samsung Life's first Cooperative Childcare Center in Gwanak-gu with the 10th center being opened in the same year. We have plans to open 50 Cooperative Childcare Centers across the nation by investing KRW 2.5 billion for the next 5 years. Our employees and FCs in the area where the centers are in place are striving to make them a venue for more communication with community residents, as well as resolving the issue of childcare by regularly visiting the centers to clean toys and the center.

* Cooperative Childcare Center is a project implemented by the Ministry of Gender Equality and Family as part of the government's efforts to address Korea's low birth rate. As of the end of 2013, about 243,000 parents and children per year have used 72 Cooperative Childcare Centers across the nation.



Assistance to Sesalmaeul program



Opening of Samsung Life's Cooperative Childcare Center

"People, Love" Serotonin Drum Club

Juvenile delinquency, which can result in school violence, internet addiction, and aberration of youth have all raised concerns over young people today. In a bid to help Korea's youth, Samsung Life sponsors the Serotonin Drum Club in partnership with the Serotonin Culture Foundation. According to the study on the effect that taking part in the Serotonin Drum Club has on youngsters, it has shown that the rhythmical movement of beating a drum secretes serotonin hormones, which has positive effects such as help relieving stress and improving the self-esteem and social nature of middle-schoolers during an emotionally sensitive period for them. Between April 2011 and 2013 as of now, a total of 130 Serotonin Drum Clubs have been founded, with plans to support the foundation of more clubs at 30 middle schools in 2014. Additionally, we plan to expand the scope in the future to set up Serotonin Drum Clubs at schools for the disabled and multicultural children and alternative schools, while also supporting Serotonin Drum Clubs for middle schools in other Asian regions.

Preventing diseases and suicide

Since entering into an agreement on the promotion of people's health with the Ministry of Health and Welfare, Samsung Life has been hosting numerous campaigns to prevent diseases and suicides in collaboration with the Korea Health Promotion Foundation and the Korea Medical Assistance Foundation, to fulfill its corporate social responsibilities and improve the social value. In an effort to promote women's health, we provided free inoculation of cervical cancer vaccine to girls from low-income families, while also prevented youth suicides and raised the awareness of respect for life by renaming Hangang Bridge as the Bridge of Life, making webtoons and documentaries and sponsoring musical performances with messages of suicide prevention.

Volunteer activities of employees and FCs

Samsung Life has carried out volunteer activities through its nation-wide networks, with about 6,000 employees and about 40,000 FCs taking part. To ensure the practical and continued operation of our volunteer activities, we have connection with welfare facilities and professional organizations in local communities, while also developed a computerized system called Nanum Station to efficiently manage volunteer activities and track down donations made. In addition, we have set up sisterhood relationship with a village in rural area to provide support to them since 2006. Our employees and FCs have taken part in volunteer activities on a regular basis such as visiting the village of sisterhood relationship to buy agricultural and marine products and donating them to welfare facilities.

Financial classes for children and youngsters

As part of its efforts to give back to society, Samsung Life is operating financial classes for children and youngsters to instill proper values about money and accurate background knowledge to them when it comes to economics and finance. We provide classes for young students to take beginners' course on market economy and business management, inspiring their interests on economics and finance.



Serotonin Drum Club



Employees' volunteer activities

OUR EFFORT 3

Spreading a Culture of Sharing Through Global Social Contribution Activities

Donating educational equipment to overseas schools

Samsung Life has donated educational equipment and products worth KRW 2 billion, including computers, beam projectors, desks, chairs and stationaries, to several elementary schools near Bangkok in Thailand with poor educational environment. Since 2012, this program will be carried out for five years in collaboration with Thailand's Ministry of Education. Starting from 2013, we will donate a total of KRW 1.5 billion to middle schools near Hanoi in collaboration with the Vietnamese government for the next five years, including computers, desks, chairs and beam projectors. In the future, we will continuously implement numerous public welfare works so that children from all around the world can receive IT education in a better environment, allowing them to live their dream.

FY2013

	Thailand	Vietnam
Number of educational equipment donated to overseas	KRW 300 million (7 schools)	KRW 300 million (9 schools)

Funding children from multicultural families to visit overseas relatives

Samsung Life began this program in 2007, which provides roundtrip airfares for all family members when multicultural families visit the home country of non-Korean women who married Korean men in a bid to help multicultural families better understand each other. These efforts have shown positive results such as improving family relations of multicultural families and helping these families quickly adjust to the Korean society. In 2013, we have sent 25 families (94 persons) go on trips to visit overseas relatives by donating KRW 200 million.

FY2013

Funding children from multicultural families to visit overseas relatives	KRW 200 million (25 families, 94 persons)

Providing electric wheelchairs to the disabled in China

In the partnership with the China Disabled Persons Federation since 2012, Samsung Life pledged 25 million yuan to carry out support for the rehabilitation and self-support of the disabled in China for a period of five years. In 2013, we donated 598 electric wheelchairs to the disabled in China.

FY2013

Number of electric wheelchairs donated to the disabled Chinese people	KRW 800 million (598 wheelchairs)



Number of educational equipment donated to overseas



Funding children from multicultural families to visit overseas relatives



Number of electric wheelchairs donated to the disabled Chinese people

OUR EFFORT 4

Socially Responsible Financial Services and Values

Products for children from low-income families

The Hope & Love Insurance and the Hope & Sharing Insurance plans are free insurance products for low-income families who are exposed to all kinds of risks with weak financial foundation as part of our microinsurance projects organized by Smile Microcredit Bank. The Hope & Love Insurance offers opportunities for children under the age 12 from the lower income groups, such as families raised by a single parent, grandparents and multicultural families, to join private insurances so that they can get at least the minimum coverage. The Hope & Sharing Insurance allows the surviving families to maintain life and studying by providing coverage for the death and accidents of a head of low-income households, while also offering medical indemnity coverage to their children between the ages of 9 and 15 through our Medical Indemnity Insurance.

FY2013

	Accumulated number of children who benefited	Accumulated amount of sales
Performance of Hope & Love Insurance	6,195 persons	KRW 54 billion

Socially responsible products

Samsung Life is proud sponsor of the Sesalmaeul program, through which it proactively addresses social issues related to Korea's low birth rate and provides support for childcare. We offer a free plan called Baby Angel Insurance for the newborns of our members as part of a program for congratulating their birth. This product covers the beneficiary's operation bills until the child reaches three years of age after birth. In 2013, the accumulated number of customers who received support from our Baby Angel Insurance was 522 persons.

Products for the disabled

Samsung Life has introduced a product exclusively for the disabled to help improve the social welfare of the disabled. The product called Gomduri Comprehensive Coverage Insurance helps the disabled to protect themselves from risks associated with all kinds of accidents, disasters and diseases, offering the same coverage as general plans at a lower premium.

FY2013

	Accumulated number of children who benefited	Accumulated amount of sales
Performance of Gomduri Comprehensive Coverage Insurance	7,021 persons	KRW 23.9 billion

Micro-finance for the underprivileged

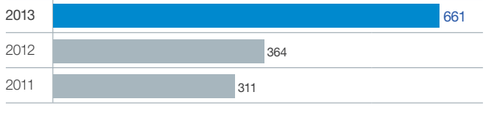
Samsung Life is implementing activities in partnership with the Samsung Smile Microcredit Bank to improve the financial access of the financial underprivileged people. The Smile Microfinance program extends collateral-free and non-guaranteed loans to the financial underprivileged people who have difficulty in borrowing from financial institutions, ensuring their financial independence by giving them the start-up funds. Through the program, we give people with bad credit rating an opportunity to come up with financial planning to ensure their financial security, with up to KRW 50 million given to people with a personal credit rating of below grade 7 as start-up funds to help them support themselves. In addition, we offer business consulting services and help with their marketing campaigns through talent donation.

	FY2011	FY2012	FY2013
Amount of micro-finance	KRW 8 billion	KRW 6 billion	KRW 16 billion

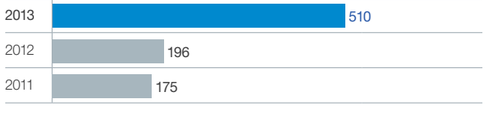
Input How is Samsung Life increasing employee participation upon donation activities?

SAMSUNG LIFE'S HEART FUND | Samsung Life's employees and FCs donate a portion of their monthly pay to raise money for Samsung Life's Heart Fund, with every donation amount subsequently matched by the company. In 2013, Heart Fund donations from employees were spent on the Serotonin Drum Club program, while the company's matching funds were spent on volunteer expenses incurred by Samsung Life's volunteer corps at its head office and regional headquarters. Meanwhile, Heart Fund donations from FCs were spent on supporting Samsung Life's Cooperative Childcare Center.

Amount of Heart Fund Donations from employees (Unit: KRW million)



Amount of Heart Fund Donations from FCs (Unit: KRW million)



03
Growing Together with Partners

Stakeholder Interview



Asset Management Team Head at Genstar's Asset Management Division,
Jun-ho Lee

"One of the biggest advantages of Samsung Life is pursuing mutual growth and active communication channels with its suppliers."

As a comprehensive real estate agency, Genstar offers a wide range of services to Samsung Life including PM (Property Management), FM (Facility Management), rental services and investment consulting. Samsung Life is pursuing mutual growth with its suppliers. For instance, Samsung Life has helped with its suppliers' business activities by supporting occupations with minimum wages. Despite difficult business conditions, Samsung Life has extended lots of help to its suppliers, inspiring the desire to work for those with minimum wages at suppliers by handing out gift certificates during the national holiday annually on a regular basis. Additionally, Samsung Life has provided consulting services on management efficiency in the first half of 2013 to help improve work competence and establish systematic management systems for its suppliers, while also providing lectures on the Personal Information Protection Act twice a year in the first and second half of each year. Another noticeable characteristic of Samsung Life's mutual growth activities is its active communication channels. During the cooperative process, Samsung Life holds weekly business meetings and monthly discussion meetings on a regular basis to adjust issues associated with business activities, as well as listening to demands and complaints raised by suppliers. In the future, I hope Samsung Life will develop more programs to help strengthen its suppliers' competitiveness and sustainable growth so that effects are shown by taking an initiating role.

Disclosures on Management Approach (DMA)

Business Environment

- Amendments of the Fair Trade Act and the Subcontracting Act emerged as a contributing factor to being a big threat to company management
- For instance, these risks have been regarded as a big threat to the brand image and reputation of companies
- Demands for mutual growth between large companies and small and medium-sized companies have increased due to the economic democratization at government level

Social and Environmental Backgrounds

- Demands for fair competition regulations on unfair business practices with the civil society keeping a close eye
- Demands from external stakeholders to pursue sustainable growth with suppliers
- Demands for mutual growth with suppliers to be incorporated as business activities are found in international evaluation criteria

2013 Business Activities

- Pursuing mutual prosperity based on integrity management
- Promoting communication with suppliers
- Supporting eco-friendly suppliers

Future Goal

- Pursuing mutual growth with suppliers

OUR EFFORT 1

Pursuing Mutual Prosperity Based on Integrity Management

Mutual growth with partners

Samsung Life has pursued mutual growth with suppliers by thinking of them as our partners for corporate development. We considered our suppliers as our partners in improving the company's competitiveness and corporate value in aiming to achieve sustainable development. Therefore, we have supported the mutual prosperity based on integrity management for our core suppliers such as outsourced sales agencies with high influence on the company, security service and office building cleaning and maintenance service providers, and providers of other office supplies, including papers and printers.

Reviewing the risks of outsourced sales network

Samsung Life has reviewed the risks associated with our outsourced sales network including agencies that are the most important suppliers of Samsung Life in terms of their impact on our business. As a result, we conduct regular inspections on them to identify any risks and take measures if necessary in accordance with the suitability rule based on our annual compliance plan and due diligence obligations. Inspections are focused on mis-selling, unfair and unsound business practices in the process of contracting or selling insurance products, including mis-selling and non-compliance of insurance guide materials, and illegal acts including non-compliance of solicitation procedures and processes.

Office building cleaning and maintenance service providers

As for our security service providers and office building cleaning and maintenance service providers, we implement a Strategic Invested Property Management (SIPM) to detect and inspect the risk factors of suppliers, and analyze potential risks in the mitigation process through audits conducted twice a year. Additionally, we ensured the sustainable development of suppliers by including an integrity pact and a written pledge to comply with our business ethics and compliance program as part of the regulations for contracts.

Pursuing fair competition

Samsung Life has established fair and transparent trading practices against its suppliers to eradicate unfair competition. As a result, we practice ethical and compliance management in our purchasing and contracting processes, so that they are in line with the Group's management principles and comply with our code of ethics. In addition, all our suppliers are asked to make written pledges to refrain from unfair trading practices or make any violation of integrity principles in their transactions with us. All of the suppliers that made this pledge are advised to assign a person internally to be in charge of compliance with the pledge on their business premises. We review our suppliers and amend our Contract Administration Guidelines every two years. In 2013, in order to maintain a pool of outstanding companies with competitiveness, we amended our Guidelines to increase the number of persons selected for nominated competition from 10 persons to 25 persons.

Office supplies providers

With companies that provide our office supplies, we have established a process to guarantee transparency in contracting procedures by making all agencies across the nation to purchase essential office supplies in quantities required through the electronic purchase system called e-pass. In order to prevent deceptive trade practices, we simply purchase services and goods required during the limited time of a contract period, with mandatory competitive bidding at the end of each procurement contract period. In addition, we restrict the participation of suppliers with potential risks by setting up a Contract Administration Guidelines. At the same time, we reward or sanction suppliers based on our preliminary evaluation with contract renewals or restrictions on bidding.

Input What has Samsung Life done to achieve mutual growth with its partners?

EARLY PAYMENT OF GOODS TO SMALL AND MEDIUM-SIZED ENTERPRISES (SMES) DURING THE HOLIDAYS | Samsung Life gives advance payment of about one week for goods and services to SMEs during the New Year's holiday and Chuseok (Korean Thanksgiving), to boost domestic demand, improve livelihoods of the people, and achieve mutual prosperity for SMEs. The early payment is to help with SMEs because they have difficulties securing enough funds around Chuseok. The amount of advance payment during the New Year's holiday stood at KRW 5.4 billion with a total of 125 cases, while it amounted to KRW 9.3 billion with a total of 129 cases during Chuseok. All of these advance payments were made before the holidays. In the future, we will continuously give advance payment on services and goods to SMEs before the New Year's holiday and Chuseok annually, ensuring SMEs are relieved from lack of funds.

Amount of advance payment on goods and services to SMEs in 2013

Classification	New Year's holiday	Chuseok
Number of cases	129 cases	KRW 5.4 billion
Amount	54 cases	KRW 9.3 billion

OUR EFFORT 2

Active Communication with Partners

Promoting communication with partners

Samsung Life has established a wide range of communication channels to ensure better understanding of suppliers and set up a foundation of mutual cooperation. Since 2012, we held the Mutual Growth Workshop every other month to share information with our suppliers and gather opinions from them. In addition, we conduct surveys to find out our suppliers' satisfaction level, provide education to them, and reward their best employees as a means of expressing thanks to our suppliers' hard work and dedication. In the future, we will reinforce partnership by thinking from our suppliers' position and improving communication, so that we can all contribute to achieving goals set for mutual growth.



Training for partners

Supporting partner training programs

Samsung Life has been operating training programs suited for its suppliers to improve their competitiveness and achieve mutual prosperity. We hold a mandatory training program with information on accident prevention, security, sexual harassment prevention and ethical management against our suppliers across the nation once a year, with non-periodic training programs held if needed. In 2013, we trained all employees of OA* maintenance suppliers on security and ethical management, which totaled to 148 persons.

Conducting periodic partner surveys

Samsung Life conducts periodic surveys on suppliers once a year to find out their satisfaction level and collect suggestions for related policies and activities. The surveys reveal our suppliers' overall satisfaction level, including any complaints or requests for improvements on work environment. Based on the results, we implement improvement activities by identifying issues and reflecting them in real business.

Training on security and ethical management for suppliers (Unit: persons)

	2012	2013
Number of trainees from OA maintenance suppliers	150	148

* OA(Office Automation):enhancing the productivity of business conduct through office simplification, streamlining and systematization by using various devices and new technologies with the computer as the main body.

Input What is Samsung Life doing to provide training programs for SMEs?

OPENING OF SME TRAINING FACILITY IN NAMDONG INDUSTRY ZONE OF INCHEON | Samsung Life has opened the Samsung Life Design Center, a multipurpose training facility for residential companies within Namdong Industry Zone of Incheon, to pursue mutual prosperity with SMEs. This center is a venue for holding all sorts of events, communication networks and internal training for SMEs, while also providing training required for the business management of SMEs for free of charge. Additionally, we help improve the competitiveness of SMEs and the job competence of their employees by offering job training and business consulting services on customer satisfaction, personnel management and finance, including the CEO Academy. In the future, we will develop numerous programs to strengthen the competitiveness of SMEs through the Samsung Life Design Center, aiming to promote mutual growth with SMEs.



Opening of Samsung Life Design Center

OUR EFFORT 3

Supporting Eco-Friendly Companies

Providing active supports for green management companies

Samsung Life has implemented eco-friendly thinking and practices when selecting its suppliers. Taking consideration of the recent social and environmental trends, we added the provisions to exempt bid bond for specialized green enterprises designated by the government in 2013. We have amended our purchasing manuals to ask for the submission of energy review reports on equipment of major energy consumption when constructing new buildings and doing repair works, while also giving preferential treatment to environmentally certified products during the bidding for equipment suppliers. As for printed materials, we give preference to eco-friendly suppliers such as meeting the condition of mandatory use of eco-friendly papers. Besides these efforts, we plan to establish a green supply chain to further increase eco-friendly products with high energy efficiency and improve the environmental management capability of suppliers.

Performance of eco-friendly products purchased

Amount of equipment purchased with eco-friendly condition	KRW 2,147 million
Amount of papers purchased with eco-friendly conditions	KRW 2,230 million

Input What has Samsung Life done to achieve mutual prosperity between large companies and SMEs?

SAMSUNG LIFE'S JUNIOR CEO COURSES | Samsung Life's Junior CEO Courses have become a major program for achieving mutual prosperity between large companies and SMEs, with this year being the second year. Samsung Life is the only one providing Junior CEO Courses among the Korean financial companies. As part of our talent donation, the Junior CEO Courses give the offspring of SME owners an opportunity to study economics and finance and work at the company's divisions. During the training period, we foster SME owner's children into future CEOs by having trainees in these courses stay at the training institute, allowing them to spend time at Samsung Life's head office, and giving trainees a chance to visit our affiliates located overseas or well-known foreign SMEs. Starting in July 2011 as a short-term course, we have started a long-term course in October of the same year. Since the 10th graduates from short-term courses and the 5th graduates from long-term courses completed these courses, a total of 366 companies and 384 persons finished these courses.

Classification	Short-term course	Long-term course
Period	1 month (summer, winter vacation)	3 months (first half, second half)
Target	Children who are university students	Children of employees who work at applicable companies
Curriculum	· Samsung's management philosophy, lecture on management knowledge · Know-how of long-lived company, family business succession education · Marketing, management strategies, accounting education · Planning and PT required for the CEO · Lecture on leadership, vision of family business succession · On-site experience at work, field trip to business site · Introduction of management trends · Overseas training	· Samsung's management philosophy · Know-how of long-lived company, family business succession education · Marketing, management strategies, accounting education · Coaching for being a successful leader · Planning and PT required for the CEO · Asset management of the CEO · Tax benefits for SMEs · Best practices of outstanding SMEs · Introduction of management trends · Implementation and presentation of team projects · On-site experience at work, field trip to business site · Overseas training
Status of completion	Total of 289 persons until the 10th graduates	Total of 95 persons until the 5th graduates





Junior CEO Course

04
Striving to Become a Global Green Companie

Stakeholder Interview



Korea Sustainability Investing Forum (Kosif)'s standing director,
Chun-seung Yang

"I hope Samsung Life will be a highly respected company that puts the value of environment as the top priority and fulfils its corporate social responsibilities for a sustainable society."

In order for a company to be highly respected, society has to fully acknowledge the private profit-driven actions of companies, which is why Samsung Life should be fully aware of its duties as a trustee for managing money entrusted to them by their customers. As an institutional investor for managing customers' funds on a long-term basis, Samsung Life should fulfil its corporate social responsibilities to ensure long-term stable profits, as well as contribute to creating a sustainable society. The corporate obligations should not be restricted to its shareholders because it is necessary for the company to take the same responsibility on other stakeholders, including customers and local communities. For instance, climate change is an important factor in causing actual economic damages of US$ 300 billion annually for the insurance industry. As a result, 722 financial institutions participated in CDP Climate Change with asset size of US$ 87 trillion, to analyze and report on the companies' carbon management as a private initiative. We think high of the fact that Samsung Life is taking part in this global initiative as a signatory, while also faithfully answering questions from CDP. Moreover, I hope Samsung Life is aware that its owner isn't the shareholders, but their customers who joined Samsung Life's insurance plans, so that the customers' values are put as the top priority. In addition, I hope Samsung Life develops insurance plans for the socially underprivileged because they are excluded from insurance coverage, while also implementing social contribution activities for them.

Disclosures on Management Approach (DMA)

Business Environment

- Widespread awareness that reducing environmental impacts, such as the use of energy, paper and water, is essential for corporate management
- Widespread awareness that socially responsible investment (SRI) can influence corporate values and sustainable growth

Social and Environmental Backgrounds

- External stakeholders' demands for eco-friendly management such as climate change response and green activities have increased
- For instance, demands for the need of eco-friendly management practices to improve medium and long-term corporate values have increased
- Stricter global evaluation criteria for the reduction of greenhouse gases and water use will be used for evaluating corporate values

2013 Business Activities

- Establishing green management vision and medium and long-term plans
- Increasing green financial products and services
- Promoting green corporate culture

Future Goal

- Aiming to become respected green life insurer in the world
- Striving to reduce greenhouse gas emission by 8.45% in 2014

OUR EFFORT 1

Establishing Green Management Vision and Mid- and Long-term Plans

Top global green company

Samsung Life has set becoming one of the top global life insurers that is respected for its green management as its green management vision, which is divided into three implementation directions, including green infrastructure, green business and green activities. The detailed implementation plan will support the growth of green society through a wide range of activities, including establishing and certifying green management system, expanding green finance services, and making social contributions for the environment. In the future, we will strive to achieve our green management vision by constantly reviewing and monitoring the company-wide tasks for green management through our working-level council on sustainability management.

Medium and long-term implementation plans

Samsung Life integrated the certificates it acquired in 2013 for its environmental management system (ISO 14001) and its energy management system (ISO 50001) with its green management system, with plans to derive and implement tasks for green management by division through continuous discussions. In order to ensure further transparency in disclosing the implementation status and performance of green management to information users, we are using the government's disclosure system and receiving eco-friendly evaluations domestically and internationally. In addition, we will continuously implement energy and energy reduction campaigns to promote the behaviour patterns of our employees, while also actively carrying out social contribution activities for the environment to support environmental improvement activities and the youth's green activities.

Green management vision

Vision	Becoming one of the top global green life insurers that is respected for its green management
Target	To rank among the world's top performers on the DJSI index by 2020

Three approaches	Green Infra	Green Business	Green Activity
	·Establish green management vision and strategies ·Operate green management system ·Create green buildings and green offices	·Aware of risks and opportunities from environmental/climate change issues ·Provide green finance products and services ·Participate in the carbon credit market	·Communicate with stakeholders such as sharing green management information ·Make social contribution for the environment ·Promote green awareness by changing the behaviour patterns of employees

Medium and long-term roadmaps for green management

2012 ~ 2014 Establishing the foundation for green management	2015~2017 Promoting green management within the company	2018~2020 Leading the industry in green management
·Acquiring the ISO 14001/50001 ·Establishing the computerized management system for greenhouse emissions and energy consumption ·Disclosing information on green management ·Reflecting green purchasing in work manual ·Reflecting the details of socially responsible investment in the code of asset management ·Operating the building energy management system (BEMS) at the head office on trial basis ·Making gap analysis of advanced companies and deriving tasks for implementation ·Promoting the use of e-documentation within the company ·Implementing social contribution activities for the environment ·Conducting campaigns to raise the employees' awareness on green management to realize green office	·Participating in Korea's carbon emission trading system ·Reflecting green management in daily work duties ·Gradually expanding green purchasing ·Increasing green finance to support green industry and activities ·Expanding the application of building energy management system (BEMS) ·Promoting e-documentation over paper ·Holding green education for employees and suppliers ·Participate in the network for green management	· Increasing green finance products and services ·Taking the lead in setting up the network for green management ·Spreading best practices of green management to the industry

Input **What is Samsung Life doing to implement green management systematically?**

ESTABLISHING GREEN MANAGEMENT SYSTEM AND ACQUIRING EXTERNAL CERTIFICATIONS | In 2013, Samsung Life was the first among the Korean life insurer to establish the green management system in accordance with international standards to acquire certificates for its environmental management system (ISO 14001) and its energy management system (ISO 50001). ISO 14001 and 50001 are the highest international standards for green management systems enacted by the International Organization for Standardization (ISO). Acquiring these certificates shows that Samsung Life recognizes eco-friendly management practices as an important factor and has established the organizational structure, implementation plans and procedures to ensure the reduction of environmental pollution and continuous improvement of the environment. As a result of operating the green management system, we have established the foundation for improving the efficiency of energy and resource consumption throughout the company, while also implementing activities that contribute to the protection of the environment by division. Moreover, we made the CEO's green management policy as well as our guidelines for green management, with our stakeholders including customers and suppliers being notified by disclosing our green management policy through the company's website. In the future, we will keep checking the implementation status and performance of tasks derived from reviewing our environmental impact assessment and energy consumption by division, in accordance with our green management policy. Furthermore, an internal examiner will be appointed at our outsourced building maintenance service providers, while also expanding the scope of application such as promoting our green management policy and the head office's green management implementation plans outside the company.



OUR EFFORT 2

Increasing Green Financial Products and Services

Socially responsible investment (SRI) principles

Samsung Life is fully aware that the promotion of green technology and industry to society is part of fulfilling its corporate social responsibilities. Therefore, in order to meet these social demands, Samsung Life has actively invested in the clean energy development projects, while also giving preferential treatment to eco-friendly companies in accordance with its code of asset management by training relevant employees in charge, thereby complying with the socially responsible investment principles. In addition, we will promote SRI further by considering the adoption of an environmental evaluation system for companies that support green finance that is implemented by the Ministry of Environment when conducting credit assessment of green companies.

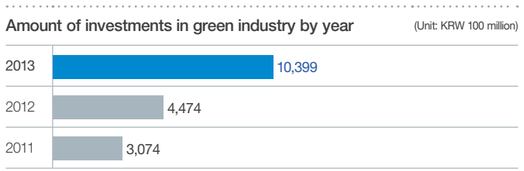
Investing in Green Industry

Samsung Life has increased its investments on green energy development projects to improve the efficiency of energy consumption and reduce the emissions of environmental pollutants such as new & renewable energy and community energy. To achieve these goals, we have included the environmental evaluation factors into our financial review system to be utilized when evaluating investments. As a result of these efforts, we have invested KRW 85 billion in the new and renewable energy development area in 2013, including the development projects for solar energy, wind power, tidal power generation and fuel cell, while also invested a total of KRW 507.5 billion in the projects for the community energy system (CES), industrial complex mass energy system, and district heating.

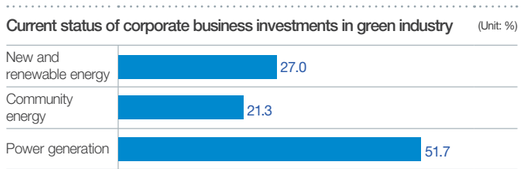
Expanding Green Loan Products

Samsung Life is providing low interest rates for green buildings and green companies in order to increase the number of green loan products it offers. We give discounts on interest rates if an employee of a certified green company applies for credit loan, or if a person asks for loan with an eco-label building used as collateral. In addition, we give preferential treatment to customers who have accumulated points from joining the carbon point system for energy reduction. Due to these efforts, we had provided 198 loans worth a total of KRW 31.5 billion in 2013.

Amount of investments in green industry by year (Unit: KRW 100 million)



Current status of corporate business investments in green industry (Unit: %)



Input What is Samsung Life doing to enhance its socially responsible investments?

INCREASING SRI | Samsung Life has been increasing its socially responsible investment by not only considering financial performances, but also including the performances of non-financial performances when making decisions on investment, including human rights, environment, labor and social contributions to community. Therefore, we have established a process for evaluating the feasibility of development projects for new and renewable energy, which is reflected in our financial review system. In addition, we are considering the adoption of an environmental evaluation system for companies called enVinance that is provided by the government to objectively and accurately assess green companies.



Development projects for new & renewable energy

OUR EFFORT 3

Promoting Green Corporate Culture

Activities for detecting environmental risks

Samsung Life's Insurance Research Institute conducts studies on advanced companies in different fields to provide implications so that relevant divisions can develop products and services with competitiveness. In the first half of 2013, we have done researches on the current status of advanced companies' green finance and Samsung Life's plans for participation, with the research results being used as materials for discussing the expansion of green finance with relevant divisions. In addition, in preparation for the opening of the carbon trading market in Korea, we plan to conduct researches on the impact of carbon trading system on the company and come up with ways to resolve those issues in 2014. In the future, Samsung Life will strive to detect and manage any management risk in the environment field in advance.

Social environment activities

Samsung Life is implementing the Green Global Project (hereinafter referred to as GGP) consisting of our employees, which is held twice a year annually with one in the first half and the other in the second half. The GGP is an overseas social contribution activity for the environment, aiming to minimize flood damages by planting mangroves in Phetchaburi of Thailand. Mangroves are very unique plants that live only on the surface of the water along the coastline of subtropical and tropical regions, which sterilize polluted water with its long roots. Many organization are working on creating a mangrove forest because mangroves help prevent tsunami, as well as outstanding in absorbing greenhouse gases. Samsung Life is the only Korean company to support this environment protection activity by continuously taking part in the mangrove planting project in Thailand. The mangrove planting project has begun in 2010 with the 7th volunteer corps carrying out the project as of the end of 2013. Until now, we have planted a total of 24,500 mangrove trees.

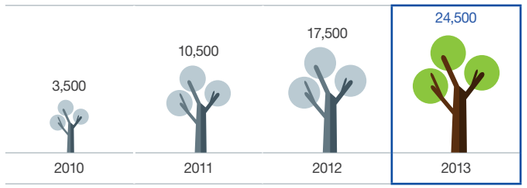
Participating in disclosure of corporate environment information

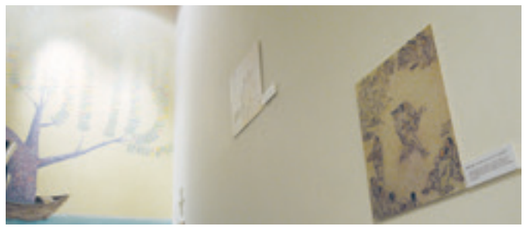
Samsung Life has submitted its annual performances associated with environmental management in 2012 to the Ministry of Environment's corporate environmental information disclosure. According to related regulations, Samsung Life disclosed information on a total of 19 categories (6 mandatory reporting, 13 voluntary reporting) by being classified as the business category of others and services. In the future, we will continue to disclose our green management information transparently to our customers and stakeholders through the corporate environmental information disclosure, while also actively taking part in government policies and managing environmental impacts in business areas.

Refurbishment of the Staircase of Creativity & Meditation to promote employees' use of stairways

Samsung Life has refurbished its Staircase of Creativity & Meditation, which was first created in 2011. As a part of this years refurbishment, the staircase is filled with traditional art works of famous Korean painters from the Choseon Dynasty. The newly chosen background music of Korean zither, and the refreshing effect of phytoncide scent helps our employees to calm their minds and body during the use.

Accumulated number of mangrove trees (Unit: trees)





Stair Gallery of Creativity and Contemplation

Input What has Samsung Life done to carry out social contribution activities for the environment?

YOUTH FOREST EXPERIENCE CAMP | Samsung Life supports the green activities of youngsters as part of our social contribution activities for the environment. In 2013, we gave 953 elementary and middle school students (including guidance teachers) across the nation the opportunity to raise awareness about environment protection through our Youth Forest Experience Camp. Also, in November of the same year, we conducted volunteer works where 153 youngsters and our employees delivered firewood that came from the forest tendering works* to 12 low-income households in three regions (Asan of Chungnam, Jangheung of Jeonnam, Yangsan of Gyeongnam), so that they can use them for heating. Our Youth Forest Experience Camp has raised the awareness of environment protection for youngsters who are our future generation, as well as helped in developed good character. Samsung Life plan to provide more opportunities to youngsters in 2014 so that they can develop the qualities needed for global environmental leaders, with plans to gradually increase the regions that receive firewood from our volunteer works.

* Forest tendering works: refers to the gardening of branches of trees to ensure that the forest stays healthy and grows well, with lots of by-products coming out from forest tendering works.



Youth Forest Experience Camp

Performance

1 Energy Use Reduction

At Samsung Life, we are working on reducing our energy use by acquiring the certificate of the energy management system (ISO 50001), replacing lights with LED lamps and equipment with higher efficiency and minimizing energy loss through the building energy management system. In particular, we decided to participate in the government's effort to save energy following 2012 summer energy crisis in Korea by implementing a corporate contingency measures, "Summer time energy saving plan" (i.e. adjustment of room temperature and lighting and encouraged use of staircases). Due to these efforts, Samsung Life's energy consumption in 2013 was a total of 3,128TJ, down 4.02 percent from the previous year. Samsung Life will not stop its effort to provide the green work office.

Amount of energy use per square meter

(Unit: TJ/1,000㎡)

2011	2012	2013
1.66	1.59	1.50

Amount of energy use

(Unit: TJ)

Classification	2011	2012	2013
Fuel	559	606	938
Electricity	2,495	2,653	2,190
Total	3,054	3,259	3,128

2 Paperless Office

Samsung Life has been leading in promoting the use of e-papers in the industry, as the insurance business usually takes lots of paper documents. We use an e-approval system for the operational procedures, and encourage the use of tablets or other portable devices in the field. In addition, customer information letters, including asset management report are increasingly replaced with e-papers and the Company continues to emphasize less use of physical papers by sharing monthly paper use results by corporate division.

Amount of paper use

(Unit: Ton)

2011	2012	2013
1,311.9	1,360.4	1,286.9

3 Reducing greenhouse gas emissions

Samsung Life's main sources of greenhouse gas emissions are electricity and gas used for air conditioning, heating and lighting. In order to reduce greenhouse gas emissions, Samsung Life is systematically managing its energy consumption of each office building with a Greenhouse Gas and Energy Management System (GEMS). Also, we are operating a Building Energy Management System at our main office building on a trial basis for efficient building management, to be further expanded to other areas based on its performance. All of these efforts and the energy saving efforts of Samsung Life's employees resulted in a total greenhouse gas emissions 153,777tCO_2eq in 2013, a 5.05 percent decrease compared to the previous year to record 73.8tCO_2eq/1,000m^2 for greenhouse gas emissions per unit area.

4 Reducing wastes

Samsung Life has no significantly hazardous substances being emitted due to its financial characteristics. Samsung Life improves its recycling rate for waste generated from office spaces by installing recycling bins according to different areas, classified into general waste and specified waste. All of these wastes are legally handled by a government-authorized company. In 2013, we generated a total of 2,766 tons of waste.

5 Reducing water use

Samsung Life's water use arises mostly from our employees working at the office. Therefore, we need to promote saving water to our employees, while also actively recycling water resources by increasing the use of heavy water from the building. The waste water from our office buildings are all safely treated before being disposed of through professional treatment institutions operated by local governments.

Amount of greenhouse gas emission per square meter

(Unit: $TCO_2eq/1,000m^2$)

2011	2012	2013
85.4	77.7	73.8

Amount of greenhouse gas emissions

(Unit: TCO_2eq)

Classification	2011	2012	2013
Direct emissions (Scope 1)	28,805	26,684	47,479
Indirect emissions (Scope 2)	128,600	133,099	106,298
Total emissions	157,405	159,783	153,777

* The calculation of the amount of greenhouse gas emissions is done in accordance with the Ministry of Environment's Administrative Guidelines for GHG and Energy Target Management.
* The scope of data collection include all our business premises, including office buildings we rent out, but the data of our rented office buildings are not included when calculating for the amount of GHG emissions per square meter.
* The amount of GHG emissions for our rented office buildings is an estimated figure based on the amount of GHG emissions per square meter for the office buildings we own.

Amount of waste generation

(Unit: TON)

Classification		2011	2012	2013
General waste	Recycled	1,120	1,162	1,526
	Outsourced	2,094	2,086	1,233
	Subtotal	3,214	3,248	2,759
Designated waste	Outsourced	22	8	7
Total		3,236	3,256	2,766
Amount of standard plastic garbage bag emissions (kl)		8,661	9,020	9,780

Amount of water use

(Unit: m^3)

Classification	2011	2012	2013
Tap water	1,439,652	1,569,257	1,470,364
Heavy water	44,115	31,959	31,370
Total amount of use	1,483,767	1,601,216	1,501,734

Input What has Samsung Life done to reduce energy and resource consumption?

PROMOTION OF COMPANY-WIDE GOLDEN RULE CAMPAIGN TO ACHIEVE WASTE ZERO OFFICE | Samsung Life has continuously implemented the Golden Rule Campaign to minimize wasting energy and resources as part of our green management practices. In order to raise the employees' awareness on green management instead of having one-time campaigns like before, the division in charge (Innovation Team) constantly reviewed and shared the performances of energy reduction and encouraged divisions that lacked in participation. The Golden Rule aims for waste zero by implementing a wide range of activities that employees can take part in green management at workplace, including refraining from printing unnecessary papers, avoiding the use of paper cups, turning off computer monitors when being away from desk for a long time, and turning off fluorescent lights and multi-taps. In the future, we will continuously raise the employees' awareness on reducing energy and resource consumption so that it is incorporated into the corporate culture, while also implementing activities for more energy efficient processes that use less energy by improving the processes.



Input What has Samsung Life done to create a green working environment?

GREEN BUILDING/ GREEN OFFICE | Samsung Life has begun its green management by applying it to the working environment. We first reviewed and purchased eco-friendly materials and low-power equipment. In the case of our existing office buildings, we paid attention to maintenance by continuously improving aged facilities for running the building. In particular, we adopted the Building Energy Management System (BEMS) in 2013 for our head office's building, expected to reduce operating costs of about KRW 1.2 billion for the next six years. As for our new office buildings, we have introduced an eco-friendly concept from the design stage of the building such as acquiring the government's certificate for eco-label building. Green buildings have additional benefits of reducing costs due to tax exemptions. In the future, Samsung Life will promote green building and green office by establishing the infrastructure for efficient energy use and environmental conservation, while also further raising the awareness of our employees on green management.

Samsung Life's BEMS

Stage 1	Measure the real time energy use of each facility
Stage 2	Save and manage energy use data
Stage 3	Analyse energy use details
Stage 4	Develop improvement plan for efficient energy use
Stage 5	Manage energy efficiency

APPENDIX

Materiality Test

Financial Statement

Third Party Assurance Statement

GRI G3.1 Index

Awards & Memberships

About This Report

MATERIALITY TEST

Samsung Life runs Materiality Tests to identify key sustainability issues of high concerns to the stakeholders. Based on the results, we then prioritize the issues and decide whether or not to report them by taking into consideration of the level of importance and the possibility of implementation.

OVERVIEW

The Materiality Test consists of three stages: creation of an issue pool, materiality assessment and finalization of material issues. We define the key material issues based on the overall evaluations of internal and external stakeholders' level of concerns on derived issues and the degree of impact they may have on the Company. Samsung Life discloses the Company's major policies and activities associated with the key material issues chosen for this Report. These issues will be constantly reviewed and managed through Samsung Sustainability Management Committee and the Sustainability Management Working Committee.

STEP. 1

CREATION OF ISSUE POOL

Samsung Life creates an issue pool by taking into account of its business core values, major business strategies, domestic and global trends of insurance industry and international standards for analysing key issues. Based on a variety of categories such as GRI G4 Guidelines, DJSI, ISO 26000 and Guidelines for insurance companies' social responsibilities, we assess the sustainability management level to come up with an issue pool composed of 34 issues.

Analysis of International Standards

The results of international sustainability standards showed an increasing emphasis of risk management and assessment of supply chain, labor and human rights and the compensation of the executives and the Board of Directors.

Review of Internal Documents

Based on the review of internal documents emphasizing the Core Values, Samsung Life has identifiedmain topics– Pursuit of Change and Innovation, , Customer-oriented Business Management, Open Communication, Enhanced Social Contribution Activities and Development of Future Growth Engines.

Global Benchmarking

After analyzing the reports of companies selected for the DJSI World Index and our competitors, we have confirmed key issues including Socially Responsible Activities during the business process such as product development and sales and industrial characteristics like micro-insurance.

Media Research

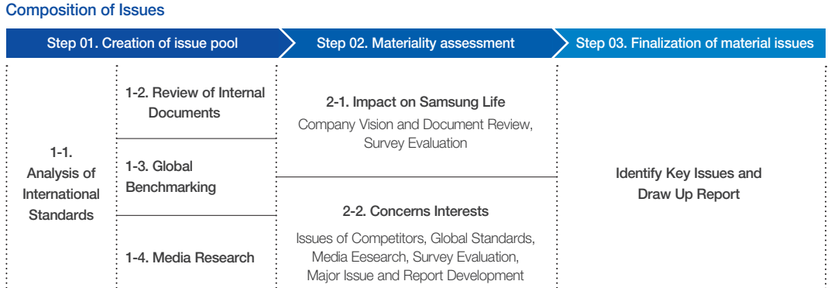
Statistical analysis of the most used keywords in the media has come up with business activities, including product development and releases, signing of MOUs and internationalbusiness and social contributions to local and the international communities.

- Investigation Period: January 1, 2013 ~ November 1, 2013 (11 months)
- Investigation Method: analysis of keywords found in 837 valid articles out of a total of 1,192 on Samsung Life, excluding those on market performances and the Company personnel management.

Media Research Results



Composition of Issues



STEP. 2

MATERIALITY TEST

Samsung Life has analysed material issues by taking into account of the level of impact on Samsung Life and the degree of concerns for internal and external stakeholders and reported on the details.

Impact on Samsung Life

In order to identify the impact of each defined category on the business and the Company sustainability, we looked at the Vision 2020, business concept and core values competitive landscapes, relatedness of international initiatives and keywords used by the media. Evaluations on these items are based on the document analysis, and their results were used to prioritize the topics.

Stakeholders Interests

We conducted an online survey to identify the level of impact of each issue on the stakeholders. A total of 7,458 respondents of Samsung Life, the media and the academic circles, took part in the survey, the number of participants, up from the previous year with 6,835. The online survey consisted of questionnaires designed to evaluate the interests and importance of each subject felt by the stakeholders and the Samsung Life's sustainability performance.

- Survey Period: November 11, 2013 ~November 29, 2013
- Survey Method: online survey
- Survey Respondent: 7,458 persons including Samsung Life's employees and FCs, customers and partners

High Level of Impact from the Internal Stakeholders

- Customer information protection
- Customer-oriented management practices
- Active measures against financial crimes
- Employee benefits and working condition
- Training programs for to develop professional talents

High Level of Impact from the External Stakeholders

- Customer information protection
- Active measures against financial crimes
- Product competitiveness
- New market exploration to secure future growth engines
- Customer-oriented management practices

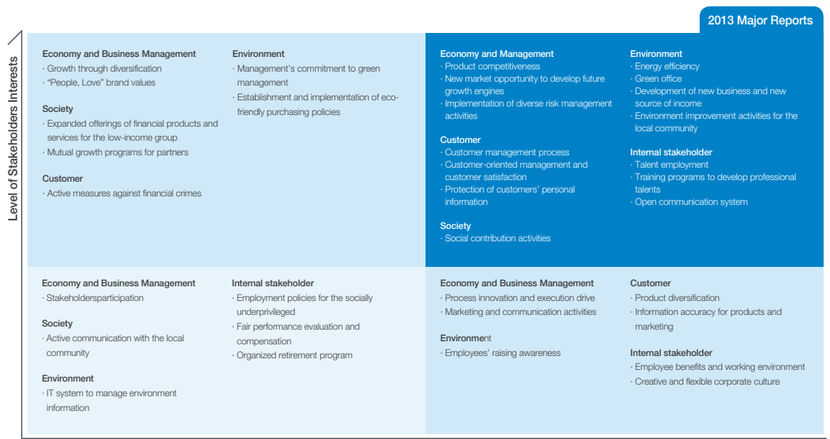
STEP. 3

SELECTION OF KEY MATERIAL ISSUES

14 key issues have been selected based on the stakeholder survey results. In the Economy and Business Management, the Company's effort to secure a future growth engine came with the most importance, while others deemed important included: 1) customer management process; 2) social contribution activities; 3) open communication and talent employment; and 4) green office. Management approaches and major performances on each sector are provided with the details.

Prioritized Key Material Issues

Key material issues in 14 categories were selected based on the stakeholders' survey results and evaluation of the importance.



FINANCIAL STATEMENT

CONSOLIDATED BALANCE SHEET (CONSOLIDATED STATEMENT OF FINANCIAL POSITION)

58th (current year): As of December 31, 2013
57th (prior year): As of March 31, 2013

Samsung Life Insurance Co., Ltd. and Subsidiaries

(Unit: in millions of Korean won)

Account	As of Dec. 31, 2013	As of Mar. 31, 2013
Assets		
I. Cash and cash equivalents	3,026,800	2,286,247
II. Financial assets at fair value through profit or loss	594,867	2,071,993
III. Available-for-sale financial assets	112,700,404	110,065,875
IV. Held-to-maturity financial assets	748,808	884,190
V. Loans receivable and other receivables	29,793,329	29,307,100
VI. Derivative financial assets for hedge accounting	495,748	293,802
VII. Investments in associates and joint venture	2,372,841	1,901,920
VIII. Assets held for sale	-	41,880
IX. Investment property	6,310,399	4,572,835
X. Property and equipment	1,783,521	1,696,041
XI. Intangible assets	193,790	185,156
XII. Current tax assets	51,330	95,306
XIII. Deferred tax assets	64	15
XIV. Other assets	4,859,175	4,584,918
XV. Separate account assets	30,018,174	28,161,584
Total assets	**192,949,250**	186,148,862
Liabilities and Equity		
I. Insurance contract liabilities	128,760,951	121,268,579
II. Policyholder's equity adjustment	6,028,917	7,514,387
III. Financial liabilities at fair value through profit or loss	104,783	183,336
IV. Other financial liabilities	1,557,989	1,055,614
V. Liabilities held for sale	-	735
VI. Derivative financial liabilities for hedge accounting	579,136	813,166
VII. Current income tax liabilities	759	7
VIII. Deferred income tax liabilities	3,620,616	4,509,536
IX. Provisions	98,009	97,593
X. Other liabilities	470,914	647,006
XI. Separate account liabilities	32,090,465	28,277,936
Total liabilities	**173,312,539**	164,367,895
I. Equity attributable to owners of the parent		
1. Capital stock	100,000	100,000
2. Capital surplus	6,131	6,131
3. Capital adjustments	(882,863)	(560,318)
4. Accumulated other comprehensive income	10,242,517	12,917,226
5. Retained earnings	9,504,171	9,205,731
II. Non-controlling interests	666,755	112,197
Total equity	**19,636,711**	21,780,967
Total liabilities and equity	**192,949,250**	186,148,862

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

58th (current year): As of December 31, 2013
57th (prior year): As of March 31, 2013

Samsung Life Insurance Co., Ltd. and Subsidiaries

(Unit: in millions of Korean won)

Account	As of Dec. 31, 2013	As of Mar. 31, 2013
I. Operating revenue	19,301,808	30,382,725
1. Premium income	12,567,384	22,051,300
2. Reinsurance income	165,969	215,293
3. Interest income	4,193,005	5,469,579
4. Gain on financial assets at fair value through profit or loss	129,954	175,846
5. Realized gains on available-for-sale financial assets	170,927	238,342
6. Gain on loan receivables and other receivables	41,750	6,672
7. Gain on derivative financial instruments for hedge accounting	505,573	403,952
8. Gain on foreign currency transactions	85,675	42,028
9. Fee and commission income	30,083	34,399
10. Dividend income	81,888	198,456
11. Rental income	310,705	320,755
12. Separate account commission received	685,186	829,557
13. Separate account revenue	280,678	350,497
14. Other operating income	53,031	46,049
II. Operating expenses	18,742,153	29,148,076
1. Increase in policy reserves	7,408,522	14,418,228
2. Insurance claims paid	7,006,875	9,363,179
3. Reinsurance expenses	179,165	228,445
4. Acquisition and administration expenses	1,242,680	1,449,665
5. Amortization of deferred acquisition costs	1,486,146	2,146,773
6. Assets management expenses	325,427	400,194
7. Interest expenses	34,808	35,304
8. Loss on financial assets at fair value through profit or loss	26,491	27,550
9. Realized losses on available-for-sale financial assets	41,315	95,673
10. Loss on loan receivables and other receivables	1	1,231
11. Loss on derivative financial instruments for hedge accounting	85,975	32,293
12. Loss on foreign currency transactions	512,494	418,317
13. Separate account expense	280,678	350,497
14. Other operating expense w	111,576	180,727
III. Operating income	559,655	1,234,649
IV. Non-operating revenue	301,719	121,640
V. Non-operating expense	85,782	85,987
VI. Profit before income tax	775,592	1,270,302
VII. Income tax expense	172,128	264,135
VIII. Profit for the year	603,464	1,006,167
IX. Other comprehensive income (loss), net of tax	(2,674,147)	3,287,491
1. Items that may be reclassified as profit or loss		
A. Change in value of available-for-sale financial assets	(2,705,378)	3,132,512
B. Change in value of held-to-maturity financial assets	(389)	(639)
C. Change in value of derivative financial instruments for hedge accounting	42,118	174,106
D. Shares of other comprehensive income of associates and joint ventures	13,613	(12,701)
E. Other comprehensive income on separate account	(60,978)	58,433
F. Currency transaction differences	23,072	(41,676)
2. Items that will not be reclassified as profit or loss		
A. Remeasurements of net defined benefit plans	13,795	(22,544)
X. Total comprehensive income for the year	(2,070,683)	4,293,658
1. Profit attributable to:	603,464	1,006,167
Owners to the parent	586,366	1,006,874
Non-controlling interests	17,098	(707)
2. Total comprehensive income attributable to:	(2,070,683)	4,293,658
Owners of the parent	(2,088,343)	4,296,473
Non-controlling interests	17,660	(2,815)
XI. Earnings per share attributable to owners of the parent (in Korean won) (footnote 34)		
Basic earnings per share	3,056	5,174
Diluted earnings per share	3,056	5,174

FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

58th (current year): As of December 31, 2013
57th (prior year): As of March 31, 2013

Samsung Life Insurance Co., Ltd. and Subsidiaries (Unit: in millions of Korean won)

(Unit: in millions of Korean won)

Account	Controlling interest						Non-controlling interest	Total
	Capital stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Equity attribute to the owners of the parent		
April 1, 2012 (beginning of prior year)	100,000	6,131	(266,474)	9,658,387	8,564,937	18,062,981	50,211	18,113,192
Change of accounting policies	-	-	-	(30,760)	27,920	(2,840)	-	(2,840)
April 1, 2012 (rewritten)	100,000	6,131	(266,474)	9,627,627	8,592,857	18,060,141	50,211	18,110,352
I. Comprehensive income								
1. Profit for the year	-	-	-	-	1,006,874	1,006,874	(707)	1,006,167
2. Gain (loss) on valuation of available-for-sale financial assets	-	-	-	3,132,512	-	3,132,512	-	3,132,512
3. Gain (loss) on valuation of held-to-maturity financial assets	-	-	-	(639)	-	(639)	-	(639)
4. Gain (loss) on valuation of derivate financial instruments for hedge accounting	-	-	-	174,106	-	174,106	-	174,106
5. Shares of other comprehensive income (loss) of associates and joint ventures	-	-	-	(12,701)	-	(12,701)	-	(12,701)
6. Other comprehensive income (loss) on separate account	-	-	-	58,433	-	58,433	-	58,433
7. Currency translation differences	-	-	-	(39,568)	-	(39,568)	(2,108)	(41,676)
8. Remeasurements of net defined benefit plans	-	-	-	(22,544)	-	(22,544)	-	(22,544)
II. Transactions with shareholders								
1. Cash dividends	-	-	-	-	(394,000)	(394,000)	-	(394,000)
2. Acquisition of treasury stock	-	-	(287,227)	-	-	(287,227)	-	(287,227)
3. Changes due to business combination	-	-	-	-	-	-	64,801	64,801
4. Others	-	-	(6,617)	-	-	(6,617)	-	(6,617)
March 31, 2013 (end of prior year)	100,000	6,131	(560,318)	12,917,226	9,205,731	21,668,770	112,197	21,780,967
April 1, 2013 (beginning of current year)	100,000	6,131	(560,318)	12,917,226	9,205,731	21,668,770	112,197	21,780,967
I. Comprehensive income								
1. Profit for the year	-	-	-	-	586,366	586,366	17,098	603,464
2. Gain (loss) on valuation of available-for-sale financial assets	-	-	-	(2,705,378)	-	(2,705,378)	-	(2,705,378)
3. Gain (loss) on valuation of held-to-maturity financial assets	-	-	-	(389)	-	(389)	-	(389)
4. Gain (loss) on valuation of derivate financial instruments for hedge accounting	-	-	-	42,118	-	42,118	-	42,118
5. Shares of other comprehensive income (loss) of associates and joint ventures	-	-	-	13,613	-	13,613	-	13,613
6. Other comprehensive income (loss) on separate account	-	-	-	(60,978)	-	(60,978)	-	(60,978)
7. Currency translation differences	-	-	-	22,510	-	22,510	562	23,072
8. Remeasurements of net defined benefit plans	-	-	-	13,795	-	13,795	-	13,795
II. Transactions with shareholders								
1. Cash dividends	-	-	-	-	(291,112)	(291,112)	(21,288)	(312,400)
2. Change of consolidated entity	-	-	-	-	-	-	558,186	558,186
3. Acquisition of treasury stock	-	-	(322,545)	-	-	(322,545)	-	(322,545)
4. Others	-	-	-	-	3,186	3,186	-	3,186
December 31, 2013 (end of current year)	100,000	6,131	(882,863)	10,242,517	9,504,171	18,969,956	666,755	19,636,711

CONSOLIDATED STATEMENT OF CASH FLOWS

58th (current year): As of December 31, 2013
57th (prior year): As of March 31, 2013

Samsung Life Insurance Co., Ltd. and Subsidiaries

(Unit: in millions of Korean won)

Account	As of Dec. 31, 2013	As of Mar. 31, 2013
I. Cash flows from operating activities	9,973,621	12,171,469
1. Cash generated from operations	6,048,800	6,901,416
A. Profit for the year	603,464	1,006,167
B. Adjustments in expenses and revenues (footnote 37)	4,422,807	10,944,405
C. Changes in operating assets and liabilities (footnote 37)	1,022,529	(5,049,156)
2. Interests received	3,996,806	5,338,747
3. Interests paid	(26,474)	(21,455)
4. Dividends received	81,888	226,053
5. Income taxes paid	(127,399)	(273,292)
II. Cash flows from investing activities	(8,796,433)	(10,848,208)
1. Proceeds from disposal of available-for-sale financial assets	6,826,184	10,473,406
2. Payment for acquisition of available-for-sale financial assets	(14,903,577)	(21,123,450)
3. Proceeds from disposal of held-to-maturity financial assets	139,568	204,140
4. Settlement of derivative financial instruments for hedge accounting	39,189	77,311
5. Proceeds from disposal of investments in associate and joint venture	17,040	26,644
6. Payment for acquisition of investments in associate and joint venture	(272,896)	(38,376)
7. Proceeds from disposal of assets held for sale	119,065	-
8. Payment for acquisition of investment properties	(759,282)	(431,913)
9. Proceeds from disposal of investment properties	78,700	20,020
10. Payment for acquisition of property and equipment	(56,827)	(56,734)
11. Proceeds from disposal of property and equipment	16,258	15,727
12. Payment for acquisition of intangible assets	(46,889)	(41,257)
13. Proceeds from disposal of intangible assets	1,341	23,069
14. Changes due to business combination (decrease)	(71,195)	1,085
15. Others	76,888	2,120
III. Cash flows from financing activities	(436,416)	(681,227)
1. Payment of dividends	(312,400)	(394,000)
2. Payment for acquisition of treasury stocks	(322,545)	(287,227)
3. Increase in loans	54,040	-
4. Increase (decrease) in non-controlling interest	144,489	-
IV. Net increase in cash and cash equivalents	740,772	642,034
V. Cash and cash equivalents at the beginning of the year	2,286,247	1,644,198
VI. Exchange loss on cash and cash equivalents	(219)	15
VII. Cash and cash equivalents at the end of the year	3,026,800	2,286,247

FINANCIAL STATEMENT

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

58th (current year): As of December 31, 2013
57th (prior year): As of March 31, 2013

Samsung Life Insurance Co., Ltd. (Unit: in millions of Korean won)

Account	As of Dec. 31, 2013	As of Mar. 31, 2013
Assets		
I. Cash and cash equivalents (footnote 37)	2,930,941	2,236,996
II. Financial assets at fair value through profit or loss (footnote 4,9)	594,867	2,066,926
III. Available-for-sale financial assets (footnote 5,9)	112,628,164	110,005,289
IV. Held-to-maturity financial assets (footnote 6,9)	719,540	857,386
V. Loans receivable and other receivables (footnote 7,9)	30,254,911	29,271,395
VI. Derivative financial assets for hedge accounting (footnote 8,9)	495,748	293,802
VII. Investments in subsidiaries, associates and joint venture (footnote 10)	2,842,554	2,013,084
VIII. Asset held for sale	-	52,906
IX. Investment property (footnote 11)	4,411,133	4,431,312
X. Property and equipment (footnote 12)	1,776,071	1,689,521
XI. Intangible assets (footnote 13)	176,504	163,048
XII. Current income tax assets (footnote 20)	51,243	95,204
XIII. Other assets (footnote 14)	4,103,557	4,136,663
XIV. Separate account assets (footnote 15)	30,018,174	28,161,584
Total assets	**191,003,407**	185,475,116
Liabilities and Equity		
I. Insurance contract liabilities (footnote 16)	128,685,610	121,198,491
II. Policyholder's equity adjustment (footnote 18)	6,007,431	7,492,055
III. Financial liabilities at fair value through profit or loss (footnote 9,19)	104,783	183,336
IV. Other financial liabilities (footnote 9,19)	994,750	987,315
V. Derivative financial liabilities for hedge accounting (footnote 8,9)	579,136	813,166
VI. Deferred income tax liabilities (footnote 20)	3,528,708	4,456,884
VII. Provisions (footnote 21)	97,770	97,376
VIII. Other liabilities (footnote 22)	438,120	635,960
IX. Separate account liabilities (footnote 15)	32,090,465	28,277,936
Total liabilities	**172,526,773**	164,142,519
I. Capital stock (footnote 23)	100,000	100,000
II. Capital surplus (footnote 23)	6,131	6,131
III. Capital adjustments (footnote 23)	(878,750)	(556,205)
IV. Accumulated other comprehensive income (footnote 23)	10,210,415	12,907,503
V. Retained earnings (footnote 23)	9,038,838	8,875,168
Total equity	**18,476,634**	21,332,597
Total liabilities and equity	**191,003,407**	185,475,116

STATEMENT OF COMPREHENSIVE INCOME

58th (current year): As of December 31, 2013
57th (prior year): As of March 31, 2013

Samsung Life Insurance Co., Ltd. (Unit: in millions of Korean won)

Account	As of Dec. 31, 2013	As of Mar. 31, 2013
I. Operating revenue	19,206,085	30,383,283
1. Premium income (footnote 24)	12,520,200	22,052,096
2. Reinsurance income (footnote 25)	164,943	215,293
3. Interest income (footnote26)	4,200,440	5,467,188
4. Gain on financial assets at fair value through profit or loss (footnote 27)	129,954	175,846
5. Realized gains on available-for-sale financial assets (footnote 27)	170,804	238,342
6. Gain on loan receivables and other receivables (footnote 27)	41,296	9,534
7. Gain on derivative financial instruments for hedge accounting (footnote 27)	506,738	403,952
8. Gain on foreign currency transactions (footnote 35)	90,078	41,472
9. Fee and commission income	25,450	32,514
10. Dividend income	90,231	198,456
11. Rental income	246,621	322,604
12. Separate account commission received	685,186	829,557
13. Separate account revenue (footnote 15)	280,678	350,497
14. Other operating income (footnote 28)	53,466	45,932
II. Operating expenses	18,646,796	29,148,753
1. Increase in policy reserves	7,396,665	14,418,228
2. Insurance claims paid	6,991,000	9,363,179
3. Reinsurance expenses (footnote 25)	176,949	228,445
4. Acquisition and administration expenses (footnote 29)	1,207,359	1,452,081
5. Amortization of deferred acquisition costs (footnote 14)	1,486,146	2,146,773
6. Assets management expenses (footnote 30)	306,219	399,740
7. Interest expenses	25,361	35,330
8. Loss on financial assets at fair value through profit or loss (footnote 27)	26,491	27,550
9. Realized losses on available-for-sale financial assets (footnote 27)	41,315	95,673
10. Loss on loan receivables and other receivables (footnote 27)	1	1,141
11. Loss on derivative financial instruments for hedge accounting (footnote 27)	90,806	32,293
12. Loss on foreign currency transactions (footnote 35)	511,050	417,862
13. Separate account expenses (footnote 15)	280,678	350,497
14. Other operating expense (footnote 28)	106,756	179,961
III. Operating income	559,289	1,234,530
Iv. Non-operating revenue (footnote 28)	103,419	45,044
V. Non-operating expense (footnote 28)	75,179	70,997
VI. Profit before income tax	587,529	1,208,577
VII. Income tax expense (footnote 31)	132,747	251,356
VIII. Profit for the year	454,782	957,221
IX. Other comprehensive income (loss), net of tax	-2,697,088	3,342,618
1. Items that may be reclassified as profit or loss		
A. Change in value of available-for-sale financial assets	-2,704,493	3,132,537
B. Change in value of held-to-maturity financial assets	(389)	(639)
C. Change in value of derivative financial instruments for hedge accounting	44,898	174,106
D. Shares of other comprehensive income of associates and joint ventures	10,810	-
E. Other comprehensive income on separate account	-60,978	58,433
2. Items that will not be reclassified as profit or loss		
A. Remeasurements of net defined benefit plans	13,064	(21,819)
X. Total comprehensive income for the year	-2,242,306	4,299,839
XI. Earnings per share (in Korean won) (footnote 34)		
Basic earnings per share	2,370	4,919
Diluted earnings per share	2,370	4,919

FINANCIAL STATEMENT

STATEMENT OF CHANGES IN EQUITY

58th (current year): As of December 31, 2013
57th (prior year): As of March 31, 2013

Samsung Life Co., Ltd. and Subsidiaries (Unit: in millions of Korean won)

Account	Capital	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total
April 1, 2012 (beginning of prior year)	100,000	6,131	(262,361)	9,594,719	8,284,952	17,723,441
Change of accounting policies	-	-	-	(29,835)	26,995	(2,840)
April 1, 2012 (rewritten)	100,000	6,131	(262,361)	9,564,884	8,311,947	17,720,601
I. Comprehensive income						
1. Profit for the year	-	-	-	-	957,221	957,221
2. Gain (loss) on valuation of available-for-sale financial assets	-	-	-	3,132,537	-	3,132,537
3. Gain (loss) on valuation of held-to-maturity financial assets	-	-	-	(639)	-	(639)
4. Gain (loss) on valuation of derivative financial instruments for hedge accounting	-	-	-	174,107	-	174,107
5. Other comprehensive income (loss) on separate account	-	-	-	58,433	-	58,433
6. Remeasurements of net defined benefit plans	-	-	-	(21,819)	-	(21,819)
II. Transactions with shareholders						
1. Cash dividends	-	-	-	-	(394,000)	(394,000)
2. Acquisition of treasury stock	-	-	(287,227)	-	-	(287,227)
3. Others	-	-	(6,617)	-	-	(6,617)
March 31, 2013 (end of prior year)	100,000	6,131	(556,205)	12,907,503	8,875,168	21,332,597
April 1, 2013 (beginning of current year)	100,000	6,131	(556,205)	12,907,503	8,875,168	21,332,597
I. Comprehensive income						
1. Profit for the year	-	-	-	-	454,782	454,782
2. Gain (loss) on valuation of available-for-sale financial assets	-	-	-	(2,704,493)	-	(2,704,493)
3. Gain (loss) on valuation of held-to-maturity financial assets	-	-	-	(389)	-	(389)
4. Gain (loss) on valuation of derivative financial instruments for hedge accounting	-	-	-	44,898	-	44,898
5. Shares of other comprehensive income (loss) of subsidiaries, associates and joint ventures	-	-	-	10,810	-	10,810
6. Other comprehensive income (loss) on separate account	-	-	-	(60,978)	-	(60,978)
7. Remeasurements of net defined benefit plans	-	-	-	13,064	-	13,064
II. Transactions with shareholders						
1. Cash dividends	-	-	-	-	(291,112)	(291,112)
2. Acquisition of treasury stock	-	-	(322,545)	-	-	(322,545)
December 31, 2013 (end of current year)	100,000	6,131	(878,750)	10,210,415	9,038,838	18,476,634

STATEMENT OF APPROPRIATION OF RETAINED EARNINGS

58th (current year): As of December 31, 2013
57th (prior year): As of March 31, 2013

Samsung Life Insurance Co., Ltd (Unit: in millions of Korean won)

Account	As of Dec. 31, 2013	As of Mar. 31, 2013
I. Retained earnings before appropriations	8,749,293	8,652,612
1. Unappropriated retained earnings carried over from prior year	8,294,511	7,668,396
2. Net income	454,782	957,221
3. Changing of accounting effect	-	26,995
II. Appropriation of retained earnings	187,167	358,101
1. Dividends	162,414	291,112
A. Cash dividends [Dividends (ratio) per share 2014: 850 won (170%) 2013: 1,500 won (300%)]	162,414	291,112
2. Reserve for credit loss	24,753	66,989
III. Unappropriated retained earnings to be carried over forward to subsequent year	8,562,126	8,294,511

STATEMENT OF CASH FLOWS

58th (current year): As of December 31, 2013
57th (prior year): As of March 31, 2013

Samsung Life Insurance Co., Ltd. (Unit: in millions of Korean won)

Account	As of Dec. 31, 2013	As of Mar. 31, 2013
I. Cash flows from operating activities	9,898,989	12,179,729
1. Cash generated from operations	5,906,163	6,925,757
A. Profit for the year	454,782	957,221
B. Adjustments in expenses and revenues	4,509,624	10,984,176
C. Changes in operating assets and liabilities	941,757	(5,015,640)
2. Interests received	4,008,415	5,337,249
3. Interests paid	(17,033)	(21,488)
4 Dividends received	90,231	198,456
5. Income taxes paid	(88,787)	(260,245)
II. Cash flows from investing activities	(8,591,173)	(10,852,684)
1. Proceeds from disposal of available-for-sale financial assets	6,826,184	10,470,049
2. Payment for acquisition of available-for-sale financial assets	(14,886,899)	(21,123,450)
3. Proceeds from disposal of held-to-maturity financial assets	139,568	206,089
4. Settlement of derivative financial instruments for hedge accounting	39,189	77,311
5. Proceeds from disposal of investments in subsidiaries, associates and joint venture	22,353	20,707
6. Dividends of investments in subsidiaries, associates and joint venture	7,218	28,864
7. Payment for acquisition of investments in subsidiaries, associates and joint venture	(652,102)	(75,595)
8. Proceeds from disposal of assets held for sale	125,832	-
9. Payment for acquisition of investment properties	(204,341)	(423,508)
10. Proceeds from disposal of investment properties	78,700	20,020
11. Payment for acquisition of property and equipment	(63,072)	(54,201)
12. Proceeds from disposal of property and equipment	16,016	14,292
13. Payment for acquisition of intangible assets	(42,891)	(38,183)
14. Proceeds from disposal of intangible assets	1,341	22,819
15. Others	1,731	2,102
III. Cash flows from financing activities	(613,657)	(681,227)
1. Payment of dividends	(291,112)	(394,000)
2. Payment for acquisition of treasury stocks	(322,545)	(287,227)
IV. Net increase in cash and cash equivalents	694,159	645,818
v. Cash and cash equivalents at the beginning of the year	2,236,996	1,591,407
VI. Exchange loss on cash and cash equivalents	(214)	(229)
VII. Cash and cash equivalents at the end of the year	2,930,941	2,236,996

THIRD PARTY ASSURANCE STATEMENT

INTRODUCTION

Det Norske Veritas Certification (hereinafter the "DNV") received a request for the independent assurance engagement of the 2013 Integrated Report (hereinafter the "Report") from Samsung Life Insurance (hereinafter the "SLI"). The independent assurance was conducted by focusing on management processes and reporting processes associated with the information provided for this Report. SLI is responsible for collecting, analyzing, organizing and reporting the information necessary to generate the Report as well as the claims made therein. DNV has the responsibility to carry out limited work for SLI according to contract conditions. In relation to this Independent Assurance Statement, DNV disclaims any responsibility to a third party other than the contracted party. The verification was made based on the assumption that the assurance team was provided with complete and sufficient data and information. SLI's Report contains information for its stakeholders.

SCOPE OF ASSURANCE

The data that was examined for this assurance include the data from 2013. The scope of the assurance is limited to the activities of SLI's head office, domestic branches and overseas operations. The scope of assurance for this Report is as follows

· Data and activities related to sustainability between the period from January 2013 to December 2013
· Evaluation of the Report and its principles for defining quality in accordance with GRI G3.1
· Evaluation of the accountability principle and its results (moderate level Type 1) in accordance with the AA1000 Accountability Principles Standard 2008 and the AA1000 Assurance Standard (2008)
· Confirmation of the application level of GRI
· The assurance was conducted by visiting SLI's head office in March 2014

LIMITATIONS

The sustainability management, performances and practices of a third party, including organization, suppliers and partner companies not directly under SLI's control, are not included under the scope of assurance for this Report. We do not meet with any external stakeholders during the assurance period. SLI's business report, disclosure information for 2013 and 2014 and financial information were not included in the scope of assurance for this Report. Therefore, the financial data, including the economic performances, was verified by comparing with the audited financial statement of the auditor with SLI's internal documents. The assurance team reviewed and tested the compilation and calculation processes used for drawing up economic performances.

ASSURANCE METHOD

We applied DNV's verification protocol for sustainability report (VERISUSTAINTM; WWW.DNV.COM/CR) and the AA1000AS (2008) in this assurance process. The conclusion we made was reached by complying with the protocol as shown below:

· Compliance with the principles of inclusiveness, materiality and responsiveness as stated in the AA1000AS (2008)
· Verification that this Report meets the 'A+' level requested by GRI G3.1

As part of our verification process, the assurance team confirmed statement and opinions associated with sustainability in the Report. Also, we reviewed the data management system, flow of information and robustness of control used in the Report. The assurance team confirmed and reviewed the documents, data and other information provided by SLI, and conducted interviews with SLI's employees. Also we received information and technology data produced from certified management system. We reviewed the sampling method as follows:

· Process of deciding on the importance of information for the Report
· Process of producing, collecting and managing quantitative and qualitative data included in the Report
· Accuracy of quantitative and qualitative data included in the Report

CONCLUSION

Based on the assurance activities performed, DNV did not make any discoveries that lead to the judgment that significant errors or omissions were made regarding SLI's sustainability management strategies and management systems and performances in this Report. Therefore, we verify that this Report meets the 'A+' level requested by GRI G3.1. Additional opinions and observations are as shown below.

Inclusiveness

We verify that SLI includes stakeholder engagement on sustainability management issues. It includes diverse stakeholders and this Report provides details on the stakeholder communication channels. This Report identifies the stakeholders as the 6 stakeholder groups, including shareholders/ investors, customers, local communities, the government, employees and FCs, and the environment. Each division utilizes direct and indirect methods to identify areas of major concerns for stakeholders and actively communicating and participating in the relevant process. The stakeholder engagement is conducted independently and the opinion survey of on-line stakeholders is reflected in the materiality test.

Responsiveness

The opinions, interests and expectations of stakeholders were reflected in making this Report and conducting SLI's sustainability management. SLI reported on the monitoring and measurement of performance indexes for important issues. This Report provides details on how important issues are resolved, ensuring SLI's current status of sustainability management is communicated to its stakeholders.

Materiality

We verify that SLI has conducted the materiality test by compiled global sustainability management issues through the analysis of international standards, review of internal documents, use of global benchmarking and media research. Based on this, SLI identified the impact on the company and analyzed the concerns of stakeholders through on-line opinion survey. The results of materiality test were applied when identifying and prioritizing the key issues based on the evaluation of the level of concern for stakeholders and the impact on SLI. We confirm that the results of the issues presented in the Report are major issues of SLI's activities and highly relevant to the stakeholders.

Completeness

This Report clearly identifies the stakeholder group. Also, the scope and limitation defined in this Report by SLI handles issues and activities that involve stakeholders and the major issues and activities of SLI. We did not make any discoveries that lead to the judgment that significant errors or omissions were made in this Report.

Quality Principle

We verify that this Report provides relatively balanced information. All indexes in this Report are based on fact without any biased information. We confirm that the data and information in this Report can be trusted. The comparison of performances shown in graphics was appropriate.

RECOMMENDATION FOR IMPROVEMENT

The following was provided to SLI's management as additional observations made regarding areas for observation and improvement. It did not affect the conclusion of this Report and only provided to encourage continuous improvement.

· The initiatives and indicators for economic, social and environmental performances are in the Report, but SLI should set quantitative goals that can be measured by initiative and report on the achievements made
· Plans for acquiring optimized data and information should be established to conduct internal verification by utilizing a certified management system to review the process for collecting data and information .

ELIGIBILITY AND INDEPENDENCE

DNV provides a variety of sustainability management services, including verification of sustainability reports. DNV has environmental and social verification experts in about 100 countries across the world.

DNV did not participate in preparing for documents or its contents when making this Report other than this Independent Assurance Statement. DNV kept neutrality when conducting interviews with stakeholders during the assurance period. DNV clearly states that it takes no responsibility to compensate for any individual or organization that made decisions based on this Independent Assurance Statement.

AA1000
Licensed Assurance Provider
000-10

March 2014
Seoul, Republic of Korea

CEO
In Kyoon Ahn

GRI INDEXES

GRI G3.1 INDEX

●: Fully reported ◐: partially reported ○: Not reported N/A: Not applicable

Indi-cators	Managerial Issues Report Contents	ISO 26000	Page	Applica-tion level	Remarks
	1. Strategy and analysis				
1.1	Statement from most senior decision-maker in organization	6.2	6,7	●	
1.2	Description of key impacts, risks, and opportunities	6.2	6,7	●	
	2. Organizational profile				
2.1	Name of organization		8,9	●	
2.2	Primary brands, products, and/or services		12,13,20,21	●	
2.3	Operational structure	6.2	14,15	●	
2.4	Location of organizational headquarters		9	●	
2.5	Location of overseas branch offices and sites		8,9	●	
2.6	Nature of ownership and legal form		9	●	
2.7	Markets served		8,9	●	
2.8	Scale of reporting organization		8,9	●	
2.9	Significant changes during reporting period regarding size, structure, or ownership		8,9	●	
2.10	Awards received in reporting period		92,93	●	
	3. Report parameters				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided		94	●	
3.2	Date of most recent previous report (if any)		94	●	
3.3	Reporting cycle (annual, biennial, etc.)		94	●	
3.4	Contact point for questions regarding the report or its contents		94	●	
3.5	Process for defining report content		76	●	
3.6	Boundaries of report		94	●	
3.7	State any specific limitations on the scope or boundary of report		94	●	
3.8	Basis for reporting on comparability from period to period and/or between organizations		94	●	
3.9	Data measurement techniques and bases of calculations for data, including performance index		94	●	
3.10	Explanation of the effects of & reasons for any re-statement of information provided in earlier reports		94	●	
3.11	Significant changes from previous reporting periods applied in the report		94	●	
3.12	GRI Content Index		88-91	●	
3.13	Policy and current practices with regard to seeking external assurances for the report	7.5.3	86-87	●	
	4. Governance				
4.1	Governance of organization	6.2	14-16	●	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer		14,15	●	
4.3	Number of members of highest governance body that are independent and/or non-executive members		14,15	●	
4.4	Mechanisms for shareholders and employees to provide recommendations or directions to highest governance body		14,15	●	
4.5	Compensation for members of highest governance body, senior managers, and executives		14,15	●	
4.6	Processes in place for highest governance body to ensure conflicts of interest are avoided		14,15	●	
4.7	Process for determining the qualifications and expertise of the members governance body		14,15	●	
4.8	Internally developed statement of mission or values, codes of conduct and principles		10,11	●	
4.9	Procedures of highest governance body for management of economic, environmental, and social performance		14,15	●	
4.10	Processes for evaluating highest governance body's own performance		14,15	●	
4.11	Whether and how the precautionary approach or principle is addressed by the organization		30,31	●	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives		93, 95	●	
4.13	Membership in associations and/or national/international advocacy organizations		86-87	●	
4.14	List of stakeholder groups engaged by the organization		77	●	
4.15	Bases for identification and selection of stakeholders with whom to engage		77	●	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and stakeholder group		16,17,77	●	
4.17	Key topics and concerns raised through stakeholder engagement, and responses to them		16,17,76,77	●	

●: Fully reported ◐: partially reported ○: Not reported N/A: Not applicable

Indi-cators	Managerial Issues Report Contents	ISO 26000	Page	Applica-tion level	Remarks
	Economic performance indicators	6.2, 6.8			
EC1	Direct economic value generated and distributed	6.8, 6.8.3, 6.8.7, 6.8.9	26-30,78-85	●	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	6.5.5	68-73	●	
EC3	Coverage of the organization's defined benefit plan obligations		55	●	
EC4	Significant financial assistance received from government		-	●	Not applicable
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	6.4.4, 6.8	-	●	223%
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operations	6.6.6, 6.8, 6.8.5, 6.8.7	-	○	
EC7	Procedures for local hiring and proportion of senior management hired from the local community	6.8, 6.8.5, 6.8.7	-	○	
EC8	Infrastructure investments and services provided primarily for public benefit	6.3.9, 6.8, 6.8.3, 6.8.4, 6.8.5, 6.8.6, 6.8.7, 6.8.9	29,58-63,70	●	
EC9	Understanding and describing significant indirect economic impacts	6.3.9, 6.6.6, 6.6.7, 6.7.8, 6.8, 6.8.5, 6.8.6, 6.8.7, 6.8.9	27, 58-63	●	
	Environmental performance indicators	6.2, 6.5			
EN1	Materials used by weight or volume		-	N/A	Not applicable
EN2	Percentage of materials used that are recycled input materials		-	N/A	Not applicable
EN3	Direct energy consumption by primary energy source		72	●	
EN4	Indirect energy consumption by primary source		72	●	
EN5	Energy saved due to conservation and efficiency improvements		72	●	
EN6	Reductions in energy requirements as a result of energy-efficient or renewable energy-based products and services	6.5, 6.5.4	72-23	●	
EN7	Indirect energy conservation businesses and achievements		73	●	
EN8	Total water withdrawal by source		73	●	
EN9	Water sources significantly affected by withdrawal of water		-	N/A	Unrelated
EN10	Percentage and total volume of water recycled and reused		-	○	
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity		-	N/A	Unrelated
EN12	Description of significant impacts of activities, products, and services on biodiversity		-	N/A	Unrelated
EN13	Habitats protected or restored	6.5, 6.5.6	-	N/A	Unrelated
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity		-	N/A	Unrelated
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	Unrelated
EN16	Total direct and indirect greenhouse gas emissions by weight		73	●	
EN17	Other relevant indirect greenhouse gas emission by weight	6.5, 6.5.5	73	●	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved		73	●	
EN19	Emissions of ozone-depleting substances by weight		-	N/A	Unrelated
EN20	NOx, SOx, and other significant air emissions by type and weight		-	N/A	Unrelated
EN21	Total water discharge by quality and destination		73	◐	
EN22	Total weight of waste by type and disposal method	6.5, 6.5.3	73	●	
EN23	Total number and volume of significant spills		-	●	No case of spills
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII		-	N/A	Unrelated
EN25	Name of water bodies significantly affected by the reporting organization's discharge of water and runoff	6.5, 6.5.4, 6.5.6	-	N/A	Unrelated
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	6.5, 6.5.4, 6.6.6, 6.7.5	70	●	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	6.5, 6.5.4, 6.7.5	-	N/A	Unrelated
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	6.5	-	●	No cases of fines or non-monetary sanctions
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	6.5, 6.5.4, 6.6.6	-	N/A	Unrelated
EN30	Total environmental protection expenditures and investments by type	6.5	70	●	

GRI INDEXES

●: Fully reported ◐: partially reported ○: Not reported N/A: Not applicable

Indicators	Managerial Issues Report Contents	ISO 26000	Page	Application level	Remarks
	Labor practices and decent work performance indicators	6.2, 6.4, 6.3.10			
LA1	Total workforce by employment type, employment contract, and region	6.4, 6.4.3	57	●	
LA2	Total number and rate of employee turnover by age group, gender, and region		57	●	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	6.4, 6.4.3, 6.4.4	53-57	●	
LA4	Percentage of employees covered by collective bargaining agreements	6.4, 6.4.3, 6.4.4, 6.4.5, 6.3.10	57	●	
LA5	Minimum notice period(S) regarding operational changes	6.4, 6.4.3, 6.4.4, 6.4.5	-	●	60 days
LA6	Percentage of total workforce represented in formal joint management worker-health and safety committees	6.4, 6.4.6	-	●	No such committee exists
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		-	●	No cases of injuries
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members	6.4, 6.4.6, 6.8, 6.8.3, 6.8.4, 6.8.8	54-55	●	
LA9	Health and safety topics covered in formal agreements with trade unions	6.4, 6.4.6	57	◐	
LA10	Average hours of training per year per employee	6.4, 6.4.7	56	●	
LA11	Programs for skills management and lifelong learning and assistance in managing career endings	6.4, 6.4.7, 6.8.5	55	●	
LA12	Percentage of employees receiving regular performance and career development reviews	6.4, 6.4.7	57	◐	
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	6.3.7, 6.3.10, 6.4, 6.4.3	14-15	●	
LA14	Ratio of basic salary of men to women by employee category	6.3.7, 6.3.10, 6.4, 6.4.3, 6.4.4	57	◐	
LA15	Return to work and retention rates after parental leave, by gender		55	●	
	Human rights performance indicators	6.2, 6.3			
HR1	Percentage and total number of significant investment agreements	6.3, 6.3.3, 6.3.5, 6.6.6	41-43	●	No such agreement exists
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights	6.3, 6.3.3, 6.3.5, 6.4.3, 6.6.6	41-43	●	None
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including percentage of employee trained	6.3, 6.3.5	43	●	
HR4	Total number of incidents of discrimination and actions taken	6.3, 6.3.6, 6.3.7, 6.3.10, 6.4.3	57	●	No case of discrimination
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk	6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.8, 6.3.10, 6.4.3, 6.4.5	57	●	
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken	6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.3.10	57	●	
HR7	Operations identified as having significant risk for incidents of force or labor, and measures taken		57	●	
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning human rights relevant to operations	6.3, 6.3.5, 6.4.3, 6.6.6	43	◐	
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	6.3, 6.3.6, 6.3.7, 6.3.8, 6.6.7	-	N/A	
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments		-	◐	100%
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms		42	●	No case of infringement
	Society performance indicators	6.2, 6.6, 6.8			
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities	6.3.9, 6.8, 6.8.5, 6.8.7, 6.6.7	58-63	◐	
SO2	Percentage and total number of business units analyzed for risks related to corruption	6.6,6.6.	41-43	◐	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures		43	●	
SO4	Actions taken in response to incidents of corruption		42	●	No cases of corruption
SO5	Public policy positions and participation in public policy development and lobbying	6.6, 6.6.4, 6.8.3	-	●	Unrelated
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country		-	N/A	Unrelated
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices, and outcomes	6.6, 6.6.5, 6.6.7	-	●	No such case exists
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	6.6, 6.6.7, 6.8.7	-	●	No cases of fines or non-monetary sanctions
SO9	Operations with significant potential or actual negative impacts on local communities		-	N/A	Unrelated
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities		-	N/A	Unrelated

●: Fully reported ◐: partially reported ○: Not reported N/A: Not applicable

Indicators	Managerial Issues Report Contents	ISO 26000	Page	Application level	Remarks
	Product responsibility performance indicators	6.2, 6.6, 6.7			
PR1	Life cycle stages in which health and safety impacts on products and services are assessed, and percentage of significant products and services categories subject to such procedures	6.3.9, 6.6.6, 6.7, 6.7.4, 6.7.5	-	N/A	Unrelated
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		-	N/A	Unrelated
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9	35-39	●	100%
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling		35-39	●	No cases of violations
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	6.7, 6.7.4, 6.7.5, 6.7.6, 6.7.8, 6.7.9	45-49	●	
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications	6.7, 6.7.3, 6.7.6, 6.7.9	45-49	●	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications		-	●	No cases of violations
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	6.7, 6.7.7	-	●	No cases of any complaints
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	6.7, 6.7.6	41-43	●	No cases of violations
	Financial statement performance indicators				
FS1	Policies with specific environmental and social components applied to business lines	59, 69		●	
FS2	Procedures for assessing and screening environmental and social risks in business lines	30,70-71		●	
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	41-43, 70		●	
FS4	Processes for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	43,56		●	
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	67,70		●	
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. mico/SME/large0 and by sector	28,29		●	
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	29,63		●	
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	29,70		●	
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	16		●	
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	29,70		◐	
FS11	Percentage of assets subject to positive and negative environmental or social screening	29,70-71		●	
FS12	Voting policies applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advices on voting	14-15		●	
FS13	Access points in low-populated or economically disadvantaged areas by type	63		●	
FS14	Initiatives to improve access to financial services for disadvantaged people	63		●	
FS15	Policies for the fair design and sale of financial products and services	41-43		●	
FS16	Initiatives to enhance financial literacy by type of beneficiary	61		●	

* Samsung Life's 2013 Integrated Report meets all the requirements for application level A+ as stipulated in the GRI G3.1 Guidelines.
* The report has also received approval and confirmation by a third party assurer that it meets the GRI's Application Level Check for application level A+ for GRI G3.1 Guidelines.
* The major details of changes in the GRI G4 Guidelines have been monitored and will be reflected in future reports.

AWARDS AND MEMBERSHIPS

Listed as the Dow Jones Sustainability Index(DJSI) World for two consecutive years

Incorporated into DJSI World | Dow Jones Sustainability Indexes (DJSI) is the world's most prestigious sustainability list. Since 1999, S&P Dow Jones of the U.S. and SAM of Switzerland have been evaluating 2,500 global top-ranking companies in terms of market capitalization on their financial performances and non-financial performances, including social contribution, governance, human rights and the environment. In September 2013, Samsung Life was named to the DJSI World list for the second consecutive years as the first Korean insurer, ranking among the world's top 15 and Asia's top 3 insurers.

Ranked as the No.1 insurance company in the 2013 National Customer Satisfaction Index(NCSI) for 10 consecutive years

Korea Productivity Center | The NCSI is a survey conducted by the Korea Productivity Center every year to award top performers in each industry by investigating customer satisfaction on Korean companies. In 2013, Samsung Life has topped the survey's life insurance category for the last ten years in a row.

Ranked as the No.1 insurance company in the 2013 Korea Standards Service Quality Index(KS-SQI) for 11 consecutive years

Korea Standards Association | The Korea Standard Association's KS-SQI surveys are conducted on customers in person and online to evaluate the quality of service by industry, then hands out awards for best practices based on these results. Samsung Life has ranked 1st for 11 straight years as a result of its customer-oriented management practices.

Ranked as the No.1 insurance company in the 2013 Korean Customer Satisfaction Index(KCSI) for 9 consecutive years

Korea Management Association Consulting | To aid in the qualitative development of Korean industries and acquire corporate competitiveness, the KCSI survey assesses customer satisfaction on products and services from Korean companies, presenting awards for best performers based on the survey results. Samsung Life has ranked first in the survey's life insurance category for nine consecutive years in recognition of its continuous implementation of customer-oriented management practices.

Ranked No.1 as the 2013 Most Admired Korean Companies in life insurance industry for 10 consecutive years

Korea Management Association Consulting | Korea Management Association Consulting releases its list of the Most Admired Korean Companies every year, singling out those with outstanding business performance results and continued innovation activities that increase customer/shareholder/employee/social values, while also being respected by the public. Samsung Life ranked 1st in the life insurance category for the tenth straight year in 2013 and was named one of the list's "All-Stars" (one of the list's top 30 companies).

Received the Forbes/KCCI CSR Awards

The Korea Chamber of Commerce & Industry, Forbes Korea | The Forbes/KCCI CSR Awards are given to companies that fulfilled its corporate social responsibilities by Forbes Korea and the Korea Chamber of Commerce & Industry to encourage their achievements. Samsung Life has received the KCCI-Forbes CSR Awards for its sharing management according to a three-step social contribution system, covering from infants to children and youngsters.

Ranked No.1 on the 2013 National Brand Competitiveness Index(NBCI) in life insurance industry for 10 consecutive years

Korea Productivity Center | The NBCI is an index where domestic scholars measure corporate brands on a regular basis. Since it has been developed in 2003, Samsung Life has ranked 1st in the life insurance category for ten consecutive years.

Ranked No.1 on the 2013 Korea Brand Power Index(K-BPI) in life insurance industry for 15 consecutive years

Korea Management Association Consulting | The K-BPI is Korea's first brand management model that has been in place since 1999. In addition to ranking first in the life insurance category for fifteen consecutive years, Samsung Life also ranked first in the retirement annuity category for two years in a row.

Listed in the 2013 Best Korea Brand

Interbrand | Interbrand's Best Korea Brand announces the world's 100 brands among global brands every year. Samsung Life ranked first in the life insurance category in 2013 (7th among Korean companies).

Ranked No.1 on the 2013 Brand Value in life insurance industry for 10 consecutive years

The Institute for Industrial Policy Studies | The Institute for Industrial Policy Studies' brand value evaluates the brand value of the nation, cities and companies. Samsung Life ranked first in the life insurance category for ten years in recognition of its brand value worth KRW 19.728 trillion.

Received the 6th Korea Internet Communication Awards in the life insurance/securities category and the social contribution category

Korea Internet Communication Awards | The Korea Internet Communication Awards, hosted by the Korea Internet Communication Association and the Electronic Newspaper, gives awards to companies and public institutions that communicated well with customers through social media or the web. In 2013, Samsung Life received awards in the life insurance/securities category and the social contribution category based on the comprehensive evaluation results of website, SNS and on-line activities.

Acquired the web accessibility certification mark

Web accessibility certification mark | Samsung Life's website was renewed in April 2013 so that all of our customers, including the disabled and the aged, can get access to our website under the same condition as others. Due to these efforts, we received the web accessibility certification mark from WebWatch, which is an affiliated organization of the Human Rights Forum of Persons with Disabilities in Korea.

CERTIFICATION

Rural Social Contribution Certification

Family-friendly Company Certification

Environmental Management System (ISO 14001) Certification

Energy Management System (ISO 50001) Certification

Signatory to the Carbon Disclosure Project (CDP)

ABOUT THIS REPORT

This is Samsung Life Insurance Integrated Report, which shows our intention to create economic, social and environmental values with our stakeholders throughout our business performance, as well as pledging our commitment to achieve mutual prosperity. With plans to publish this report on an annual basis, we intend to share information about our sustainability management activities and results, and future plans with our stakeholders through this report, while also using it as a communication channel for reflecting the opinions of internal and external stakeholders.

Reporting Period

This report is between January 1, 2013 and December 31, 2013. In the case of financial data, it is limited to from April 1, 2013 to December 31, 2013, which is because of the amendment of the Enforcement Decree of the Insurance Business Act in 2013. As a result, the fiscal year-end month has changed from March to December, which is why FY2013 shows economic performance results for 9 months from April to December.

- Some qualitative data also includes the activities of the first half of 2014
- In some cases, data from the past three years was also included to highlight certain trends
- Some environmental and social data showed changes in the previous year's figures due to new calculation standards.

Reporting Scope

- Samsung Life Insurance's head office, domestic branch network and overseas subsidiaries, branches and representative offices
- Some environmental data only covers the activities at domestic business premises due to physical difficulty of data collection

Reporting Standards

This report was compiled in line with the Global Reporting Initiative (GRI) G3.1 Guidelines and the Financial Service Sector Supplement (pages 88-91)

Third Party Assurance

This report received third party assurance from DNV (DET NORSKE VERITAS)

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2013 Samsung Life Insurance Integrated Report



2012 Samsung Life Insurance Integrated Report



2010-2011 Samsung Life Insurance Sustainability Report



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www.samsunglife.com

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www.samsunglifeblogs.com

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Associations & Memberships

Organization	Major activities
Korea Life Insurance Association	Protecting insurance policyholders' rights, promoting sound insurance business practices, and establishing a network for exchanging opinions with companies to establish fair insurance policies.
Korea Financial Investment Association	Promoting sound investment practices by establishing a fair trading practice and protecting investors.
FP Korea	Implementing work related to research activities on the development of financial planning businesses, the protection of financial consumers, and the financial stability and growth of households.
Korea Employer's Federation (KEF)	Promoting harmonious industrial relations and economic development through cooperation between labor and management, fair business management, and good labor-management relations.
Federation of Korean Industries (FKI)	Establishing a network to exchange opinions with companies to fulfil duties and responsibilities as a corporate citizen for society and international community.
Korea Insurance Development Institute (KIDI)	Supporting researches for the protection of insurance consumers and the development of insurance industry.
Korea Insurance Research Institute (KIRI)	Supporting researches for the stable development of insurance industry and the improvement of national economy.
Korea Economic Research Institute (KERI)	Supporting research activities for policy tasks on the development of Korean economy and the establishment of a business-friendly system
Financial Security Agency (FSA)	Implementing work related to contributing to the development of insurance and insurance industry by conducting researches on the theory, legal system and practices of insurance.
Korea Insurance Law Association (KILA)	Implementing work related to contributing to the advancement of Korea's insurance culture through international exchanges of researches and information regarding domestic and foreign insurance-related laws and regulations.
Korean Academy of Actuarial Science (KAAS)	Implementing work related to contributing to the development of financial and insurance industries and conducting researches on actuarial theory, actuarial-related legal system, industrial status and actuary.
Korean Risk Management Society (KRMS)	Implementing work related to researches on the theory and practices of risk management.
International Association of Insurance Supervisors (IAIS)	Implementing work related to contributing to the advancement of insurance culture by conducting researches on establishing insurance regulations and improving international cooperation with insurance supervisors.
International Association for Volunteer Effort (IAVE)	Promoting and exchanging through a global network for volunteering.
Volunteering Korea	Implementing work related to spreading the spirit of volunteering, including developing volunteering policies, distributing volunteering programs, and training volunteer workers.
Korea Listed Companies Association	Implementing work related to contributing to the protection of investors and the development of capital market.
Financial Information Security Association	Implementing work related to contributing to the creation of a safe and convenient environment for electronic financial transactions.
The Institute of Actuaries of Korea	Adopting diverse insurance systems, holding seminars, and exchanging information with the International Actuarial Association (IAA).
Fair Competition Federation	Implementing work regarding the promotion of competition principles, support for reinforcing fair trade capabilities of companies, and act as a bridge between the government and industries.
World Future Forum	Exchanging information to help with future economics by providing education and consulting on future economy.
Global Finance Forum	Sharing pending issues of financial market, holding forums and regular seminars to seek solutions, and exchanging useful information.
Korea Forum of Volunteerism	Sharing pending issues of financial market, holding forums and regular seminars to seek solutions, and exchanging useful information.
Korea Forum of Volunteerism	Implementing work related to establishing and promoting the correct direction of volunteer works.
Social Contribution Innovation Forum	Establishing a network for exchanging information about social contribution.