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SAMSUNG LIFE INSURANCE

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2014 Samsung Life Insurance Integrated Report



2014 SAMSUNG LIFE INSURANCE INTEGRATED REPORT

SAMSUNG LIFE INSURANCE

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Cover story



The world's first storytelling bridge, 'The Bridge of Life'

The Bridge of Life has been established to promote Samsung Life's core values, 'People, Love', which became a bridge that delivers messages of hope, courage, encouragement and comfort.

SUSTAINABILITY REPORTING

Samsung Life has been reporting on its financial and non-financial performance results according to its value chain and medium and long-term business strategies.
We hope to communicate further with our stakeholders about Samsung Life's efforts and performances on sustainable growth.

Efficient use of capital

- Increasing Assets and Values of Customer and Company
- Global Network and Establishing Business Foundation
- Performing Samsung Life's Know-hows and Systems for Customer Satisfaction
- Training and Rewarding our Employees and Consultants
- Communicating with Stakeholders through our Social Contribution Activities
- Efficient Use of Printed Papers and Energies

Samsung Life's Value Chain



Detailed information about Samsung Life's value chain can be found on page 10~11.

OUTCOMES



Economy



Society



Environment

	Risk indicators	2012	2013	2014	Unit
Creating Values	Total assets	186	192	214	KRW trillion
	Customers	807	819	821	million people
	Credit rating of insurer's solvency margin	AAA	AAA	AAA	-
	Sales volume of protection products (based on premium income)	8.5	6.4	8.6	KRW trillion
	Annual Premium Equivalent (APE)	3.02	4.05	3.87	KRW trillion
	RBC (solvency) ratio[1]	408	330	369	%
	Number of Samsung Life's tied agents (financial consultants) who have sales record[2]	2.46	2.58	2.59	million people
Customer satisfaction	National Customer Satisfaction Index (NCSI)	Ranked no.1	Ranked no.1	Ranked no.1	-
	13th month persistency rate	87.4	88.5	90.1	%
	Claims payment within 24 hours	51.8	79.2	73.3	%
	Total amount of claims paid	9.4	7.0	10.0	KRW trillion
	mis-selling ratio[3]	0.21	0.18	0.23	%
Shared management	Social contribution activity expenses	536	521	623	KRW 100 million
	Participation rate of employees' volunteer activities	90.4	94.7	92.1	%
	Total hours of volunteer works per employee	7.0	10.5	13.1	hours
Mutual growth	Number of trainees who have completed the Junior CEO program	204	384	622	persons
Environmental preservation	Amount of investment contracted for green business	4,474	10,399	15,279	KRW 100 million
	Greenhouse gas emissions per square	77.7	73.8	76.0	$tCO_2eq/1,000m^2$
	Amount of paper usage	1,360	1,287	1,223	ton
	Amount of eco-friendly products purchased[4]	-	21	26	KRW 100 million
	Accumulated number of the mangrove trees planted by SLI	17,500	24,500	26,500	trees

1) Number calculated by applying the solvency guidelines (Article 7-2 of the Regulation on Insurance Supervision) after April 1, 2009 for risk-based capital (RBC) ratio.
2) FCs who sold more than one insurance product per month.
3) Based on FCs, life insurance industry's average is 0.59%.
4) Amount of equipment purchased with eco-friendly condition.

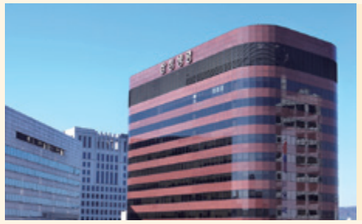
This report contains Samsung Life's commitment to sustain for the coming a century.

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 through the 'Shared Management'.

Insurance is love 사랑, 사랑

2014 HIGHLIGHTS

Samsung Life's major sustainability management activities in 2014 are introduced below.



Being the first in Korea's non-banking sector to exceed KRW 200 trillion in total assets

Since exceeding the KRW 100 trillion mark in 2006, Samsung Life's total assets continued to grow with its customer satisfaction management, being the first in Korea's non-banking sector to exceed KRW 200 trillion in 8 years. Moreover, Samsung Life strengthened its position as a highly respected global insurer by ranking 24th (Asia 8th) in total assets size among global insurers.

09p



Launching a life financial planning service, Golden Balance

Samsung Life launched the Golden Balance, which provides the golden ratio for money required throughout one's important time period. This service will help establish the Golden Balance that appropriately allocates the coverage and financial functions to suit customers'lifetime planning.

31p



Establishing professional asset management/CUSTOMER support systems

In order to strengthen the functions of asset management and customer support, Samsung Life has established an efficient organizational system by transferring the relevant tasks to Samsung Asset Management and Samsung Life Service. In the future, we plan to provide differentiated competitiveness through close cooperation with Samsung Life's value chain.

48p



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

Samsung Life has been listed on the DJSI World for three consecutive years, making it the first Korean insurer to be named on the influential list for its financial performances and non-financial performances, including social contribution, governance, human rights and the environment. Samsung Life will take this opportunity to become a highly respected insurer that gives back to society and customers.

82p



Strengthening field-oriented communication

Samsung Life shares its status of management and strategies through communication meetings held in different positions by the CEO. These efforts have contributed to improving communication and maximizing corporate values.

51p

Upgrading the working environments of FCs

In order to strengthen the expertise of FCs, Samsung Life has newly opened the Double Income (DI) Center to help foster FCs into highly efficient consultants and the New Employee Development Center to systematically develop new FCs.

48p





Ranked 1st NCSI for 11 consecutive years

Samsung Life conducts a variety of customer satisfaction programs as part of its efforts to increase customers' confidence. Due to these efforts, Samsung Life ranked no.1 for eleven consecutive years in the renowned National Customer Satisfaction Index (NCSI), while also ranking first place in the Korea Standard Service Quality Index (KS-SQI) for twelve consecutive years and in the Korea Customer Satisfaction Index (KCSI) for ten consecutive years, to record grand slams on customer satisfaction surveys.

40p

Popularity of the video on the Time Remaining for You Campaign

In order to deliver the inherent value of insurance and raise the awareness about the importance of time spent with family, Samsung Life has been implementing the Time Remaining for You Campaign. This video received lots of attention from the public to exceed 7 million views on blogs and Youtube in only two weeks through the internet.

42p





Implementing family-friendly programs hosted by labor and management

Samsung Life has been implementing family-friendly programs hosted by labor and management to create an environment where all employees can enjoy themselves. In 2014, the satisfaction level of employees enhanced through 'Family is Coming' programs that supported family trips and tours for parents.

53p





Reinforcing shared management and environment safety management

Samsung Life has been conducting shared management activities to resolve various social issues, concerning high suicide rate, low birth rate and juvenile delinquency, such as the Sesalmaeul project, Serotonin Drum Clubs and Suicide Prevention Campaigns. We also reinforced environmental safety management by promoting green finance and proactively carrying out safety management activities.

54p, 60p

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.

The continued economic downturn and low interest rates in 2014 sent warning signals to the financial sector, which intensified the competition for survival. Therefore, Samsung Life has strived to increase sales and strengthen profits, by setting clear goals under its goal of 'achieving qualitative growth through CUSTOMER-oriented practices'. As a result, Samsung Life made outstanding achievements that reinforced its position in protection-type products and improved new business margin, while also increased profits in spite of low interest rates.

In order to respond proactively to paradigm changes in the insurance industry, such as low interest rates, low growth and aging population, to achieve qualitative growth, we have systematically reformed our platforms for management, including organizations, systems and work processes. Due to these efforts, Samsung Life became the first Korean insurer to be named on the world's most renowned sustainability list, the Dow Jones Sustainability Index (DJSI) World, for three consecutive years.

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 achieve qualitative growth by maximizing corporate values.

To achieve this, we will implement three core tasks this year as follows:

Accelerating CUSTOMER and market-oriented qualitative growth

Samsung Life will further accelerate the qualitative growth to respond to future challenges with innovations. In order to overcome the current difficult conditions and accelerate qualitative growth, we will transform all of our strategies and work processes to be CUSTOMER and market-oriented ones. Also, we will improve the competitiveness of our sales channel by innovating the development system for our FCs, while also developing unique competitiveness with differentiated business model in high growth markets, such as retirees and the affluent, and bring the globalization of asset management.

Maximizing the corporate value through profits

Samsung Life will further reinforce its profit and improved corporate values. In 2014, we will increase the sales of protection-type products and improve new business values of other products, while also strengthen our profit base through continuous improvement of cost competitiveness. In addition, we will ensure prompt payment of premiums and prevent any unfair practices like insurance accidents, to protect the rights of our customers and shareholders and promote sound insurance business practices.

Establishing field-oriented and performance-oriented corporate culture

Samsung Life firmly believes that strategies should be implemented on site with our customers, while it is the most important means of making performances by focusing on meeting our goals. We will strive to further increase our performances, including reinforcing management practices to improve the competitiveness and execution in the field and establish performance-oriented corporate culture by getting rid of inefficient practices.

Dear stakeholders,

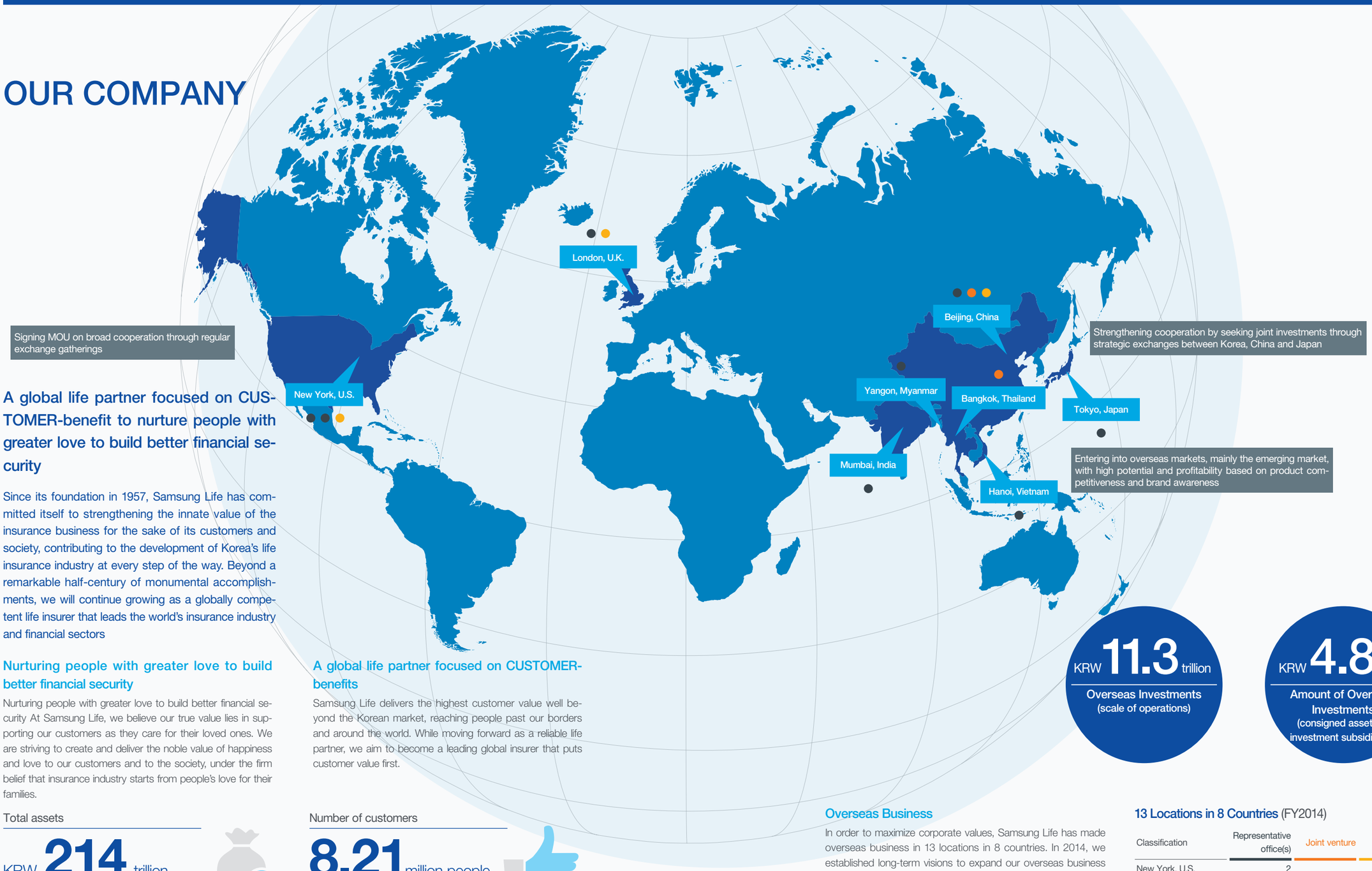
Along with the uncertainty of financial markets at home and abroad, the continuity of low interest rates and slow growth in the insurance market further weakened the market with prolonged period of low interest rates and low growth, which will bring intensified competition with other business areas due to financial convergence and the development of IT technologies. However, all of the employees at Samsung Life consider these situations as an opportunity and strive to become a highly respected global insurer as Korea's no.1 insurer. As a responsible corporate citizen, we will faithfully fulfill our role by giving back to our customers and the society. I hope that our stakeholders will continue to show their full support for Samsung Life in the future as we aim to become a highly respected insurer with high values for sustainable growth.

Once again, I would like to extend my sincere gratitude to all of the stakeholders who have supported Samsung Life.
Thank you.

金彰洙

April 2015
President & CEO **Chang-soo Kim**

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

Nurturing people with greater love to build better financial security

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.

KRW **11.3** trillion
Overseas Investments
(scale of operations)

KRW **4.8** trillion
Amount of Overseas Investments
(consigned assets of investment subsidiaries)

Total assets

KRW **214** trillion
FY2014

Number of customers

8.21 million people
as of December 2014

Credit rating of insurer's solvency margin

AAA 10 consecutive years
NICE Investors Service Co., Ltd.

Total amount of claims paid

KRW **10** trillion
FY2014

Overseas Business

In order to maximize corporate values, Samsung Life has made overseas business in 13 locations in 8 countries. In 2014, we established long-term visions to expand our overseas business to major areas by taking into consideration of market size and growth potential, along with efforts made for the normalization of existing business. Currently, we have set up joint ventures in Thailand and China, as well as operating representative offices and investment subsidiaries in the U.S., Japan, U.K., China, India, Vietnam and Myanmar.

13 Locations in 8 Countries (FY2014)

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

VISION & VALUE CHAIN

2020 Vision

Samsung Life redefined its business concept related to life insurance and transform into a CUSTOMER-oriented company, to achieve the goal of becoming one of the world's top 15 life insurers by 2020 based on its medium and long-term strategies.

Samsung's management philosophy

Business concept of life insurance

Global
- Being a globally competent company that can compete with the world's top insurers
- Launching a new era of global management for the company

Focused on CUSTOMER-benefit
- Establishing all business processes focused on CUSTOMER-benefits to provide financial and non-financial values expected from our customers

Life partner
- Being a life-long partner for our customers
- Providing a successful and safe financial solutions
- Ensuring prosperity and life value of our customers

Strategy & Goal

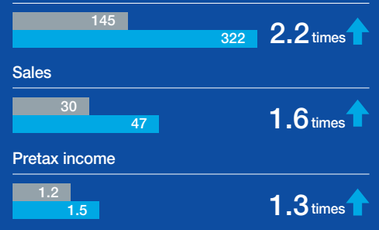
2020 GLOBAL TOP 15

Key Strategies

- Strengthening core competencies
- Solidifying the global businesses
- Exploring new business opportunities

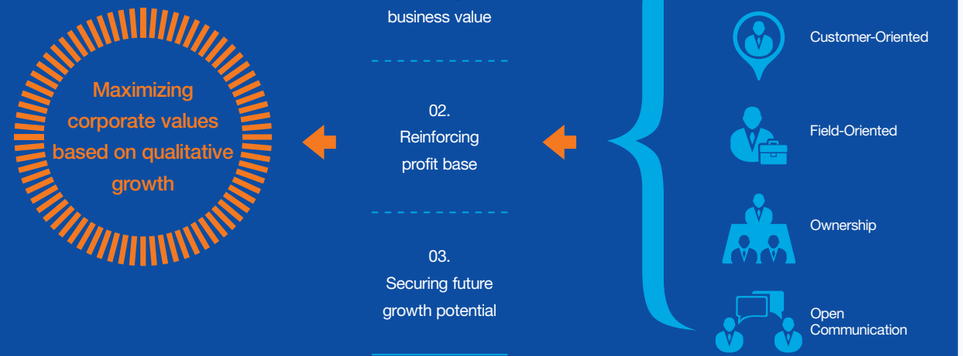
Estimated Growth (2010-2020)

(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 behaviour guidelines for all our employees.



Value Chain

Developing CUSTOMER-oriented products

Based on CUSTOMER-oriented management practices, Samsung Life has been developing CUSTOMER-oriented products. In particular, we maximized customer satisfaction based on integrated approaches taken on customers, products and channels. In addition, we are fulfilling our social responsibilities by providing products that pursue social values.

Selling products through diverse channels in the right way

Samsung Life has been operating a variety of sales channel to offer CUSTOMER-oriented products to our customers. In addition, we are implementing our management practices based on integrity management to improve our customers' rights.

Operating a professional asset management system

Samsung Life has improved customer asset values by establishing a professional asset management system by asset, including stocks, bonds and real estate. In particular, we deliver the inherent value of insurance through the globalization of asset management and increased returns.

Providing CUSTOMER satisfaction through shared values

Samsung Life has actively implemented its customer satisfaction activities and expanded communication with customers based on its customer satisfaction management. In addition, we provided better customer services with convenient and prompt payment of premiums for different stages.

Sustainable partnership for mutual growth

Samsung Life has acquired sustainable competitiveness through close cooperation with its suppliers and affiliates in the value chain. Also, we will achieve mutual growth with our suppliers by selecting them based on transparency and fair trade to manage supply chain risks, as well as provide support on funding and education.

Establishing an advanced corporate culture

Samsung Life has supported its talented employees who will take the lead in the future by developing financial professionals and global talents. In addition, we improved the satisfaction level and loyalty of our employees by creating a corporate culture that achieved work-life balance.

Creating shared value with local communities

Samsung Life has implemented social contribution activities that reflected the inherent value of insurance based on its management practices 'People, Love'. In particular, we improved our corporate values to resolve various social problems, including programs on preventing diseases and suicides.

Reinforcing environmental safety & health management

Samsung Life acquired its business competitiveness and minimized various future risks by conducting environmental safety & health management. In particular, we will strive to become a highly respected global insurer by actively implementing green finance like social responsible investment.

CORPORATE GOVERNANCE

Sustainability Governance

Role and status of 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, including agendas delegated by the annual general shareholders' meeting. At Samsung Life's BOD, there a total of nine persons, including five non-executive directors and four executive directors. In order to ensure the board's independence from management and balanced decision-making, we appoint a non-executive director to serve as chair of the BOD.

Operation of BOD

In addition to the regular quarterly meetings, Samsung Life convenes ad hoc meetings whenever deemed necessary. 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. 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. During the period of January to December of 2014, the BOD was convened 12 times, and among a total of 68 agendas, 52 agendas were adopted as resolutions, while 16 agendas were reported. Also, during the same period, the rate of independent directors in attendance was an average of 98 percent.

BOD Composition (As of March 2015)



Non-executive directors (5 persons)

Bong-heum Park / Chairman of the Board [1]
Doo-cheol Kim / Independent director [2]
Jeong-kwan Kim / Independent director [3]
Yong-ro Yoon / Independent director [4]
Jun-young Kim / Independent director [5]

Executive directors (4 persons)

Chang-soo Kim / President & CEO [6]
Tae-gonMun /Internal auditor [7]
Hong-JooGwak / Internal director [8]
Shin-hyung Choi / Internal director [9]

Independence of the BOD*	Transparency of electing directors	Expertise of the BOD
· A non-executive director serves as chair of the BOD to act as a liaison between the independent directors and management. · In case where various issues occur concerning the company, related matters are shared through an explanatory meeting with non-executive directors.	· Both executive and non-executive directors are appointed by resolutions passed at the general shareholders' meeting. · Candidates up for executive directors are recommended by the BOD, while candidates for non-executive 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. · Non-executive directors are also kept up to date with major management issues and the latest trends by the BOD, to strengthen their expertise.

* Samsung Life defines its independence through the resolution method under the BOD's regulation to ensure the BOD's independence.
1. The BOD's resolution shall be made with the majority of directors in attendance and the majority vote of attended directors.
2. The BOD may allow all its directors to join in discussion on the adoption of a resolution by means of a communication system transmitting and receiving visual images and sound simultaneously without the personal attendance of all or part of them. In this case, the director or directors concerned shall be deemed to have attended the meeting.
3. The director who has special interests in any of the matters for resolution may not participate in the resolution.
4. Any director who may not participate in a resolution under the provision of Paragraph 3 will not be counted in the number of directors in attendance.

Communication with stakeholders

Samsung Life also maintains communication channels with internal and external stakeholders, including specific channels for disclosure. Major decisions concerning management issues are immediately disclosed to all stakeholders. 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.

Operation of subcommittees under the BOD

Samsung Life operates a total of six subcommittees 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. 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.

Subcommittees (As of end of March 2015)

Category	Members	Subcommittee functions
Sustainability Management Committee	3 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
Risk Management Committee	2 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
Related Party Transactions Committee	3 non-executive directors	Deliberation and resolution of related parties to ensure higher transparency in business management
Audit Committee	1 standing auditor, 2 non-executive directors	Assessments and supervision related to the appropriateness of the company-wide internal control system; requesting reports on company information required for company audits
Non-executive Director Recommendation Committee	1 executive director, 2 non- executive directors	Recommendation of non-executive director candidates to the GSM

Evaluation and compensation 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 2014 meeting, the limit was set at KRW 20 billion, which is an increase of KRW 2 billion compared to the previous year. From this amount, only KRW 4.6 billion was actually paid out. Starting from 2013, registered directors earning more than KRW 500 million at Samsung Life have to reveal their paychecks to the public in compliance with the executive payroll regulations. 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.

Shareholder Composition

On May 12, 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.



(Unit: %)	As of December-end 2014
Kun-hee Lee	20.76
Cheil Industries	19.34
E-Mart	7.38
Samsung Foundation of Culture	4.68
Samsung Life Public Service Foundation	2.18
Others	45.66

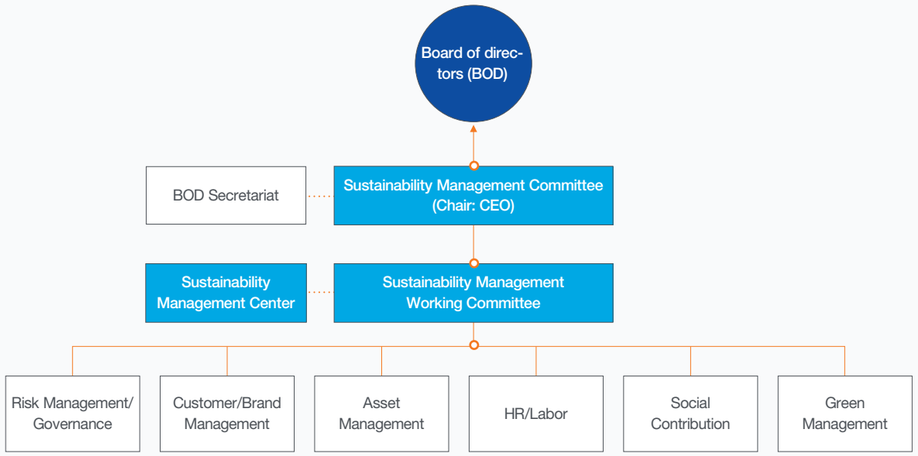
CORPORATE GOVERNANCE

Governance Structure of Sustainability Management

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.

Governance Structure



Sustainability Management Committee

Samsung Life's Sustainability Management Committee consists of two internal directors, including the CEO, as the highest decision-making body for sustainability management. This 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 operation 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 regarding various issues related to the company's financial and non-financial operations. Consisting of six working-level departments, this council controls HR, asset management, brand management, etc. A total of three meeting of the Working Council were held in 2014, where members discussed about the domestic and international trends of sustainability management, such as the performance results and implementation plans by department, the enhancement of the company's brand value and ways to respond to the impact of carbon trading system on the company. Also, every year the Council participates in the publication of our sustainability management report, as well as reflecting major issues derived from communication with the stakeholders in our management activities.

STAKEHOLDER ENGAGEMENT

Communication Channel with Stakeholders

Samsung Life's primary stakeholders are those who are directly affected directly or indirectly by its management activities. By taking into consideration of the stakeholders who mainly communicate with divisions related to sustainability management and benchmarking other insurance companies, we have defined our stakeholders into shareholders, investors, customers, local communities, the government, employees and FCs. Through various communication channels, Samsung Life listens to the stakeholders' opinions and ideas on the company's sustainability management on a regular basis, while we also continuously share issues of high interests with each stakeholder group.



OUR BUSINESS ACTIVITIES IN 2014

Strengthening Core Competencies

Strengthening competitiveness with profit-based management

In line with its management policy of 'maximizing corporate value through qualitative growth', Samsung Life has focused on strengthening its profit-based management in spite of the low growth market environment. In addition to developing protection-type products, we established an integrated marketing strategy for customers, products and channels by continuously reinforcing the competencies of our FCs, while also operating the CPC Planning Team to systematically handle product development and launching. In particular, we unified our management plans, products, channels and strategic directions based on the marketing intelligence (MI) on customers and segmented customers to select our customer groups, to establish strategies that suit each customer group.

Innovating channel platform

In order to improve channel platform, Samsung Life established strategies to achieve qualitative growth that exceeded past sales practices during the growth period. We also focused on increasing productivity from the exclusive insurance agent channel with competitive advantage, so that the new business EEV increased through protection-type products, while also improving the productivity and maintenance rate for protection-types. In addition, we established the foundation for continuous growth by responding to the market trends of non-exclusive channels, such as bancassurance and independent agencies. 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.

Securing Growth Potentials for the Future

Strengthening the competitiveness of retirement products

Samsung Life has predicted that competition between financial institutions will be more intensified due to the increased social interests on aging society and retirement. In this regard, we will ensure our competitive advantage by developing products and services that suit the needs of our people and society based on differentiated researches and expertise. Samsung Life has enhanced its product competitiveness in the retirement market by developing new investment vehicles and new guarantee options for variable insurance products. To start, we diversified our variable pension fund 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.

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

In order to promote a culture of preparing for retirement, Samsung Life has focused on providing information on both financial and non-financial services through publication and the media. Through these channels, we have secured differentiated competitiveness in terms of brand awareness and public confidence compared to other financial institutions.

Building a marketing system for the retirement market

Samsung Life provides a wide range of contents dedicated to retirement planning through 'Smart Life Design', providing relevant services on finance, health and leisure for our customers who retired or preparing for it. Furthermore, we are raising our brand power in the retirement market through our non-financial services that provide services where all family members can benefit from, including parents and children.

Major Activities

Samsung Life's retirement readiness index	Retirement report	Lifecycle design training program
· Surveys on the level of awareness and status of Korean people's retirement preparation · Retirement readiness index consists of four areas, including finance, health, activities and relations · Korea's first indexes that combines both financial and non-financial aspects	· Researches conducted on the retirement planning for both financial and non-financial aspects · Various issues and resolutions on retirement readiness derived from researches are notified and shared with the society	· A representative training program that enhances the awareness on retirement planning and help implement them · Korea's only customized training that takes into consideration of the age and needs of individuals · Trainings held 1,500 times against about 118,000 persons since 2011

Dominating the HNWI Market

Exclusive organization

In order to acquire a competitive advantage in the high net worth individual (HNWI) market, Samsung Life has set up an exclusive organization for HNWI with the Samsung Family Office, the FP Center, beneficiary certificates and trusts as relevant teams underneath it.

Wealth Management (WM) Business Division

Samsung Family Office	FP Center	Beneficiary certificates and trusts
· An exclusive organization that provides in-depth consulting services concerning family inheritance, tax reduction, investments and risk management. · Total care package on everything like corporate succession, child education, healthcare, cultural service and social contribution.	· An integrated lifecycle services for financial planning targeting HNWI clients, including inheritance, tax affairs and investments.	· Investment products provided for steady increase of wealth and the rebalancing and post management of portfolio offered on a regular basis. · Competitive financial products from the financial sector offered through trusts and customized solutions provided through real estate.

Strengthening financial expertise

Samsung Life seeks to build professional competence in order to provide differentiated asset management consulting and service to the HNWI clients. Our employees include not only those with professional qualification such as certified financial planners (CFP), certified financial analysts (CFA) and tax accountants, but also those with sales qualifications in stocks, real estate, derivation, etc., thereby offering customized products to customers in need. Also, weekly courses for capacity building are run by the experts in tax, real estate, and investment so that any changes in system of these areas are applied to our management. Moreover, we continuously provide support in capacity building of the consultants who are in direct contact with the customers, which allows us to offer differentiated solutions to needs of HNWI clients.

Specialized products and services for HNWI clients

HNWI clients' major needs are preservation, increase, and transfer of their wealth, and their interest in mid-risk/benefit products and wealth transfer is gradually increasing due to the entry to low interest, low growth, and aging society. Therefore, Samsung Life categorized the HNWI clients into corporate wealth, real estate wealth, and financial wealth, and it offers matching professional solutions and products to each group. This is a result of our efforts to aid customers' understanding and reflecting their needs by offering the integrated financial consulting which analyzes the financial issues including personal/corporate assets, the tax-related issues including inheritance/donated property/family business transfer, and personal/corporate assets, along with the non-financial issues such as labor and by collaborating with the experts. Also, we continuously provide the family integrated marketing programs that are Samsung's know-how for business management, retirement courses for husbands and wives, and global insight training for children, thereby maximizing customer satisfaction.

BUSINESS CASE

Acquiring competitiveness in the HNWI market

At Samsung Life, we implemented management practices to dominate the HNWI market through differentiated competitiveness and services, by seeing it as our future growth engine. Due to these efforts, Samsung Family Office received the 'Wealth Manager of the Year' at the '2015 Korea Wealth Management Awards', which determines the quality of services by PB centers in the financial sector through wealth management services, including the bank, stocks and insurances.



Awards

- 2014 Best PB Center ranked no.1 in life insurance (Hankyung Magazine)
- 2015 KOREA Wealth Management Awards (Money Today the bell)
- 2014 Ranked no.1 in the evaluation of fund companies (Korea Financial Investors Protection Foundation)

OUR BUSINESS ACTIVITIES IN 2014

Sound Growth of Overseas Business

Expanding overseas business

Samsung Life has expanded its overseas business to ensure stable future growth and increase profitability. In Thailand, we expanded our business by targeting mass customer groups through differentiated sales models for individual Channel. In addition, we reinforced our business in the value chain concerning products, IT, marketing and back office. In China, we plan to actively utilize our alliance with the Bank of China to tap into the bancassurance market as the main sales channel. In the future, we plan to expand our overseas business by selecting countries with high potentials and profitability among the emerging markets.

Preparing for overseas business strengthening

Samsung Life has continuously developed global competencies by preparing for overseas expansion in its system. In particular, we focused on exploring potential candidates, managing risks, developing talents for overseas business and strengthening global networks.

Newly establishing the 'Overseas Business Committee'
Samsung Life has newly established the Overseas Business Committee that makes prompt decisions and review implementations conducted for overseas business, including M&A. Acting as a company-wide system for consulting and making decisions, the Committee is held once every quarter regarding overseas business.

Major activities



Surveys and monitoring on trends
- Continuous monitoring on market changes, including surveys conducted the trends of local insurance markets.
- Business strategies established to target countries with highly attractions among the emerging markets, including market size, profitability and growth potential, etc.

Managing risks and developing people
- Risks associated with entering into overseas markets are prevented by establishing detailed strategies in the value chain, including overseas entry manual, thorough market analysis, channels, products, IT and marketing.
- HR management system ensures that a pool of core employees and management required for business operation is implemented.

Reinforcing global networks
- HR network is established through exchanges with local people of countries that have already entered into or are planning to do so.
- Business alliance and personal exchanges with Vietnam's national insurance company BaoViet, Myanmar's MI and IKBZ, and Indonesia's Jiwasraya.

BUSINESS CASE

Operating the global forum

Samsung Life has promoted overseas business and established a company-wide consensus through a regular seminar called global forum. By sharing issues associated with overseas business through close cooperation between the Planning Team and the Overseas Business Team, we utilize it as an opportunity to bring implications on overseas business, including examples of success or failure and market changes found in the emerging market. Meanwhile, we plan to make exchanges between Asia's top insurers on a regular basis to establish strategic relations in 2015.

Major themes for discussion
- Analysis of growth strategies and success factors for advanced companies
- Major trends and latest examples of M&A in the life insurance industry
- Strategic changes in the overseas business for global companies
- Market analysis of Asia's major target countries
- Growth strategies and success factor for advanced countries
- Studies on M&A systems and processes
- Asia's emerging market entry strategies, etc.

RISK MANAGEMENT

Risk Management for Protecting CUSTOMER and Corporate Values

Risk management organization

Samsung Life has established Risk Management Committee consisting of two executive directors and two non-executive directors under the BOD, acting as the highest decision-making body for risk management. The Committee conducts all duties related to monitoring the level of risks, including enacting regulations, establishing procedures, establishing permissible limits by risk type and setting up guidelines, including BCP[1]. In addition we hold committees related to various risks and oversee the overall risks, while also implementing improvement activities and operate a division in charge of various risks.

1) Business Continuity Plan (BCP): a plan established to ensure core tasks are implemented during emergency situations like disasters, etc.

Reinforcing risk management

Samsung Life classifies risks types into several categories: insurance, interest rates, credit, markets, liquidity and operations, to manage risks. In particular, we have measures that can be taken before and after risks occur throughout asset management. We have quantitative risk management systems in place to measure risks, including the Value at Risk (VaR)* system, to analyze risk situations on a regular basis. 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 analyze the quality of new financial instruments. We also screen for any investment products that have potential risk related to customer complaints, legal disputes, or risks that could undermine the company's reputation. Finally, in order 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.

* VaR (Value at Risk): amount of maximum loss that might arise during a set period under a certain level of trust provided in normal market conditions.

Potential Risk Management

Samsung Life is arranged with the strategic response plan for potential risks in its business operation. We manage the business continuity plans to prevent any risks related to customer information (p.20-21), or occupational accidents such as fire or explosion. In particular, Samsung Life has established the EC-based ERM System (p.20) in order to build a business management system based on risks in the overall process from product development to asset management.

Risk Management Committee

- **Insurance Risk Management Committee**
  Decisions made on operational standards concerning underwriting, claim payment assessment, etc.
- **Variable Insurance Risk Management Committee**
  Decisions made on variable guarantee option hedges and operational strategies.
- **Asset Risk Management Committee**
  Decisions made on operational guidelines and establish risk management policies for assets.
- **Product Committee**
  Decisions made on developing new insurance products, stopping sales and applying applicable rates.
- **Investment Committee**
  Decisions made on investments like large amount financial assets, real estate, etc.
- **Loan Committee**
  Decisions made on loan transactions and establish credit management standards.
- **Crisis Management Committee**
  Establish and operate the BCP during emergency situation.

BUSINESS CASE

Managing 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 for insurance business, we have a guideline for handling accidents. After acquiring the international certificate issued by the BSI (British Standards Institution) to manage BCP in 2008, we provide post management system annually and the renewal of certificate. In February 2014, we established a disaster management system that is practical and systematic through renewing the international certificate (ISO 22301).



RISK MANAGEMENT

A company-wide risk management that reflects actual risks

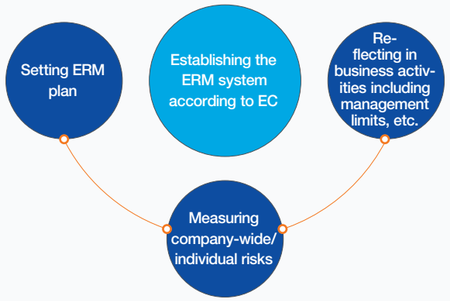
Samsung Life has established an enterprise risk management (ERM) system in order to strengthen its management of risks related to economic capital (EC), which reflects its actual risks, to create a business environment where business decisions are made based on EC and the company's solvency. As a method 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. Besides total limit on risks, we review returns on investment by taking into consideration of risks during decisions made on investments, while also assessing the product profitability based on risks derived when releasing new products, so that actual risks are taken into consideration during our decision-making process for management practices.

In 2014, we rearranged systems to establish the ERM system. In terms of the system, we systematized an EC measurement by product/asset and rebuilt the asset liability management (ALM) system; and in terms of the work process and management system, we established LAA[1] for corporate-wide risk and SAA[2] by insurance type, and further developed a risk limit management system.

Samsung Life will continue to apply the ALM and risk index to the corporate management by using the ERM system in the relevant management including risk-based investment and product development.

1) 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

2) 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.



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

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

Reflecting in business activities including management 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

Implementing CUSTOMER Information Protection Activities

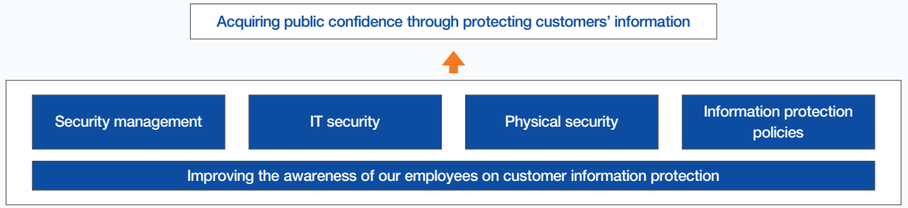
Risks related to CUSTOMER information protection

Recently, the interests on protecting customer information have increased due to the leakage of customer information by some financial institutions. These accidents have not emotionally and physically affected customers, but also brought on economic losses, such as hurting the public confidence on companies and reducing sales. Besides claims payment, we value our customers' information and implements activities that protect them.

Management areas for CUSTOMER information protection

Samsung Life has selected four areas for customer information protection, including security management, IT security, physical security and information protection policies, to strengthen our security-related duties.

Major management areas for customer information protection



Management organization for protecting CUSTOMERs' information

Information Protection Center

Samsung Life has assigned security managers and supervisors from various departments that are in charge of security-related duties to strengthen their responsibilities. Among them, the Information Protection Center implements measures of managerial, technical and physical aspects to protect customer privacy.

Operation of Security Committee

Samsung Life holds Company-wide Security Committee on a monthly basis with CSO as chair to deliberate and make resolutions on matters regarding company-wide information protection duties. The Committee has department heads of personal privacy protection, IT security and facility security as members, to deliberate and make resolutions on company-wide security matters, including policies on information protection and areas that need improvement in the system and security.

Information Protection Infrastructure

Establishing the Project Center for IT systems

In order to prevent the leakage of information, Samsung Life has established the Project Center applied with security measures by stage during projects on developing IT systems where outsourced personnel participate. We prevent customer information from being leaked during the IT projects through various security measures, including x-ray system for preventing unauthorized electronic equipment, stickers placed on smart phone cameras to prevent filming, access management system, restrictions on internet access and deleting by-products.

Establishing a system for detecting warning signs of security accidents

Recently, Samsung Life has established a system for detecting warning signs of security accidents by setting up an integrated log management system that respond to legal changes and meet internal and external demands for information protection. This system detects warning signs by scenario on a real-time basis, such as excessive inquiries made on customer's information unlike general duties, or abnormal increases in printed materials.

Strengthening information protection activities

Samsung Life has implemented comprehensive information protection activities for all employees to protect customers' information, including providing training programs, holding mock training for addressing such accidents when they occur and monitoring security activities regularly.



- Information protection training held for 5,333 employees in 2014.
- Conducting employee training customized to suit their class and duty by subdividing the trainees starting from 2015.
- Planning to strengthen training for suppliers employees who handle personal information.



- Accident response system is established and operated not only to protect customers' information, but also be prepared for any security accidents from arising.
- Mock training for addressing security accidents is held once a year to improve readiness and minimize and prevent any security accidents.



- Activities for accident prevention are implemented, including a company-wide security examination and review of personal information management once every quarter.
- Implement cyber security check internally every month.
- Regular examination system utilizing the system for detecting warning signs of security accidents will be strengthened.

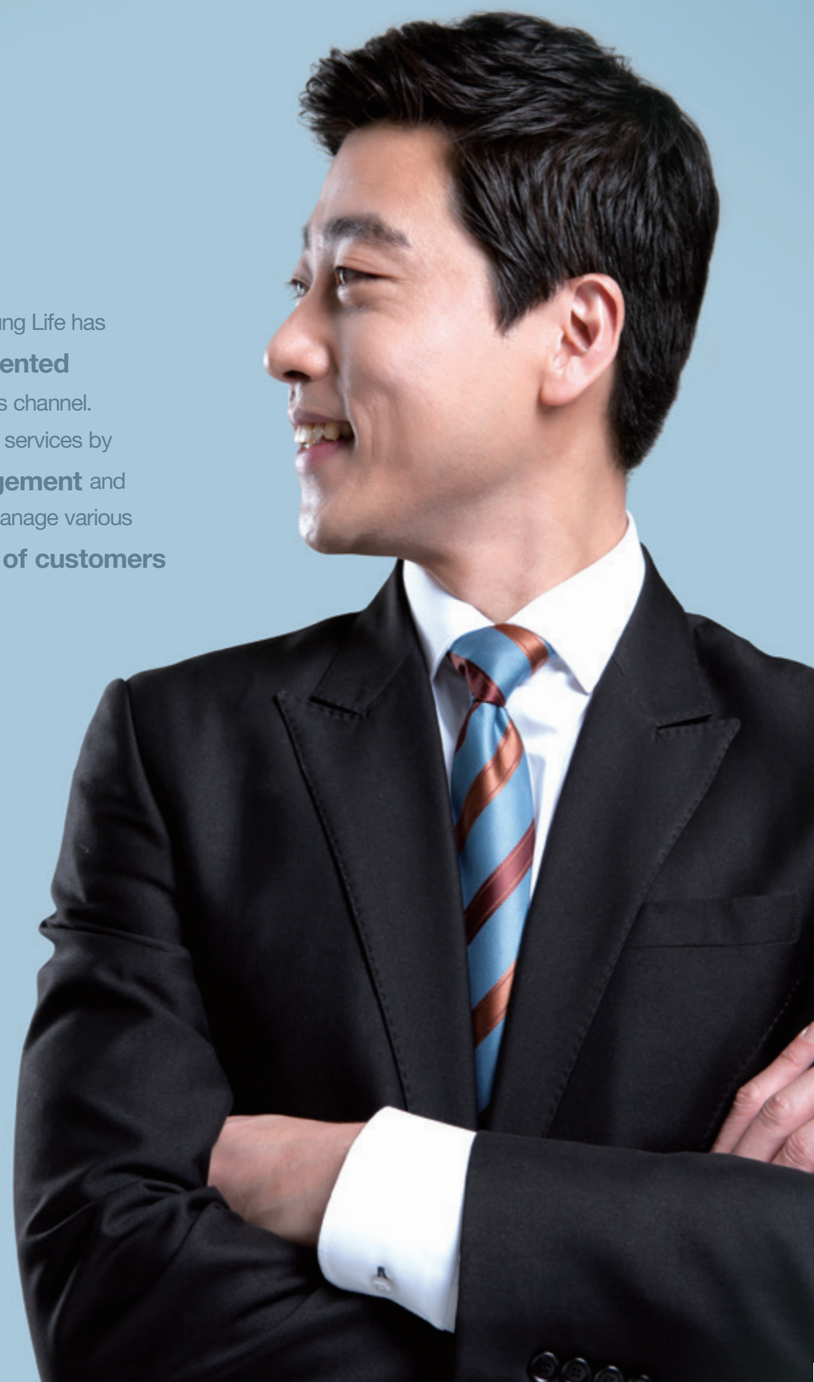
SUSTAINABLE VALUE CHAIN
-CREATING VALUE



What kind of efforts does Samsung Life carry out to deliver **true customer value?**

24 Four Mega Trends of the Insurance Industry
26 CUSTOMER-oriented Product Development
30 Selling Products through Diverse Channels in the Right Way
34 Establishing a Professional Asset Management System

For customer convenience, Samsung Life has **developed CUSTOMER-oriented products** and diversified its sales channel. In addition, we have reinforced our services by providing **global asset management** and establishing asset companies to manage various assets. We are building **the love of customers much greater.**



Four Mega Trends of The Insurance Industry

With the aim of becoming one of the world's top 15 life insurers by 2020, Samsung Life is more aggressive than ever on the global front to address future changes, by analyzing the rapidly changing insurance industry and calculating the risks and opportunities.

Samsung Life is strategically addressing environmental impacts at home and abroad associated with insurance business, so that we can seize new opportunities and enter into new markets. In particular, we have selected 4 mega trends that affect our sustainability management practices and addressed issues related to them, to develop new service platforms and actively implement management activities.

Analysis of insurance industry environments	Factors of risks and opportunities	Our response
Changes in population structure	Korea has experienced unprecedented changes in its population structure brought by aging society and low birth rate. Major target groups for buying insurance policies has shifted to people aged 50 and older, while the number of births fell to a record low in 2014. Social issues were raised by the changing population structure, including low birth rates and aging society.	**Risk** · Reduction in overall workforce and falling potential growth rate due to low birth rates and aging society · Declining growth in the insurance sector because the number of people in their thirties and forties, as major insurance policyholders, isgradually decreasing. **Opportunity** · Insurance market expected to increase due to the aging population investing in insurance policies · Increase in public financial support by the government to assist with how the population profileis changing	· Operating the Retirement Research Center · Strengthening retirement products and services · Establishing a comprehensive retirement service system that combines non-financial services · Implementing activities on public awareness about the insurance business through education on life plan and campaigns
Changing laws and regulations	Recently, the Korean government has either revised and/or newly enacted laws and regulations related to business activities of insurance companies. Various laws and regulations that enhance business activities and protect financial consumers improve law compliance, while also contributing to the enhancement of business performance.	**Risk** · Strengthening laws to minimize damages suffered by financial consumers and implementing regulations associated with customer information protection **Opportunity** · Overseas market opportunities increased by promoting overseas market entry and streamlining procedures · Business running smoothly as regulations have changed in the direction of strengthening the autonomy of insurers	· Establishing systems and strengthening monitoring to minimize Mis-selling practices · Operating infrastructure and raising awareness for the protection of customer information · Conducting daily monitoring on compliance, management and IT · Enterprise-wide sharing of the importance of customer protection and establishing an exclusive organization internally
Increasing economic uncertainty	As the global recession continues to deepen, domestic consumption has decreased while economic uncertainty has increased. Companies have diversified their business strategies and made innovative decisions, to enhance future competitiveness.	**Risk** · Decreases in insurance policies signed and premiums earned due to continuous low growth · Declining returns in asset management due to prolonged low interest rate environment **Opportunity** · Increased interestin insurance because of economic recession continuing	· Enhancing customer satisfaction through developing CUSTOMER-oriented products and services · Establishing a professional asset management system · Securing future growth engines by expanding specialized products and marketing for the retirement market and HNWI clients · Strengthening overseas business
Diversification of sales channel	It is inevitable that as technology develops, so customer needs have become diversified. In particular, it is necessary to make proactive and prompt responses to these changes because the needs for online and mobile-based products and services are increasing.	**Risk** · Intensified competition in the insurance market with insurance companies and banks entering into the market **Opportunity** · Diversification of sales channel like online and mobile services	· Monitoring customer and market trends through MI (Market Intelligence) · Establishing strategies and strengthening support activities to suit the trait of each channel · Operating online sales channel with high future growth · Operating a Branch in Branch (BIB) that sells life insurances, fire insurances and securities

Experts' opinion



Director of Samsung Life's Retirement Research Center, **Ki-Chul Park**

Responsive measure to population structure changes is needed.

Due to the sudden changes in the population structure associated with low birth rates and aging population, many financial companies including Samsung Life are developing and offering a variety of products and services. In addition, the Korean government is providing financial support to actively utilize private insurance to address the rapid increase in older populations. In this regard, Samsung Life has to take the following into consideration.

First, insurance products should be developed to proactively address population changes. Besides strengthening the existing products for aging society like Naeri Sarang Annuity and Annuity Savings Gold Annuity, products should be developed to meet the customer needs caused by life expectancy increases, with hybrid annuity. The next thing to do is offer products and services that enable clients to be prepared for life after retirement, which have not been previously experienced. Furthermore, besides combining non-financial services such as health and life care services with the asset management services, we should raise public awareness about preparing for retirement through education on life plan and portal sites exclusively for retirement preparation.



Vice Chairman of Korea Life Insurance Association, **Soo-Sang Oh**

Regulatory changes that affect financial environments need to be utilized.

Recently, the Korean government has shown a lot of interestin law revisions to reinforce the rights of financial consumers and stimulate business activities.

In order to recognize this changing financial environment as a new opportunity and proactively respond to it, Samsung Life should carry out the following activities. First, it is necessary to recognize the importance of customer protection and operate an exclusive organization, as well as strengthen internal management. Complaints considered to be minor have turned into bigger complaints to damage the corporate image and bring a negative effect on business performance. Therefore, it is necessary to focus on internal management by promoting the operation of an exclusive organization that gathers diverse opinions of customers and provides education to FCs and call center employees.

In addition, we must establish a model that offers stable profits by proactively addressing changes in insurance businessenvironment, such as the emergence of financial branch in branch and Fin-Tech. As we have led Korean Life Insurance market, we expect to become a global leading company by dealing with changes in regulation of government and each market countries.



Team Leader of Samsung Securities Research Team, **Young-Jae Maeng**

Sustainable growth can be achieved by making investments as an insurance company.

Since Samsung Life aims to become a leading global company as Korea's leading insurer, it should take an initiating role in financial investment. First, it is necessary to release products and make investments that meet customer needs and periodic trends. Even though, an investment product does not look promising right now, it is more likely to be successful if it meets periodic trends and customer needs. Also, it can become Samsung Life's representative product with the company's competitiveness and capabilities added to it. Next, the non-financial factors like safety, environment and governance should be taken into consideration evenly based on financial soundness before making investments. Samsung Life not only protects premiums received, but also chooses its investment market by taking into consideration merits like financial stability and soundness, so that more can be given back to customers. If Samsung Life's strategies are implemented to achieve sustainable growth in the future as mentioned above, I think it is possible to improve the company reputation, as well as be an attractive company to investors.



Branch Manager of Samsung Life Gyeongin Region Business Division, **In-Gyu Jung**

It is necessary to innovate and diversify sales channels.

The life insurance industry is suffering from worsening profitability because of continued low-interest-rate and a low growth environment. As a person who is working in the field, I am desperately aware of these changes. I think Samsung Life needs to diversify its sales channels and strengthen the existing channels to overcome these circumstances and achieve sustainable growth. In particular, smart devices have been adopted in the sales channels of life insurance companies due to the widespread use of online services and mobile phones recently. Samsung Life expanded mobile subscriptions by operating a 'People On' system that provides one-stop services on all processes through tablets, including attracting new clients and signing insurance plans. However, since there is a difference in the level of tablet skills by consultants, there need to be more training programs on smart phones and tablets to improve their skills. Also, the 'internet insurance lounge' should be utilized as a complete online sales system as consumers are becoming more sensitive about interest rates and the rapid growth of ICTs(Information and Communications Technologies). In particular, the competitiveness of online channels should be strengthened by diversifying products exclusively for online, reinforcing specialized services and connecting to SNS(Social Network Services).

CUSTOMER-oriented Product Development
Selling Products through Diverse Channels in the Right Way
Establishing a Professional Asset Management System
CUSTOMER Satisfaction through Sharing Values
Sustainable Partnership for Mutual Growth
Establishing an Advanced Corporate Culture
Creating Shared Value for Local Communities
Reinforcing Environmental Safety & Health Management

CUSTOMER-oriented Product Development

Importance of the issue
As the insurance industry and market trends change rapidly and customers' expectations and perceptions have evolved over time, products developed to meet customer needs are directly linked to Samsung Life's sustainability. In addition, taking into consideration that competition has intensified in the Korean insurance market, the most important thing is to develop highly competitive products in order to find new breakthroughs and expand Samsung Life's customerbase.

Risks and opportunities
According to diversified customer needs, their needs should be precisely analyzed so that products and services can be developed continuously. Products developed to reflect customers' perspectives or opinions not only enhance customer satisfaction, but also provide an opportunity to build customer loyalty. However, corporate-oriented product development can worsen the company's image by losing customer confidence.

Approaches to issues
- Integrated approach to customers, products and channels
- Optimized insurance products that meet customer needs
- Financial products pursuing social responsibilities and values

Major performances

KRW **8.6** trillion

Sales volume of protective insurances

*Based on premium income of personal and group protective insurances

Acquisition of the right to exclusive use

Naeri Sarang Annuity

Integrated Approach to CUSTOMERS, Products and Channels

Establishing CUSTOMER-oriented work processes

Samsung Life is operating a Customer-Product-Channel (CPC) Strategy Center that oversees work related to analysis and strategies on customers, products and channels, to further strengthen CUSTOMER-oriented management practices and implement customer-focused work processes. Based on its MI (Market Intelligence) function, the CPC Strategy Center played a leading role in the whole process from customer data analysis and CUSTOMER-oriented product development to channel strategy implementation. Samsung Life will strive to provide the inherent value of insurance to customers by developing products that meet customer needs and sell them through the best sales channel.

Developing products that meet CUSTOMER needs

In order to provide products that meet customer needs, Samsung Life is managing customers by segmenting them into six customer groups. As a result, products and services that give greater satisfaction than customers' expectation are provided. When developing products, synergies are created through collaborations between related divisions throughout the whole process from analyzing market opportunities and sales performances to giving feedbacks and developing products.
In particular, we have consolidated our product and service development activities to ensure we have an advantage in markets for retirees and the affluent, while also reinforcing 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 enhance our CUSTOMER-oriented product development process based on the precise analysis of customer needs.

Main tasks of the CPC Strategy Center

- Conducted the periodic customer surveys to analyze customer needs
- 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(Market Intelligence)
- Collected MI(Market Intelligence) 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 customerneeds, including developing differentiated marketing tools customized to customer needs

Product Development Process

1. Market opportunity analysis	2. Feasibility studies	3. Feasibility tests	4. Commercialization
· Generating ideas for new products (collaboration among departments in charge of products/ marketing/sales channels) · Reviewing target markets and customers in line with strategies	· Specification of products: developing and fine-tuning product concepts · Pre-commercialization studies: feasibility review, risk ratio statistics, possibility of authorization	· 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	· 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	**6. Internal & external product approval**	**7. Preparation for launch**	**8. Final review prior to launch**
· Finalizing the product development/ renewal proposal (in terms of risks and products)	· Approval by CEO: product development · Paperwork completed and preparation for the licensing of products with relevant authorities · Acquiring licenses	· Preparing for the launch and making a plan for the launch · Checking for legal and compliance risks during preparation of all related materials	· Distributing training materials/ customer promotion materials/ marketing materials · Ensuring proper training on new products is given to customer service staff
9. Launch	**10. Performance review and feedback**		
· Approval for the launch: confirm checklist by department and provide Q-Sign for products sold · Launch: notification of established regulations	· 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		

CUSTOMER-oriented Product Development
Selling Products through Diverse Channels in the Right Way
Establishing a Professional Asset Management System
CUSTOMER Satisfaction through Sharing Values
Sustainable Partnership for Mutual Growth
Establishing an Advanced Corporate Culture
Creating Shared Value for Local Communities
Reinforcing Environmental Safety & Health Management

Optimized insurance products that meet CUSTOMER needs

Whole life insurance plans with lifetime coverage

Samsung Life provides a variety of whole life insurance plans with 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 the household dies. The representative whole life insurance prepares for old age life with various functions and benefits, allowing the switching to annuity or savings products that enable flexible use of funds.

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 to best serve customers' specific stage of life and needs. In 2014, we introduced 'Free Design Protection Insurance' and 'Free Design Children's Insurance' to design purpose funds by setting the target return rate. Also, the riders for protection have been segmented so that insurance coverages can be designed to suit customer needs. We have also enhanced competitiveness by launching CI Insurance with integrated functions, such as premiums received increase with age when diagnosed for critical illness and critical illnesses covered for up to two occasions after the first diagnosis. Other specific plans include 'Term Life Insurance' that offers death benefits during the economically active period and 'Samsung Life Cancer Insurance' that covers cancer by stages, which are customized to the changing needs of our customers and market conditions.

Integrated insurance with convenience and flexibility

Integrated insurances offer comprehensive insurance coverage for every family member under a single policy, with convenience and flexibility to change coverage to suit customers' specific stage of life. In 2014, we introduced 'Integrated Smart Variable Universal CI Life Insurance' that provided critical illness insurance coverage and integrated the functions, customized to meet specific needs of each customer. The product became popular.

Annuity plans for preparation of old age

Samsung Life offers advanced annuity plans that ensure plenty of money to prepare for old age, with steady profits and diverse functions. In 2014, we released 'Naeri Sarang Annuity' that prepares parents/grandparents and children/grandchildren for old age and necessary funding. This product acquired the right to exclusive use from the Korea Life Insurance Association in recognition of its originality and creativity that your children or grandchildren can receive annuity payment. In addition to participating annuity savings, we developed non-participating annuity savings insurance to increase options for customers, while also introducing Children's Education Variable Annuity to be utilized as educational fund and annuity.

Retirement annuity funds





Samsung Life's new whole life insurance 'Golden Balance'

Golden Balance Consulting	Golden Membership	Golden Class
· Provide the best solution for safe and steady management of funds by giving the golden ratio of lifetime coverage for different timing in life. · Provide a balanced diagnosis of annuity and analysis of coverage with advice on how to make preparations.	· Offer services in alliance with other companies so that clients can enjoy an abundant and comfortable life. · Offer a wide range of benefits like free coffee and movie coupons, as well as specialized services for family, including daily necessities, education, health, nursing and travel.	· Provide customized contents and financial information to cater to different ages and themes (investment, retirement, real estate, etc.) for improving the quality of life of corporate employees and executives. · Implement training for about 900 employees of Korean companies.

Financial products that pursue social responsibilities and values

Socially responsible products

Samsung Life offers 'Hope & Love Insurance', which is a free insurance product for low-income families who are exposed to all kinds of risks with weak financial foundation. This product is part of our microinsurance projects organized by Samsung Smile Microcredit Bank, which protects children from the lower income groupsunder age 12, such as families raised by a single parent, grandparents and multicultural families, by ensuring they get at least the minimum coverage.

Products for the disabled

Samsung Life helps in social welfare of the disabled by helping them protect themselves from risks associated with all kinds of accidents, disasters and diseases. To achieve this, we introduced the 'Gomduri Comprehensive Coverage Insurance' that offers the same coverage as general plans, but at a lower premium. This product reached 7,700 in number of customers, and KRW 28.3 billion in its performance.

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 financially underprivileged people. Through the program, we give up to KRW 50 million to people with a personal credit rating of below grade 7 as start-up funds to help them support themselves. In addition, we help with their financial independence by offering business consulting services and providing marketing campaigns through talent donation.

BUSINESS CASE

Major insurance plans customized to people's specific stage of life

As a life-long partner for our customers, Samsung Life is striving to improve the life value of our customers by developing CUSTOMER -oriented insurance products.

Growth/Education (Ages 0~24 yrs.)
- Free Design Children's Insurance
- Free Design Protection Insurance
- My Kids' Rich Annuity
- Kids' Education VA

Career Beginning (Ages 25~34 yrs.)
- Samsung Life Cancer Insurance
- Perfect Integrated Insurance II
- Smart Savings Insurance
- 2030 Savings Insurance
- Annuity Savings Gold Annuity

Family Building (Ages 35~44 yrs.)
- Integrated Top Class Universal Whole Life Insurance
- Smart Variable Universal Whole life Insurance
- Perfect Up Integrated Insurance
- Integrated Stage CI Insurance
- Integrated Smart Variable Universal CI Whole Life Insurance
- Integrated CI Insurance Customized for All Ages
- VIP Term Life
- Smart Top Variable Annuity

Family Expansion (Ages 45~54 yrs.)
- Platinum Universal Whole Life Insurance
- Platinum Smart Variable Universal Whole Life Insurance
- VVIP Universal Whole Life Insurance
- VVIP Smart Variable Universal Whole Life Insurance
- Smart Annuity
- Women's Happy Annuity
- Smart Up 100 Age Variable Annuity

Retirement/Golden Years (Over 55 yrs.)
- Beautiful Life Insurance
- Silver Cancer Insurance
- Power Immediate Annuity

CUSTOMER-oriented Product Development
Selling Products through Diverse Channels in the Right Way
Establishing a Professional Asset Management System
CUSTOMER Satisfaction through Sharing Values
Sustainable Partnership for Mutual Growth
Establishing an Advanced Corporate Culture
Creating Shared Value for Local Communities
Reinforcing Environmental Safety & Health Management

Selling Products through Diverse Channels in the Right Way

Importance of the issue

The maturity of the insurance market has made it more important to increase contact points with customers through the sales channel. Since the reliance on attracting customers through offline methods has decreased, while the demands for online and mobile services have increased, it is very important to review the overall platform of management to come up with detailed implementation tasks. In addition, it is necessary to thoroughly manage the increasing complaints from the diversification of sales channel as well as the possibility of mis-selling.

Risks and opportunities

Since the insurance business collects customers' personal information and conducts their credit transactions due to its industrial characteristics, the social demands for internal control and complete selling are increasing. The Korean government is continuously revising and strengthening related regulations and the Personal Information Protection Act concerning the minimization of damages to financial consumers and ensuing complete selling, resulting in a variety of risks and opportunities. Proactively addressing these trends will enhance Korea's national image domestically and internationally, while also preventing various social risks from occurring. However, if we overlook these risks, it can lead to customer churning, decrease in sales and bring negative effects on corporate reputation.

Approaches to issues

- Operating competitive channels
- Establishing a transparent corporate culture by pursuing integrity management
- Minimizing Mis-selling practices

Major performances

0.23%
Mis-selling ratio of FCs *
* life insurance industry's average is 0.59%

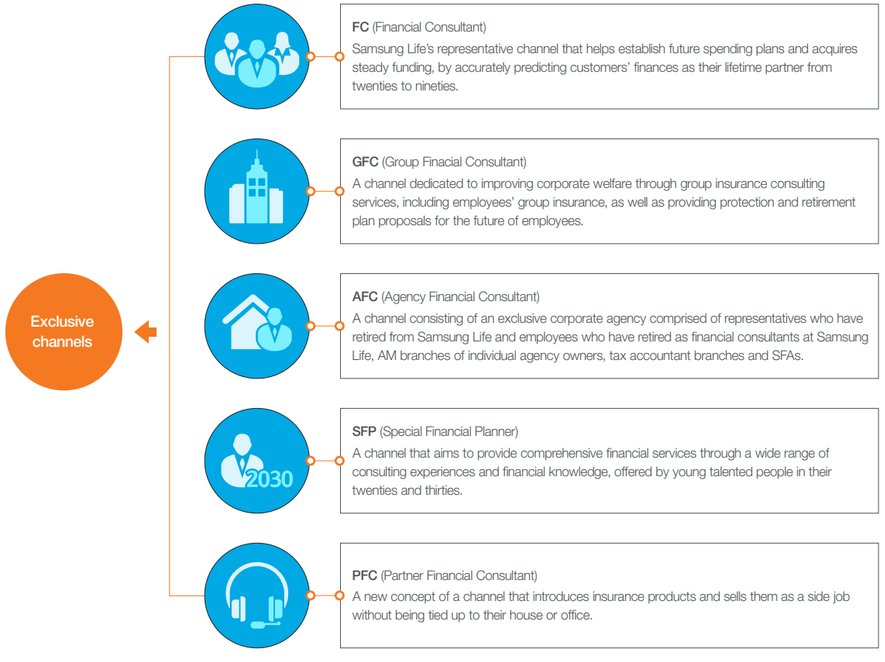
35,753 persons
Number of ethical management training participants

819 times
Number of ethical management training sessions

Operating competitive channels

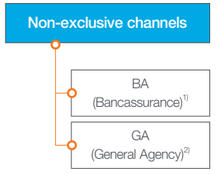
Exclusive channels

Samsung Life's exclusive channel network is operating competitive sales channels to maintain sustainable growth through an AM free competition growth program, a GFC collective sales program, our Partner FC System that enables employees to carry out work both at home and office and Special Financial Planner (SFP) Center for developing young talented persons into financial professionals.



Samsung Life's internet insurance lounge





1) Agent channel consisting of non-exclusive corporate agencies
2) Sales alliance channels with banks and financial institutions

Branch in Branch (BIB)

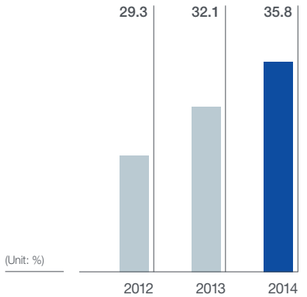
Samsung Life is operating the Branch in Branch that sells life insurances, fire insurances, securities and credit cards all at one branch. Besides enhancing customers' convenience by providing a comprehensive one-stop service for asset management, the Branch in Branch (BIB) creates synergies between financial affiliates. In 2014, we created a successful operational model through 46 branches of BIB and plan to expand them gradually.

Non-exclusive channels

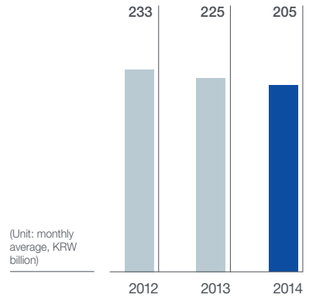
Our non-exclusive channels are working on increasing the market dominance from non-price aspects of competitiveness, as well as core competitiveness that includes products, marketing and price. The Bancassurance (BA), a partnership business channel for financial institutions including banks, is in the process of fortifying the business structure and product competitivess, while the General Agency (GA), the sales group composed of free-lance corporate agencies, is improving the GA-exclusive system and work process. Additionally, we are operating the 'Internet Insurance Lounge' (https://lounge.samsunglife.com) as a complete online sales system, which expand customers in their twenties and thirties with huge future potential through online subscription. In the future, we plan to develop the optimum multi-channel services that meet customer needs and maximize conveniences.

Performance of channels

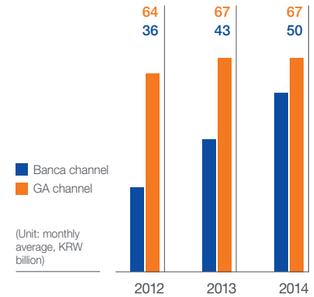
Exclusive channel protection M/S



Exclusive channel APE



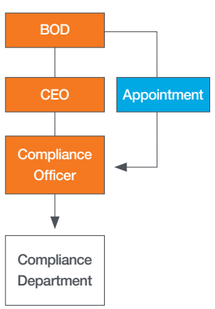
Performances of non-exclusive channels



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Establishing a transparent corporate culture through integrity management

Organization system



Integrity management system

Samsung Life is striving to establish a transparent corporate culture through integrity management practices by taking them as important standards for good decision-making processes and actions. We established the integrity management principles with behavioral standards, while we also have in place well-organized compliance and business ethics management systems to prevent compliance risks from arising. Through these systems, we appointed managerial-level employees to take charge of monitoring compliance practices company-wide, so that regular reports and training programs are provided through a corporate compliance system for making transparency a part of corporate culture.

Reporting channel for ethical management

Samsung Life is operating an online whistle-blowing channel to immediately report any irregularities, illegal or unethical practices, ensuring that any fraudulent actions inside the company are prevented. Also, in order to strengthen integrity management practices, we provide compensation if reports are made on illegal gains by external stakeholders, or irregularities concerning company's damages.

Promoting ethical culture

In order to promote ethical culture, Samsung Life is sharing issues concerning ethical management, including protecting personal information, complete selling and fair trading, by holding an Ethics Committee every quarter, to make deliberations about various matters, such as addressing regulation changes and implementing compliance by applying core compliance principles. In addition, in order to reinforce our compliance value system, we share our experiences and know-how to support the compliance management system of our affiliates and effectively manage them.

Incentives & penalties

At Samsung Life, incentives and penalties on ethical management practices are made under clear principles of evaluating and compensating for excellent employee performance results, while violations are punished with disciplinary action, encouraging employees to be highly aware of ethical practices. Based on our evaluations, branches with low mis-selling ratio are rewarded with incentives.

BUSINESS CASE

Ethical Management Training Performance

Samsung Life supports its employees in raising their work ethics-related consciousness through a number of integrity education programs. In particular, internet-based courses concerning anti-money laundering and anti-fair trade compliance have also been offered to all Samsung Life employees once every year. Also, we provide training for sales managers in the field concerning environmental changes, related laws and regulations and compliance matters for sales managers. In 2014, ethical management training programs were held 819 times for 35,753 employees per year.

Number of training sessions

819 times

Number of training participants

35,753 persons

Employee Education System
- Integrity training shall be included in all basic courses for new and experienced employees, courses for promoted employees and other essential courses
- 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 (three months after registering) for FCs to raise their awareness concerning customer information protection and the prevention of mis-selling

Minimizing mis-selling practices

Aiming for complete selling

In order to minimize mis-selling practices, Samsung Life conducts various activities to ensure customers are fully informed about our products and any risks involved. We conduct a systematic management that monitors the signing of contracts (service call program) and improves mis-selling practices, as well as providing training programs for FCs and complying with preventive policies with internal regulations and work processes. In 2015, we plan to minimize customer complaints from the voice of customer (VOC) process by reinforcing monitoring on basic information, including customers' handwritten signatures and notification of essential details, to ensure complete selling. To achieve this, we plan to provide more information to customers about the product and increase CUSTOMER-oriented awareness training, while also implementing activities that meet the standards from the Financial Supervisory Service's customer complaint evaluation.

Mis-selling ratio by channel
(Unit: %)

	2013	2014	Average in Industry
Consultants	0.18	0.23	0.59
Individual Agencies	0.17	0.15	0.72
TM	0.58	0.22	1.34
Direct stores	0.00	0.08	1.01

Improvement and monitoring of selling practices

In order to improve selling practices and protect our customers, Samsung Life has 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, to emphasize the importance of complete selling. We monitor our 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 managers and FCs. Moreover, we regularly hold training on complete selling practices for sales managers, with 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.

Major activities for minimizing mis-selling practices

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

Operating compliance program

Samsung Life is operating a compliance program (CP) 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 conducting 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.

The seven steps of the compliance program

1. 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.
2. 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.
3. The compliance manual should be drawn up in an easy manner, 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.
4. Various training programs should be provided.	Training should be held for different divisions and job positions at least for two hours every six months.
5. 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.
6. Punishment and discipline should be administered when related laws or regulations are violated.	Disciplinary measures should be provided and taken against employees who have violated related laws or regulations.
7. A system for managing documents should be established.	A person should be assigned in charge of documenting the operation of fair trade compliance program to ensure an efficient management of such documents.

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Establishing a Professional Asset Management System

Importance of the issue
As the trend of low interest is extending, the efficiency of asset management is becoming more significant. An effective asset management through systematic collaboration within the value chain directly leads to Samsung Life's continous growth.

Risks and opportunities
The globalization of asset management in accordance with medium-and long-term strategies and visions under the rapidly changing market environment can be a new growth engine, with high risks of reverse margin for interest rates on financial debt compared to asset management. Also, a professional asset management system will be the foundation for establishing competitiveness, focusing on work processes that include personnel, systems and networks.

Approaches to issues
- Strengthening the competiveness of asset management
- Enhancing asset management efficiency and soundness
- Expanding asset management businesses

Major performances

KRW **172** trillion
Total invested assets *
* Excluding separate account assets, unamortized new contracts, etc.

369 %
RBC Ratio *
* Solvency margin ratio

Global asset management
Strengthening global competence of asset management

Strengthening the Competitiveness of Asset Management

Asset Management Initiative Direction

In order to achieve the goal of reinforcing asset management competitiveness, Samsung Life is carrying out activities in three directions, including improving returns on managing insurance assets, expanding asset management businesses through asset management companies and enhancing the competitiveness of retirement businesses.

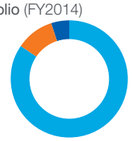
Goal → Strengthening the competitiveness of asset management

Implementation directions	Improving returns on managing insurance assets	Expanding asset management businesses through asset management companies	Enhancing the competitiveness of retirement businesses
Major activities	· Implementing asset allocation based on the analysis of global financial market · Strengthening professionalism by asset - Seeking outstanding bonds and securities by utilizing professionals and the analysis of financial markets by asset management companies (Samsung Asset Management, Samsung SRA Asset Management) - Expanding corporate loans on SOC and infrastructure and personal loans by strengthening research and analyses	· Selecting promising global businesses and increasing the third-party businesses through asset management companies - Utilize business opportunities for increasing diversified investments of individuals and institutions at home and abroad	· Developing investor-type products to increase the retirement market - Reorganize systems to develop CUSTOMER-oriented products and reinforce global management capabilities

Investment asset yield
(Unit: KRW trillion))

	2013	2014
Bonds	92.2	104.8
Loans	26.6	29.3
Equities	20.5	21.2
Real estate	8	7.9
Beneficiary certif-icates	3.7	3.6
Cash & deposits	4.4	5.5
Total invested assets	155.4	172.4
Yield	5.0	4.9

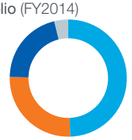
Bond portfolio (FY2014)



(Unit: KRW trillion)

Treasury & Agency Bonds	86.9
Corporate Bonds	8.6
Overseas Bonds	9.3

Loan portfolio (FY2014)



(Unit: KRW trillion)

Policy	14.3
Mortgage loans	8.0
Corporate	5.9
Household Credit	1.0

Enhancing Asset Management Efficiency and Soundness

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

Samsung Life's total assets grew 11.1% year-on-year to KRW 214 trillion, while our investment assets grew 11% year-on-year, reaching KRW 172 trillion. Meanwhile, our RBC ratio* at the end of December was 369%. 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: The index which represent payment capacity in accordance with the standard set by the regulation on supervision of insurance business.

Enhancing investment yields*

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 continuity of low interest rate environment, we are striving to diversify our returns by addressing flexible markets, including expanding loan receivables and acquiring profits on sales of stocks. 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

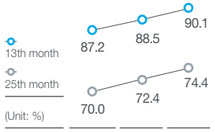
Asset management of interest income

Of that, KRW 86.9 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. Also, the size of our total loan book was KRW 29 trillion. Policy loans – comprised KRW 14.3 trillion, or 49% of our total loan book. Meanwhile, Our household credit loans amount to only KRW 1 trillion and our mortgage loans – which have an average LTV* of 45% - was KRW 8 trillion. Together, our total exposure to Korean household loans is KRW 8 trillion, which is significantly lower than that of other Korean financial institutions.

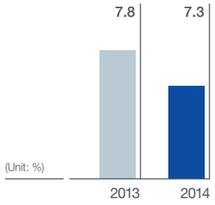
* Loan to Value ratio (LTV): a financial term used by lenders to express the ratio of a loan to the value of an asset purchased

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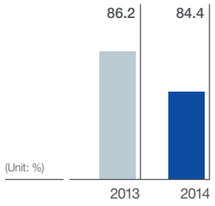
Persistency rates



Expense rate



Loss rate



Improving debt structure

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. Meanwhile, between our average reserve interest rate and our yield on interest earnings assets widened a little compared to the beginning of the year, due to the continuity of low interest rates. Nonetheless, as the share of fixed-rate reserves continues to fall and interest rates rise in the future, we expect this gap to gradually narrow. Besides interest gains on bonds and loans, our non-interest investment income, such as rental income, dividends, and various fee incomes, is steadily increasing, and covering the negative margin in interest earning assets.

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

Our expense ratio[1] decreased from 7.8% to 7.3% due to increase in total premium and decrease in expenses. Our loss ratio[2] has improved to 84.4%, which is a 1.8%p drop compared to the previous year, due to continuously increasing risk premium through protection sales and improved claims management. Our 13th month persistency rate[3] rose to 90.1%, while our 25th month persistency rate[4] continued to improve at 74.4%. We will continue to improve our persistency rates by improving complete selling and strengthening post-sales relationship management, contributing to the steady increase in our insurance profit.

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

Expanding asset management businesses

Establishing a professional asset management system by assets

In order to increase expertise on asset management, Samsung Life has unified its investments systems on stocks and bonds to consolidate work processes and manpower for asset management to Samsung Asset Management and Samsung SRA Asset Management. In 2014, we completed establishing a professional asset management system by integrating our real estate division to Samsung SRA. In addition, we are continuously carrying out communication activities to establish a consensus with affiliates in the value chain. We plan to expand global businesses and increase global growth through our asset management companies, including Samsung Asset Management and Samsung SRA Asset Management.

Activity direction of asset management companies



1 Ground-breaking Ceremony for Beijing Office
2 An exchange gathering with Chinese bank



Diversifying asset management

Samsung Life has newly built an office building in Beijing's key commercial district to diversify asset management and acquire profits through overseas investment. Samsung Life's office building in Beijing will become a new landmark, which is 260m high with 57 above-ground floors (6 below-ground floors) and a gross area of 167,500㎡ (50,673square meters), aiming at completion by September 2017. Later on, we plan to rent the office spaces to international and Korean companies in China. Meanwhile, Samsung Life purchased 30 Gresham Building in London to lease office spaces.

Strengthening global competency for asset management

Samsung Life signed 'strategic alliance for asset management' with New York Life Investments to promote the globalization of asset management. For the first year, we made joint investments with New York Life Investments on 'Samsung-U.S. Dynamic Asset Allocation Fund' worth US$ 500 million, to show good results until now. Based on experiences and trusts established through joint investments, we plan to make various attempts that integrate New York Life Investments' global expertise in asset investment with Samsung Life's know-how in asset management. Also, 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.

New York Life Investments?

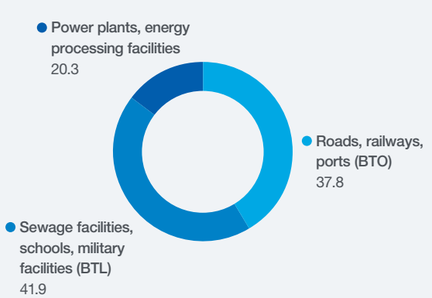
As an affiliate of New York Life (founded in 1845, ranked 15th among global life insurers, as of 2014), New York Life Investments is a major asset management company in U.S. that operates a total of US$ 538 billion, including operating assets of US$ 184 billion.

BUSINESS CASE

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 build-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, 80 % of our SOC investments goes 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 5.2 : 4.8.

SOC investment portfolio by industry (Unit: %)



Investment portfolio (Unit: %)

	Classification	2013	2014
SOC	SMEs	33	29
	Large corporations	3	5
Real estate development PF	SMEs	16	11
	Large corporations	1	1
Loans that make use of offices as collateral	SMEs	38	8
	Large corporations	2	41
Others	SMEs	2	4
	Large corporations	5	1

SUSTAINABLE VALUE CHAIN
-SHARING VALUE



How does Samsung Life
share its values with diverse stakeholders?

40 CUSTOMER Satisfaction through Sharing Values
44 Sustainable Partnership for Mutual Growth
48 Establishing an Advanced Corporate Culture
54 Creating Shared Value for Local Communities
60 Reinforcing Environmental Safety & Health Management

Samsung Life is establishing a more **communicative corporate culture with its employees and FCs**, by operating a variety of programs for strengthening competency. Also, we are actively fulfilling our social responsibilities so that more people can share happiness **through shared management and environmental safety & health management**.
In the future, we will strive to become a highly respected global life insurer that **leads in making a sustainable society**.



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CUSTOMER Satisfaction through Sharing Values

Importance of the issue
In the case of the insurance industry, customer satisfaction management that prioritizes customer relationships is the most important management practice. In our efforts to realize the inherent value of insurance, we have continuously improved our activities and services, so that they are CUSTOMER-oriented from taking out and maintaining insurance policies to providing insurance premiums.

Risks and opportunities
As the competition intensifies in the insurance industry and customers' expectations increase, it is necessary to accurately analyze the needs of customers and give them the right services. Customer satisfaction management that only focuses on the company can worsen the corporate image and lose customers' trust. On the other hand, CUSTOMER-oriented activities that are implemented from customers' perspectives can attract more customers in the future, while also contributing to increasing sales for the company.

Approaches to issues
- Implementing management practices that improve customer confidence
- Promoting communications with customers
- Strengthening claims payment services

Major performances

Ranked 1st for 11 consecutive years
Result of customer satisfaction index*
*Korea's National Customer Satisfaction Index (NCSI) standards

90.1 %
13th month persistency rate

73.3 %
Rate of claims payments made within 24 hours

Customer satisfaction management

Innovating Management Constitution

Samsung Life is strengthening its activities to provide customer satisfaction management and become a highly respected insurer for customers. Besides enhancing the convenience of customer contact points, including call center and Samsung Life plaza, and reinforcing the voice of customers (VOC), we also improve our services by launching a wide range of services for different stages of transactions.

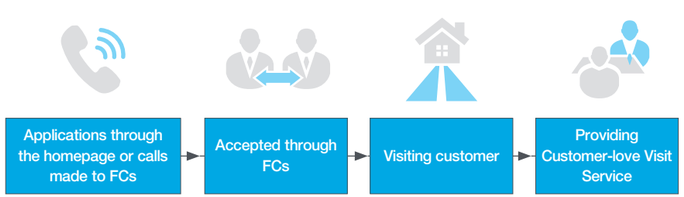
Increasing accessibility for taking out insurance policies

Samsung Life is continuously easing the restrictions for people who have been diagnosed with a disease to buy 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 ten major geriatric diseases, including high blood pressure and diabetes, to buy an insurance policy. Additionally, we have eased the restrictions to accept customers with a medical history of cardiovascular system diseases, including cardiac and blood vessel diseases. 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.

Providing Customer-love Visit Service

After buying an insurance policy, Samsung Life provides 'Customer-love Visit Service' to resolve any inconveniences that arise while maintaining the insurance policy. The 'Customer-love Visit Service' is our representative customer management program where our FCs pay a visit to customers to provide information about insurance coverages, update customer information, give unclaimed premiums and analyze coverages given. We notify our customers about the services through text messages sent at the beginning of each month by mobile phones, and pay a visit to those who sign up for the service, with small gifts. Likewise, we have strengthened relationships between our customers and FCs through these visits made once a year, so that the customer satisfaction index has increased.

Procedures of Customer-love Visit Service



Operating Consumer Support Center

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 consumer protection throughout the whole process including product development, sales and after service, as well as providing quick claims payment services.

BUSINESS CASE

Strengthening the role of Samsung Life Service for specialized customer satisfaction services

Samsung Life Service is one of the key customer management services that provides consultations to customers and makes claims adjustments on the site at the customer contact point. We have established an efficient organization system and revamped our claims adjustments and payments procedures, by consolidating and unifying the tasks of Samsung Life Plaza and adjustments for claims on accidents. Samsung Life has established a clear consensus for its service and strategies to improve customer services through close cooperation in the value chain, while also conducting communication activities that ensure differentiated competitiveness.


Tracking Room at Samsung Life Service Call Centers


Samsung Life Customer Plaza

4 key implementation strategies

Improving insurance review system	Differentiating customer services	Establishing a performance/field-oriented corporate culture	Acquiring expertise by improving employees' work competencies
· Making a standardized manual on claims payments by type · Supporting efficient activities for on-site adjusters	· Improving customers' confidence and satisfaction through CUSTOMER-oriented management practices	· Promoting the culture of handling tasks with strong commitment and a sense of ownership	· Acquiring expertise by holding study meetings and one-to-one mentoring programs

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Promoting CUSTOMER communication

Introducing the mobile CUSTOMER panel system

Samsung Life's customer panel system has been one of the representatives of the customer trust management since 2004 when it was first introduced in the financial industry. In order to listen to the voice of our customers, we extended the activities of our panel to include smart phones in 2014. As a result, the existing panel with 15~20 persons increased to about 7,000 persons across the nation, which improved the quality of products and services by listening to VOC on various themes, including evaluations on preferred insurance products, surveys on status of buying insurance policies and polls on retirement. In 2015, we plan to increase the role of a research platform for listening to VOC, so that it becomes a viral marketing hub and a field-oriented marketing platform.

Operationg of diverse communication channels

Samsung Life runs various communication channels for customers. We have increased web accessibility to our homepage by reorganizing menus, colors and text sizes, so that the disabled and the elderly can use it under the same condition as ordinary citizens. In addition, we use SNS like Facebook, blog L and mobile magazine to communicate with our customers. These efforts led Samsung Life to receive two grand prizes in 'Internet Communication for Life Insurance' and 'Social Media' sectors at the '7th Korea Internet Communication Awards' which nominates companies that actively communicate with customers.



Operating status of online communication channels *(As of December 2014)

89,045 persons	58,703 persons	6.5 million persons
Facebook fans	Twitter followers	Blog visitors

Strengthening CUSTOMER-Love Payment Service

Convenient Inquiry and Reception Service

In order to improve the payment services, Samsung Life has been making filing claims and making inquiries more convenient. We have also diversified channels for filing claims, such as receiving them through our FCs' customer visits, mails, and the Samsung Life Plaza (branch office), as well as by branch office's fax, our homepage and smartphone applications. In 2013, we set up a call center dedicated to filing claims on accidents (1577-4118), which is directly connected to one of our tellers without having to go through the automatic response service.

Swift Insurance Payment and Instruction

As the insurance payment is the purpose of insurance and our commitment to the customers, we deliver inherent value of insurance through thorough inspections and payments. We established an auto remittance system shortened intervals connected to handling claims filing and payments, while also notifying about the filing and payment procedures on a real-time basis. In 2014, we provided the service of immediately paying out some of the death benefit, which used to take an average of about two to three weeks. In addition, we streamlined documents to lessen any customer inconvenience in the entire procedure, so that payments for death benefits are made within 24 hours with a limit of KRW 30 million. For the convenience of increasing number of customers in annuity payment, we are taking steps to enhance the claims payment services through the 'Customer-love Annuity Service', by giving an estimated amount of annuity in advance and answering calls from old aged customers first at the call center.

Rate of claims payments made within 24 hours

2012	2013	2014
51.8%	79.2%	73.3%

Differentiated aftercare services

Samsung Life offers differentiated aftercare services even after the insurance payment. Our 'Bereaved Care Service' provides the bereaved family to-do lists and consulting on inheritance and finance. Moreover, our 'Health Care Service' provides useful information about nutrition, diet, and exercise to the customers who filed claims regarding the major 52 diseases, regardless of their insurance type.

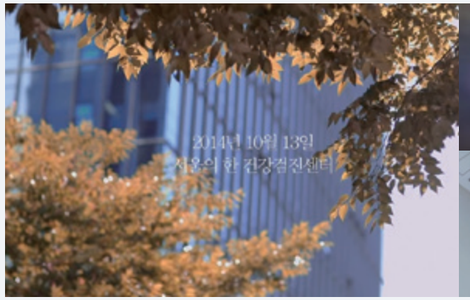
BUSINESS CASE

'Loving Family Video Campaign' to deliever value of families

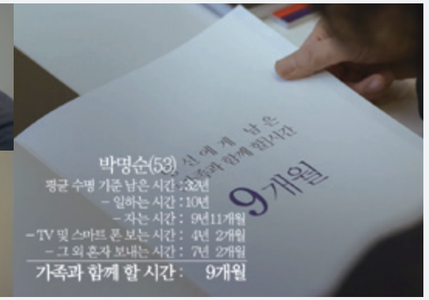
What would you do if you only had one year to live?

Samsung Life carried out the 'Loving Family Video Campaign' that reflected on the love for your family, which is the basis of life insurance, while also emphasized the value of time spent with family.

Please scan the QR code if you want to watch 'Loving Family Video Campaign'



▲The video starts with getting treatment at the health center. After filling out the questionnaire for self-management, people who visit again are told they are terminally ill in their diagnosis results. The participants are surprised that their days are numbered, and look down at the paper with the diagnosis results by specialist.



▲ In the book, if you subtract the time when you leave your office, the hours spent watching television and the time spent with your friend from the average remaining lifetimes, you can found out the time you spend with your family.

The 'Loving Family Video Campaign', which was released on November 2014 to provoke the meaning of family in the busy society, has touched may people by reaching more than 7 million views on Youtube, Facebook, and other online media. Along with the video release, we opened a website, 'Family Time Calculator' which calculates the time a person has left to spend with family through a lifestyle analysis.

Endless response from people moved by the campaign

- "The campaign sent a warning signal to us that we were forgetting about the importance of family because of our busy life. It provided an opportunity to look at how we should spend the time left in our hands." (A comment left under the video at Youtube)
- "Life insurers make lots of advertisements about families, but this video took a different approach from others. It sure is a creative planning. I uploaded it to share with everyone visiting my blog." (A text from a blog)

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Sustainable Partnership for Mutual Growth

Importance of the issue
Recently, as the social demands increased due to the promotion of mutual growth, related laws and regulations have been further strengthened. Also, it is necessary to make efforts in each supply chain, as well as strive to deliver the inherent value of insurance to customers. Therefore, Samsung Life will work towards sustainable development by recognizing that we need to grow together with our partners for enhanced competitiveness and value.

Risks and opportunities
Recently, the demands for fair competition regulations on unfair business practices with the civil society keeping a close eye increased, including requests for report on activities for mutual growth with partners in global initiatives or management practices. Due to these efforts, we can prevent various internal and external risks and improve our corporate image domestically and internationally. However, if we overlook these trends, it can bring criticisms from the society and hurt the company's reputation, while also severely damaged by risks arising from partners.

Approaches to issues
- Selecting fair and transparent suppliers
- Strengthening mutual growth with suppliers
- Managing major partners

Major performances

100 %
Percentage of writing pledges to comply with fair trade and righteous management.

KRW 2.6 billion
Amount of eco-friendly products purchased *
*Amount of equipment purchased with eco-friendly condition

622 persons
Number of trainees who have completed the Junior CEO program

Selecting fair and transparent suppliers

Selecting fair suppliers

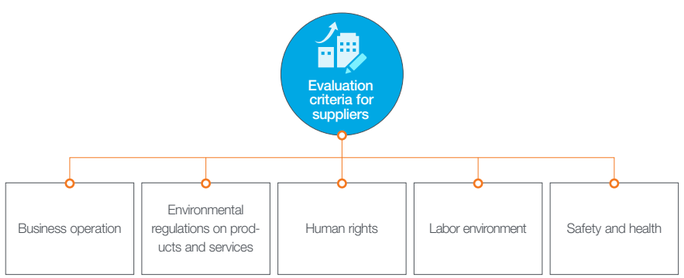
Samsung Life selects competitive suppliers through fair and transparent procedures. We restrict the participation of suppliers with potential risks in accordance with our Contract Administration Guidelines. At the same time, we reward or sanction suppliers based on our preliminary evaluation with contract renewals or restrictions on bidding. In 2014, in order to meet the social demands for improved relationship with partners, we reviewed all of our basic contracts, to amend any texts that allow Samsung Life to hold a prominent position. In addition, employees in charge of the electronic bidding system were given new rights to enhance the fairness of contract procedures. In 2015, we prevented unqualified suppliers from joining the e-procurement system by connecting with our Audit Team's system with records on accidents, so that any accidents are prevented with continuous management of outstanding suppliers.

Active supports for green companies

In order to support green society, Samsung Life 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.

Regular supplier's management and evaluation

All of 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. We evaluate our suppliers every two years based on business operation, environmental regulations on products and services, basic human rights, labor and environment, safety and health. Also, in order to ensure contract procedures are properly carried out, we hold a briefing session on our Contract Administration Guidelines once every semester.



Strengthening mutual growth with suppliers

Open communication for mutual growth

Samsung Life has established a wide range of communication channels to ensure better understanding of suppliers and set up a foundation of mutual cooperation. 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 once a year to find out our suppliers' satisfaction level, such as complaints made and requests for better work conditions, as well as rewarding their best employees as a means of expressing thanks to our suppliers' hard work and dedication.

BUSINESS CASE

'Junior CEO Course', to become a shared living program among SMEs

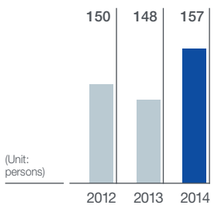

Junior CEO completion ceremony

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 fourth year. As part of our talent donation, the Junior CEO Courses give the offspring of SME owners an opportunity to study economics and learn about leadership. 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 16th graduates from short-term courses and the 7th graduates from long-term courses completed these courses, a total of 587 companies and 622 persons finished these courses as of February 2015.

	Short-term course	Long-term course
Period	4 weeks (summer, winter vacation)	5 weeks (first half, second half)
Target	Children who are university students	Children of employees who work at SMEs
Curriculum	· Samsung's management philosophy / lecture on management knowledge · Know-how of long-lived company, family business succession education · Marketing, Business Strategy, Accounting Education · Planning and PT required for the CEO · Leadership Lecture/Vision Setting for 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

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Status of training completed on computerized equipment maintenance



Supporting suppliers 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 2014, we trained all employees of computerized equipment maintenance suppliers on security and ethical management, which totaled to 157 persons. Meanwhile, we provide training required for the business management of SMEs for free of charge through Samsung Life Design Center. 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 representative program 'CEO Academy'. We also provide a variety of learning and experience activities through Samsung Life's 'Junior CEO' Courses for fostering SME owner's children into future CEOs, including management philosophy and knowledge and leadership lectures.

Sharing safety culture

In order to share safety culture with our suppliers, Samsung Life has established a system for close cooperation. In particular, we conduct safety inspections according to facility characteristics, season and other themes to prevent any accidents from arising at Samsung Life's business sites across the nation, to share safety-related issues. Any risks found from safety inspections are resolved quickly and kept in records for thorough management. In addition, we provide practical training to instill the importance of safety to our suppliers' employees, such as teaching about cardiovascular pulmonary resuscitation (CPR) and automated external defibrillator (AED).



Managing major partners

External sales organization

Samsung Life has reviewed the risks associated with our outsourced sales network including agencies and FCs 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 supplies providers

All agencies across the nation purchase essential office supplies in quantities required through the electronic purchase system called e-pass. Moreover, in order to prevent a fixed trade practices, we always begin a new tender after the contract period.

Computerized equipment maintenance companies

As suppliers in charge of computerized equipment maintenance for Samsung Life and its agencies, we conduct reviews on risk management against their employees. 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. In particular, inspections are focused on illegal acts involving computerized equipment and data.

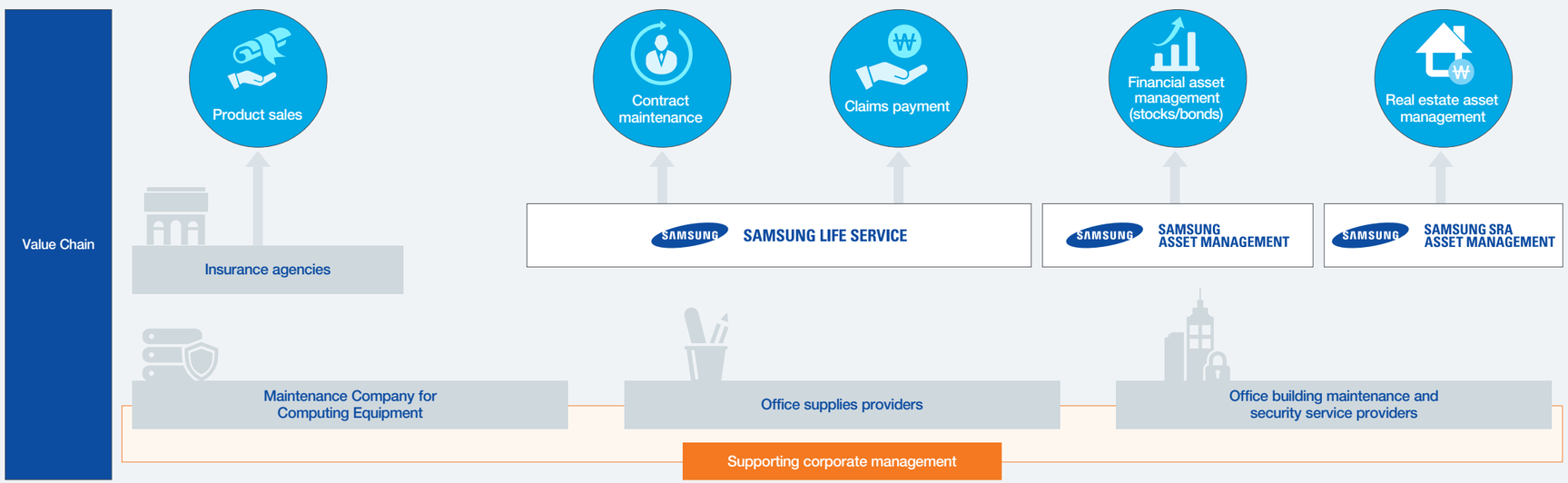
Office building maintenance service providers

Samsung Life implements the Strategic Investment Property Management (SIPM) towards security service providers and building maintenance comapnies. Each company is audited in its potential risks through the process for acknowledgement, site inspection, reduction of risks twice a year.

BUSINESS CASE

Value Chain of Samsung Life

In order to achieve sustainable growth, there needs to be close cooperation with our value chain, including Samsung Life, its affiliates and partners. In this regard, we have continuously implemented communication and exchange activities with our value chain, to provide fund supports and give trainings. In the future, we plan to strengthen our expertise and diversify business activities by expanding the value chain and reinforcing competitiveness.



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Establishing an Advanced Corporate Culture

Importance of the issue
Due to the rapidly changing environments at home and abroad like globalization, as well as diversified demands of customers and changes in occupational values, it has become essential to recruit and train outstanding talent with professional competencies and passion to implement sustainability management. In particular, since people are the competitiveness component of insurance companies and the most valuable asset, it is very important to train employees to have innovative mindsets and strengthen their competencies in order to survive in this intensified competitive environment.

Risks and opportunities
Lack of support for competency development and stiff corporate culture can increase various risks like the outflow of core personnel and decline in enthusiasm. On the other hand, a people-oriented corporate culture that is active in competency improvement contributes to enhancing employees' individual competencies and values, while also acting as a driving force for the company's sustainable growth by creating synergies through open communication and close cooperation.

Approaches to issues
- Fostering convergent financial experts
- Innovation of a corporate culture
- Striving to achieve work-life balance

Major performances

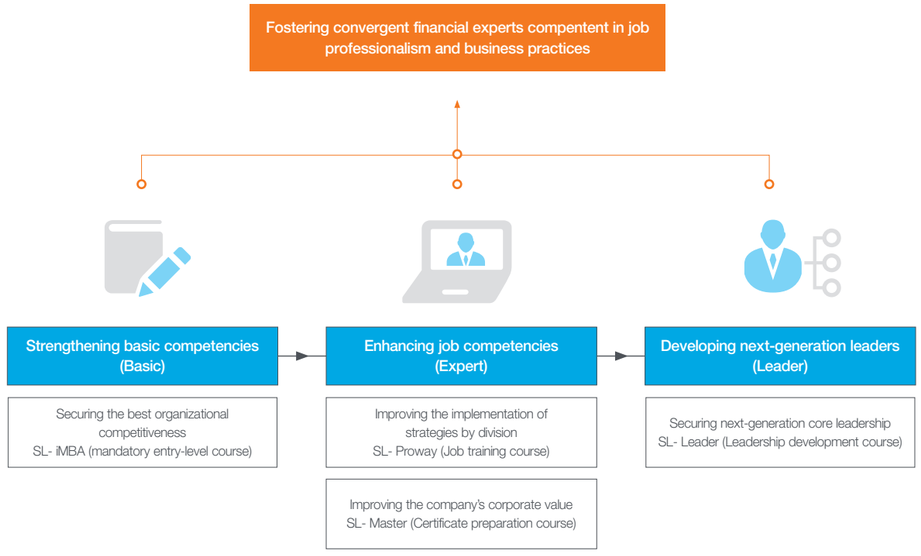
918 persons
Number of key certificate holders

726 persons
Number of employees and their families that participated in joint labor-management projects

Fostering convergent financial experts

Human resources development program

The source of sustainable growth for companies begins with the development of employees. Samsung Life cultivates talents needed in promoting business strategy, and also runs the Samsung Life 4 Universities (SL4U) which is a talent fostering system that contributes to enhancing employees' market value. SL4U is an education program contributing to the market value of employees, and fosters 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 fosters next-generation leaders and global talent.



ISO 9001 certification-consultant education section



Strengthening job competencies

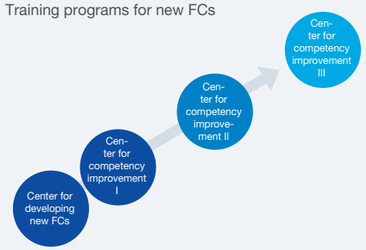
Samsung Life established a job training system by selecting core duties, and also runs various training programs according to employees' professional capacity. In particular, we are focusing on self-development and reinforcing employees' work competencies, to promote the learning culture of employees through certificate preparation programs. Besides these, Samsung Life revamped its certificate preparation program, encouraging employees to acquire the key certificates-notably CFP (Certified Financial Planner), insurance actuary and CFA (Chartered 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. 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. As a result of these efforts, 918 employees acquired key financial certificates as of the end of 2014.

BUSINESS CASE

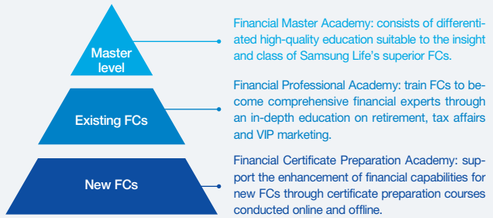
Reinforcing training programs for long-term development of FCs

Samsung LIfe was Korea's first life insurer to acquire ISO 9001 in the Consultant Training Sector by the International Standardization Organization (ISO). Based on this, Samsung Life has conducted training programs for new and existing FCs to strengthen their expertise. We expanded the concept of a new FC –it was expanded from 1 year to 3 years, while we also established a center for training new FCs with less than 1-year experience to improve their basic competencies and a center for competency enhancement to strengthen the consulting competencies of FCs with more than 3-year experience. Additionally, we segmented the training programs for high efficient FCs by class, to improve their comprehensive financial capabilities.

Training programs for new FCs



Training programs for highly efficient FCs*



*FC(Financial Consultant, Samsung Life FCs)

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Fostering Strategic global talent

In order to foster global leaders and professionals, Samsung Life has reestablished its direction for overseas business in accordance with medium and long-term strategies. We run a global talent development course, including programs on developing Samsung MBA, regional experts, global partners, global specialists and providing language training and global study sessions; a 'Global Professional Development Course' for developing people to carry out the duties of overseas business; and a 'Global Leader Development Course' for fostering leaders to implement global business. Through these courses, we are strengthening the competencies of our global talents.

Global talent development programs

Step 1. Fostering global talent	Step 2. Developing global professionals	Step 3. Developing global leaders
· Expand the capability of candidates for implementing the duties of overseas business - New training programs on overseas corporations - Global study sessions mainly of countries expected to be entered into	· Strengthen competencies for implementing the duties of overseas business - Joint support for joint ventures and studies on market entry countries	· Fostering corporation heads and executive-levels for overseas business - Two tracks established for overseas business and head office

Establishing a learning culture

In order to create a better on-site learning culture, Samsung Life runs 'a golden study' program where the head office's executives participate voluntarily to learn about what systems are used in the field. The word 'golden study' contains the willingness to better understand what occurs in the field. Therefore, the program includes a course on 'tablet PC', which is used conveniently by on-site employees. Besides executives, we also promote CoP activities to subsidize employee training at the Korea Insurance Institute and other outsourced training courses as well, to share the knowledge they gained within their division and/or department.

Training performance

Hours of training per person (Unit: hours)			Training expenses per person (Unit: KRW 10,000)			The number of key certificate holders (Unit: persons)		
2012	2013	2014	2012	2013	2014	2012	2013	2014
143	153	114	197	212	162	812	928	918

BUSINESS CASE

Promoting innovation for corporate-wide work process

In order to pursue change and innovation in work process, Samsung Life established a company-wide integrated system through Process Innovation (PI) and Enterprise Resource Planning (ERP). In 2014, we established our PI vision that aims to change the company's overall work process to meet advanced levels, while also focusing on establishing a successful system that derives PI tasks and comes up with a new process.



Holding ERP exhibition

Major Activities

Holding ERP exhibition

Samsung Life held an exhibition on CPC & sales systems to share opinions with other related divisions and/or departments and to establish a consensus on changing the way of working. Through the exhibition, we not only shared core information about the CPC process and system with our employees, but also scenarios, process flow charts, transformed look and expected effects.

Reestablishing work process

Samsung Life established its process visions as part of the preparation work on setting up ERP. We implemented the To-Be process plan by analyzing the existing process and benchmarking best practices. Also, we came up with detailed conditions for developing the system to actually realize the process designed.

1 Communication through lunch meeting with the CEO
2 Knowledge Fair 2014





Corporate culture innovation

Sharing best practices by field

Samsung Life runs a Knowledge Management System called InforYOU, to create a corporate culture of voluntarily sharing best practices. The 'Knowledge Fair' is annually held as a venue to share best practices and business know-how company-wide and reward those with outstanding inputs. In 2014, we expanded the scope of study meetings for on-site FCs at the head office, while also sharingchallenging spirits and implementation plans across the company through programs consisting of venues for passion, learning and challenge.

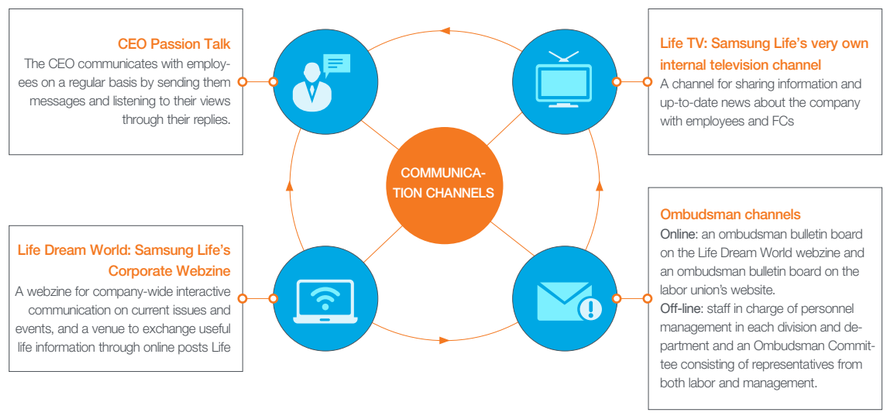
Establishing efficiency and performance-oriented corporate culture

Samsung Life has brought changes to the way of working to meet the periodic paradigm. In order to create an efficient and reasonable corporate culture, we improved the reporting system and changed unproductive meetings to focus on core and high value business. In line with this, we established a standard guideline for meeting arrangements and three meeting/reporting principles (TOP[1]/3S[2]), to establish an efficient meeting culture. Also, we are actively establishing a corporate culture of 'Work Smart' to efficiently carry out duties through a Good Manners Campaign for mobile phones.

1) Time, Output, Proper
2) Simple, Speed, Smart

Open communication activities

Samsung Life strives to promote communication through diverse communication programs. Our employees and FCs helped out in finding the future direction and strategy for various business issues through communication channels, to contribute in maximizing the corporate value.



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1 Ukulele club
2 Floral arrangement club





Pursuing work-life balance

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 leave, a one-hour paid leave per day for new mothers who are breast feeding their babies, and allow employees to take split maternity leave with consulting services provided through the Maternity Protection Center at the head office. In addition, we reduced the burden of childcare costs by providing a 'Baby Products Rental Service' that lends toys for free and donates baby products not being used. Due to these efforts, we received the certificate as the Best Family-friendly Management Corporate* from the Ministry of Gender Equality & Family in 2013.

*A certificate given to companies that set examples in operating the necessary programs for promoting a family-friendly environment at workplace.

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.

Principles for operating

1. Creating a culture of focusing on work during business hours (refraining from taking care of personal affairs and holding meetings, etc.)
2. Preventing gathering for drinking after working hour

Introducing the Plus Day/Week

Samsung Life introduced the Plus Day/Week that aims to achieve work-life balance and improve work efficiency. The Plus Day aims to acquire time spent with family and self-development by increasing work efficiency and reducing unnecessary meetings. At Samsung Life, a wide range of cultural events are provided at a lower price so that employees can enjoy Plus Day. In addition, the Plus Week helps employees get recharged by allowing them to go on vacations for five consecutive days (during working days) at least once a year.

"I hope that communication activities continue for a family-friendly workplace"



Communication is the most important competitive factor that establishes the foundation for the company's innovation and creativity by creating synergies between employees. I realized the importance and value of communication because I am in charge of duties related to corporate culture at work and I participated in communication activities. Among the activities conducted in 2014, the most memorable communication I remember is the movie event. It was a fun way of communicating between the CEO and employees because various events were held before and after the movie. In particular, we were able to share our thoughts about the messages portrayed by the movie through the dialogue with the CEO and holding a quiz afterwards to share feelings. These activities acted as a bridge between divisions and/or departments and between the head office and on-site staff. Moreover, I think it will be a driving force for Samsung Life's continuous growth. In the future, I hope that communication activities continue for a family-friendly workplace.

Assistant manager of HR Team, A-Reum Oh

INTERVIEW

노사 공동주관 프로젝트
패밀리 간다

The joint project of labor-management for employees' family, "Family is Coming"

Samsung Life is establishing a fun working environment for its employees based on family loving spirit. In particular, we improve our employees' satisfaction and loyalty by giving them unforgettable memories with their family through a program called 'Family is Coming', which is hosted jointly by the company and the labor union.



Going on nature trips with family

Samsung Life operates family-friendly programs where its employees can participate with their family. In 2014, we received applications from employees who hope to enjoy themselves in Nature with their family, including enjoying camping and going on a challenge course. Through these experience programs, our employees were able to share their love for family with one another, while also providing the opportunity to communicate better with family.



Parents loving trip

Samsung Life presented beautiful memories to its employees' parents by sending them off on a tour as a way of thanking them for taking care of the family. It received good response from the parents as well as employees for a variety of events held including sightseeing of famous places, tour of good restaurants and surprise flash mails from children.



Experience education on safety with employees and their family

Since the interests on how to deal with safety-related accidents and the importance of improving the awareness on safety increased recently, Samsung Life is providing experience education on safety for its employees and their family. At these educational experiences, we raised the awareness on safety by making them experience an earthquake and damages by a storm, as well as fleeing from smoke and watching a documentary on accident prevention at the 3D movie center. In 2014, we provided education for altogether 60 families, including 115 employees and their family.



On-site experience for raising awareness of national security

Samsung Life provides the opportunity for raising awareness of national security and going through on-site experience for its employees and their family. In 2014, we had 20 families including about 80 persons visiting the Republic of Korea Army 6th Division to visit underground tunnel and the Peace Observatory, while also going on a trial ride on tanks. Along with this, the visitors also delivered care packages, including sporting goods, to the troops as a way of thanking them.

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Reinforcing Environmental Safety & Health Management

Creating Shared Value with Local Communities

Importance of the issue
Recently, social contribution activities of companies, beyond the simple donation and charitable activities, are using their industrial characteristics and are evolving to Creating Shared Value (CSV) activities by resolving such social issues as low birth, aging phenomenon, etc. and by creating shared value in social environment. In particular, since the insurance business acts as a social safety net, the demands for fulfilling social responsibilities are bigger than in other sectors.

Risks and opportunities
Risk and Opportunities-There are both risks and opportunities existing for companies conducting social contribution activities. By actively carrying out such activities, we can secure a competitive advantage by establishing a positive corporate image, while also boosting employees' devotion to the company by promoting their participation. On the other hand, social contribution activities held as a one-time event or just to show off cannot help solve the social issues. Instead, it can raise social criticism and in the end damage the company's image.

Approaches to issues
- Strategic social contribution reflecting the characteristics of insurance business
- Sharing values for tackling social issues
- Expanding the sharing culture through global social contribution activities
- Spreading righteous insurance culture and enhancing training

Major performances

KRW **62.3** billion
Expenses for social contribution activities

92.1 %
Participation rate of employees' volunteer activities

13.1 hours
Participation time for volunteer activities per person

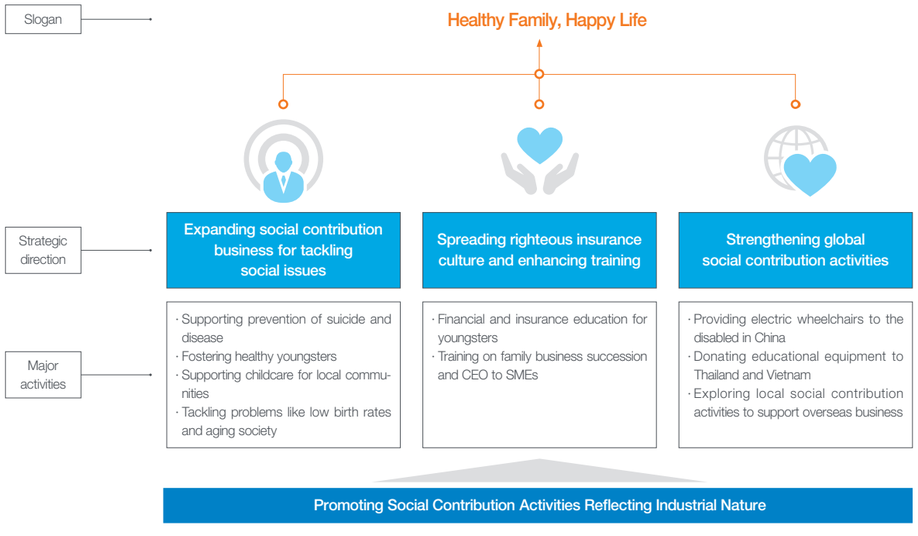
Strategic social contribution reflecting the characteristics of insurance business

Shared management vision

Samsung Life has implemented numerous shared 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 are working towards sharing love of customers with the society and creating social value, beyond social responsiblity activities.

Reestablishing the direction for implementing social contribution

Samsung Life has recognized that social contribution activities are essential and not a choice for management practices. Taking into consideration the inherent value of insurance, we reestablished the direction for implementing social contribution that could improve corporate value and enhance its social role at the same time. Under the slogan of 'a healthy family and happy life', we established three strategic directions, 'Spreading Righteous Insurance Culture and Enhancing Training', 'expanding social contribution business for tackling social issues' and 'strengthening global contribution activities'.



Operating social contribution funds

In 2014, Samsung Life spent KRW 62.3 billion on social contribution activities, which is the highest level among Korean life insurers. Also, we supported more than 50% of social contribution funds conducted by all Korean life insurers. Besides these, our 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. Heart Fund donations from employees are spent on the 'Serotonin Drum Club' program, while the Heart Fund donations from FCs are spent on supporting Samsung Life's Joint Childcare Center. Meanwhile, the company's matching funds are spent on volunteer expenses incurred by Samsung Life's volunteer corps at the head office and regional headquarters.

Nanum Station Homepage

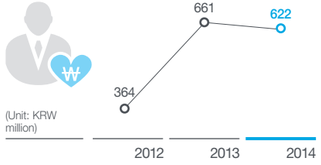


Participating in social contribution activities

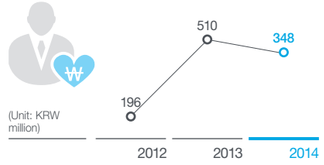
Samsung Life operates the Sustainability Management Center devoted to implementing social contribution activities, with 218 volunteer corps consisting of about 5,000 employees and 30,000 FCs. These individuals conduct volunteer activities at a number of social welfare centers and charities around Korea for youth/children, local communities, the environment, global communities, culture and sports. In order to encourage employees' participation in social contribution activities, we also developed a computerized system called 'Nanum Station' to efficiently manage volunteer activities and track down donations made, while also reflecting their participation in the department head's performance evaluation. In addition, we set up sisterhood relationship with a village in a rural area to provide support to them, since 2006.

Donation activities of employee and FC

Amount of Heart Fund Donations from employees



Amount of Heart Fund Donations from FCs



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Sharing values for tackling social issues

1,000 persons

Performances of supporting free medical checkups for low-income youngsters

Preventing diseases

Samsung Life has been actively tackling social issues to improve the social value. As part of these efforts, we entered into an agreement on the promotion of people's health with the Ministry of Health and Welfare, to conduct numerous campaigns in collaboration with the Korea Health Promotion Foundation and the Korea Medical Assistance Foundation. Representative activities include free inoculation of cervical cancer vaccine to girls from low-income families. In 2014, we supported free medical checkups for 1,000 youngsters from low-income families. In the future, we plan to conduct campaigns to prevent diseases, including studies on the cause of illness, improving awareness and promoting the importance of health.

Preventing suicide

Samsung Life prevented suicides and raised the awareness of respect for life by playing a leading role in promoting healthy minds. To achieve this, we implemented various campaigns to prevent suicides, including sponsoring talk concerts, musical performances, webtoons and EBS documentaries in collaboration with the Ministry of Health and Welfare. In the future, we plan to provide education on suicide prevention in about 1,100 middle schools across the nation, while also developing manuals and supporting lecturers and teaching materials.

11,943 persons

Performance of education on childcare to pregnant women and their parents

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, aiming to look after children, with the society as a whole, including father and grandparents rather than by the mother alone. In 2011, Sesalmaeul has provided free education on childcare to 11,943 pregnant women and their parents across the nation. In addition, Samsung Life representatives visited 2,678 families during a baby's growth stage (3, 6 and 12 months) to offer childcare consulting services. Besides these, we offer play group programs and nursery products for babies up to the age of 3, to provide customized total childcare services for babies at different ages.

1 Sesalmaeul program
2 Supporting the youth's green activities





Supporting single mothers with start-up businesses

Samsung Life is supporting single mothers with start-up businesses free of charge, especially those who have to earn a living due to the spouse's death or divorce, or if the spouse cannot provide for the family due to mental and physical disorder, accident, disease, etc. Through these efforts, we help single mothers to make a living for their family. Until 2014, we supported the opening of 277 start-up shops. Samsung Life will continue to help many single mothers find new hope in the future.

Supporting the youth's green activities

Samsung Life supports the green activities of youngsters as part of our social contribution activities for the environment. In 2014, we held the youth forest experience camps a total of five times for 570 elementary and middle school students across the nation, to raise their awareness about environmental protection. Besides raising the awareness of environment protection for youngsters who are our future generation, the camp enjoyed high levels of satisfaction for also helping in develop good characters. Starting from 2014, Samsung Life is providing more opportunities to visit overseas forests so that they can develop the qualities needed for global environmental leaders, with plans to conduct volunteer works for senior citizens who live alone in the mountainous regions.

BUSINESS CASE

The Bridge of Life turning into a place of healing and encouragement

The Bridge of Life has been reborn as a bridge where Seoul citizens want to walk across, instead of just being transportation means as part of the efforts to prevent suicide by delivering messages of hope and comfort on the bridge pier.

Hangang Bridge reborn as the Bridge of Life

Following the Mapo Bridge renamed as the 'Bridge of Life', the historic Hangang Bridge with its long history and cultural value was also reborn as the second Bridge of Life. Besides the interactive rail on Hangang Bridge, there are also figurative art works displayed on Nodeul Islet and bridge pier, which portray the noble value of life. In December 2013, we introduced the Bridge of Life to more people by having them reproduced exactly on the interactive screen doors of the Seoul Subway Line 2 at Seoul National University of Education Station. These interactive screen doors of the Bridge of Life allowed people to enjoy the scenery of the Han River without actually going there, as well as experiencing the messages lighting up, as people move along.
*Operated until February 2014









1 Bus shelter (Hangang Bridge) 2 From the documentary on the 'Bridge of Life'
3 Interactive screen doors (Seoul National University of Education Station)
4 At the concert of Song of Life

The Bridge of Life has been reborn as a bridge for delivering Samsung Life's core value 'People, Love' as the storytelling bridge with new hope, the bridge delivering the messages of courage and encouragement and the bridge of being a resting place.

The 2nd healing project 'Song of Life'

Following the Bridge of Life, which has been widely popular as a place of healing and encouragement, we started our second healing project called 'Song of Life'. With the intention of 'delivering messages of encouragement to more people', Samsung Life has chosen songs by Won-Seon Cho & The Second Moon and Dear Cloud, which suited go well with the Bridge of Life. These songs were disclosed to the public through SNS and netizens who watched the video clips, and said they were comforted by the calm melodies and lyrics, as well as giving them the opportunity to think once more about the importance of respecting life respect.

Please scan the QR code to listen to the Song of Life!

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1 People, Love Serotonin Drum Club
2 Opening of Samsung Life's Joint Childcare Center







"The Serotonin Drum Clubs are operated with Samsung Life's Heart Fund raised by employees, while Samsung Life's Joint Childcare Centers are run by Heart Fund donations from FCs."

Number of Samsung Life's Joint Childcare Centers
(Unit: number of center)

	Opened centers (opened in 2014)
Seoul metropolitan city	4(2)
Busan metropolitan city	1
Daegu metropolitan city	1(1)
Incheon metropolitan city	2(2)
Sejong city	1
Gyeonggi-do province	2(2)
Gangwon-do province	1
Chungcheongnam-do province	2(1)
Chungcheongbuk-do province	2
Jeollabuk-do province	1
Gyeongsangnam-do province	2(2)
Gyeongsangbuk-do province	1
Total	20(10)

20 families,
79 persons

Result of funding children from multicultural families to visit overseas relatives

People, Love Serotonin Drum Club

Samsung Life runs the 'People, Love, Serotonin Drum Club' in order to aid emotion refinement and healthy growth of the teenagers. This business is funded by the 'Employee Heart Fund' which is a monthly donation by our employees, and between 2011 and 2014, we had built drum clubs in 160 schools, thereby providing books and videos worth KRW 5 million. Moreover, we also operate diverse programs including camps and 'mentor day' to develop social skills and path decision of the students. Furthermore, the 'Dream Festival' is annually held to compete students' skills and share hope and passion, and scholarship is offered to the nominated schools.

Joint Childcare Center

Samsung Life cooperates the 'Joint Childcare Center' with the Ministry of Gender Equality and Family not only to share the childcare burdens of parents, but also to offer high quality of education to the children. We opened the first center in Gwanak gu in May 2013, and we have conducted remodeling of 20 centers by 2014 and provided toys, bookshelves, books, etc. The funding for this business is supported by the 'Consultant Heart Fund', raised by partial amount of money from insurance contracts of our consultants. The Joint Childcare Center is becoming a place for both childcare and healthy communication in local residents.

Expanding the Sharing Culture through Global Social Contribution Activities

Supporting Rehabilitation and Independence of Disabled People in China

In partnership with the Chinese Disabled Welfare Foundation 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 2014, we donated 760 electric wheelchairs to the disabled in China with a fund of KRW 1 billion. Also, we will contribute to achieving the social value globally across the border, by funding KRW 5 billion to provide 3,500 electric wheelchairs until 2016.

Providing IT Educational Equipment

Samsung Life has donated educational equipment and products to several elementary schools near Bangkok in Thailand with poor educational environment. In addition, we have offered computers, desks, beam projectors, and other internet-based facilities to the middle schools around Hanoi, in collaboration with the Vietnamese government since 2013.

Overseas Relative Visits of Children from Multi-cultural Families

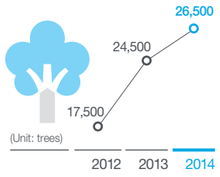
Samsung Life began this program in 2007, which provides roundtrip airfares for all family members when multicultural families visit the home country of non-Korean women who married Korean men in a bid to help multicultural families better understand each other. These efforts have shown positive results such as improving family relations of multicultural families and helping these families quickly adjust to the Korean society. In 2014, we have sent 20 families (79 persons) on trips to visit overseas relatives.

1 Tianjin donation ceremony in China
2 The 8th Green Global Project





Accumulated number of mangrove trees



Mangrove planting project

Samsung Life is striving to minimize flood damages and protecting the environment by continuously taking part in the mangrove planting project in Thailand. We implemented 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 aiming to minimize flood damages by planting mangroves in Phetchaburi of Thailand, while also contributing to environmental protection by absorbing greenhouse gases. Since the mangrove planting project has begun in 2010, we are operating the 8th volunteer corps as of the end of 2014. Until now, we have planted a total of 26,500 mangrove trees.

Spreading Righteous Insurance Culture and Enhancing Training

Economic Classes for Children and Teenagers

As the social contribution activity reflecting its business nature, Samsung Life conducts economic education for children and teenagers. Our employees implements the shared management by engaging in the programs as financial lecturers, and they not only transfer various economic knowledge but also conduct basic training on corporate management so that the children could have a right perspective of money and have interests in economy.

Implementing social contribution activities continuously to fulfill corporate social responsibilities and improve social value.



Since 1997, the Korean University Council for Social Service has begun its support for Samsung Life's 'People, Love Volunteer Corps', which is a volunteer group consisting of university students, to maintain a close partnership until now. I think Samsung Life's social contribution activities create social value, while also adhering to the slogan of 'People, Love'. In particular, Samsung Life has received positive evaluations domestically and internationally for fulfilling its corporate social responsibilities and actively carrying out the role of a global corporate citizen. In the future, Samsung Life should provide support for goods and services, as well as give help so that people can support themselves. In particular, besides supporting educational equipment, I hope that activities for supporting themselves give them a better life, including education on utilizing the equipment and training programs for teachers. Lastly, Samsung Life's social contribution activities must be implemented together with its diverse stakeholders. I believe that synergies can be created from social contribution activities by allowing each stakeholder to communicate with another and ensuring they are aiming for the same vision.

The President of the Korean University Council for Social Service, Hee-Sung Kang

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Reinforcing Environmental Safety & Health Management

Importance of the issue
Safety is essential to gain the trust and confidence of customers and for a company to engage safely in business. In particular, it is very important to implement efficient safety and energy management activities because Samsung Life owns or rents about 700 buildings across the nation. Moreover, since the emission trading system starts in 2015, Samsung Life can take this as a new business opportunity for carbon finance, such as carbon trading and brokerage or the development of derivatives.

Risks and opportunities
In the case of proactively implementing environmental safety & health management, it can create positive effects like minimizing social costs spent on the environment and safety in the future, while also securing business competitiveness on green finance and minimizing safety risks. However, if these activities are not carried out properly, we cannot actively address environment-related regulations, as well as increasing the costs due to possible safety accidents and decreasing the company's credibility.

Approaches to issues
- Operating green management infrastructure
- Facilitating green finance
- Establishing safety & health management system
- Strengthening proactive safety management

Major performances

GHG

76 $tCO_2eq/1,000m^2$
Amount of greenhouse gas emission per square meter

KRW **1,527.9** billion
Amount of investments in green industry

Achieving zero-accident and accident-free business sites

Operating green management infrastructure

Green management vision

Samsung Life is set to become one of the top global life insurers that is respected for its green management, as its green management vision is divided into three implementation directions, including green infrastructure, green business and green activities. In particular, we will support the growth of a green society through expanding green finance services and establishing a systematic green management process, while also constantly reviewing and monitoring the company-wide tasks for green management to achieve our 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 · 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

Operating green management system

Samsung Life has 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 each division. To achieve this, we keep checking the implementation status and performance of tasks derived from reviewing our environmental impact assessment and energy consumption by each division, in accordance with our green management policy.



Operating the Building Energy Management System (BEMS)

Samsung Life has begun its green management by applying it to the working environment. In particular, we adopted the Building Energy Management System (BEMS) for our head office's building. As for our new office buildings, we introduced an eco-friendly concept from the design stage of the building such as acquiring the government's certificate for eco-label building. In the first year of reviewing the result of implementation, we achieved a reduction of 7.05% compared to the baseline. We will strive to reduce the head office building's energy use to an annual average of 9% by 2020. In the future, we 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.

Acquiring external certificates

In 2013, Samsung Life was the first among Korean life insurers 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).

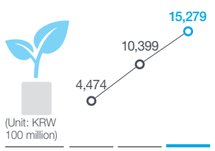
Medium and long-term roadmaps for green management

Establishing the foundation for green management (2012~2014)	Learning Green Management (2015~2017)	Leading the industry in green management (2018~2020)
· Acquiring the ISO 14001/50001 · Establishing the computerized management system for greenhouse gas and energy · Disclosing information on green management · Reflecting green purchasing in the 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 · Implementing social contribution activities for the environment · Conducting campaigns to raise the employees' awareness on green management to realize a 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 · Participating 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

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Facilitating green finance

Amount of investments in green industry by year



Socially responsible investment (SRI) principles

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 looked for ways to expand investments on green growth and new and renewable energy, while also actively investing in the clean energy development projects. In addition, we gave preferential treatment to eco-friendly companies in accordance with the code of asset management by training relevant employees in charge, thereby complying with the SRI principles.

Expanding green finance

Samsung Life has increased its investments on green energy development projects, such as new and renewable energy and community energy, by including the environmental evaluation factors into its financial review system to be utilized when evaluating investments. In addition, we provided low interest rates for green buildings and green companies to promote green finance.

Performances of green finance

Investing in green industry
- New & renewable energy development projects for solar energy, wind power, tidal power generation and fuel cell.
- Projects for the community energy system (CES), industrial complex mass energy system and district heating.

Green loan products
- Discounts on interest rates if a person asks for loan with an 'eco-label building' used as collateral.
- Discounts on interest rates if a person who has accumulated points from joining the carbon point system for energy reduction, asks for loan.
- Provided loan products worth a total of KRW 83.7 billion.

Researches on green finance

Samsung Life has been responding well to management risks caused by environmental factors like climate change, by conducting researches on advanced countries' best practices for green finance through the Insurance & Finance Research Center. Also, we came up with ideas for promoting green finance in collaboration with relevant divisions and/or departments. Meanwhile, in order to prepare for carbon emission trading system being implemented starting from 2015, we have conducted researches on ways to address its impact together with relevant divisions and/or departments in 2014. Through these efforts, we plan to explore new growth engines for the future, including developing derivatives in related fields.

Addressing the carbon emission trading system

Samsung Life has been seeking new opportunities to address the carbon emission trading system that will go into full implementation starting from 2015. Therefore, we conducted researches on the impacts caused by the adoption of the emission trading in collaboration with the research division in charge in 2014. Based on the research results, we established the roles and responsibilities (R&R) and defined new work duties for relevant divisions and/or departments.

Expanding socially responsible investment (SRI) is necessary from a long-term perspective.



As Korea's representative financial company with an asset exceeding KRW 200 trillion, Samsung Life has a huge influence and responsibility. In accordance with the expansion of socially responsible investment (SRI) around the world, the demands for ESG (Environment, Society, Governance) performances of companies have increased, including the company's ethical and environmental management. Therefore, Samsung Life needs to make a balanced investment that takes into consideration both financial and non-financial performances during the decision-making process. Moreover, it is essential to make investment decisions from the long-term perspective. In the case of Samsung Life, which provides long-term protection products, it is essential to acquire new investment markets that create continuous revenues. Factors that affect long-term performances like transparent governance and partnership with suppliers should also be taken into consideration in order to build a good corporate image, as well as have the effect of reducing investment risks. I hope that Samsung Life will not stop at the achievements made so far and continue to take the lead in SRI globally, by fulfilling its corporate social responsibilities and making responsible investments.

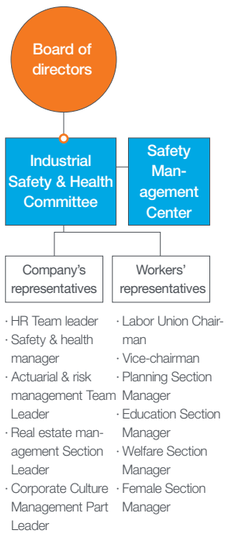
SUSTINVEST* CEO, Young-Jae Ryu

* Provides consulting services to SRI funds and evaluates on Korean listed companies' ESG (Environment, Society, Governance) performances.

INTERVIEW

Establishing safety & health management system

Governance structure for safety management



Regulations on safety & health management

Safety is an essential factor in order to establish an advanced society and become an advanced company. Based on the regulations on safety & health management, Samsung Life has been proactively conducting safety inspections and holding experience education and training on safety, while also implementing activities to prevent safety accidents by increasing budgets and personnel and improving safety systems. Moreover, in order to share safety-related issues, we established the Industrial Safety & Health Committee in 2014. A total of ten members are on the committee, including five persons that represent all of the employees and five representatives from the management, which is held once every quarter.

Operating the 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 is operating the 'Safety Management Center', making it the first in the financial industry to set up an exclusive division for safe environment. The center is in charge of overseeing the company-wide safety & health management and holding the Industrial Safety & Health Committee every quarter, as well as conducting safety inspections for business sites regularly and holding emergency evacuation training and safety education for employees, to prevent disasters and accidents.

Promoting the Integrated Safety and Environment Management System

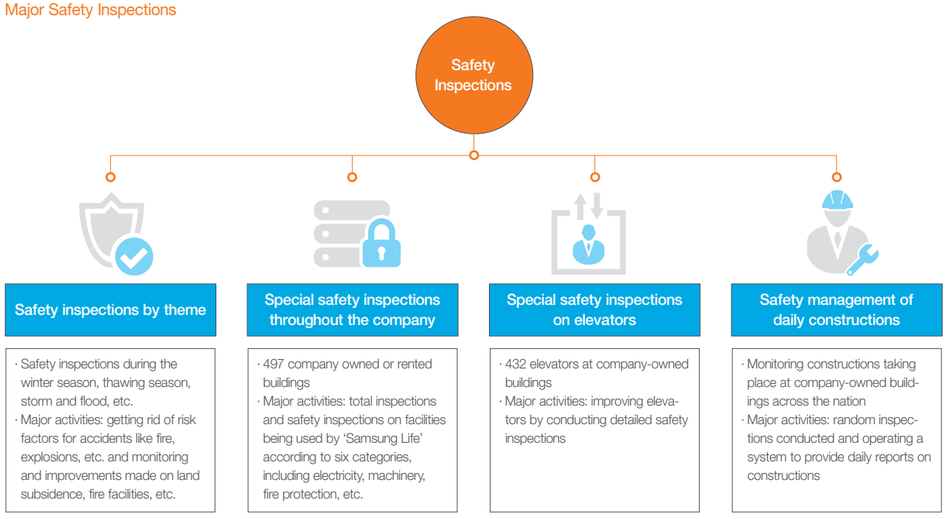
Samsung Life has been establishing the Integrated Safety and Environment Management Network which manages data effectively and systematically, to strengthen the management of its facilities and expand its scope for inspection. When the establishment of the system is completed (expected to open in the first half of 2015), it will be possible to provide a more detailed management of inspection history.

Strengthening proactive safety management

Regular safety inspection to prevent accidents

Samsung Life has been conducting safety inspections on business sites across the nation to prevent various safety-related accidents according to the facilities' characteristics, seasons and other themes. Therefore, we have close collaboration with outsourcers who maintain our office buildings and prevent possible accidents from occurring in the first place by addressing areas that need improvement during inspections. In 2014, we discovered and took care of about 1,000 cases with signs of disorders by reviewing a total of 47,000 items during the inspection. Due to these efforts, we achieved the goal of being a 'zero-accident and accident-free workplace' in 2014.

Major Safety Inspections



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Establishing a Professional Asset Management System
CUSTOMER Satisfaction through Sharing Values
Sustainable Partnership for Mutual Growth
Establishing an Advanced Corporate Culture
Creating Shared Value for Local Communities
Reinforcing Environmental Safety & Health Management

Safety & health education by experience

Samsung Life has been providing participatory trainingand education for safety to raise employees' awareness on health and safety and improve crisis management. We hold participatory safety training programs regularly through an agreement signed with a Safety Experience Center located in Seoul, while also implementing joint private and public training in collaboration with the fire station in the jurisdiction. Especially in 2014, we held emergency evacuation training against employees working at the head office and 8 regional headquarters, including the Research Center. We practiced evacuating the building quickly within ten minutes by taking emergency staircases, as well as learning about how to use fire extinguishers and do CPR. Due to these efforts, we were chosen as the outstanding workplace for conducting emergency training by the National Emergency Management Agency, while the Human Center and the building in Dangsan-dong were chosen as the best fire safety building by the Korean Fire Protection Association.

Performance of activities

Training on cardiopulmonary resuscitation (CPR) and AED*
646 persons

Emergency evacuation training
22,347 persons

Safety experience training for employees and their families
432 persons

*AED (Automated External Defibrillator): a portable device that sends an electric shock to the heart by attaching electrode pads to the patient in cardiac arrest, to restore the heart's normal rhythm.

Management of mental health

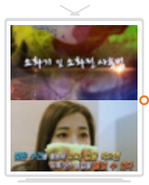
Samsung Life has been supporting the health management of its employees, by holding medical examination once a year to checkup on health and giving safety & health education regularly. We also operatethe 'Mental Health Center' to look after our employees' mental health. There is a consultation room available at the Mental Health Center, which measures stress levels and provides meditation programs to help reduce employees'physical and psychological stresses, while also teaching about ways to improve self-awareness and control physical stress.

Raising awareness about safety culture

Samsung Life has been producing and distributing booklets and videos on accident prevention to raise employees' awareness about safety, aiming to prepare employees on how to handle safety accidents and minimize the loss of life and property.



Producing guidelines on countermeasures against safety accidents
Introducing countermeasures against the occurrence of emergency situations (fracture, burn, bleeding, CPR), earthquakes and fires, with illustrations included.



In-house broadcasting of the video on countermeasures against emergency situations
In-house broadcasting of the video on countermeasures against seven emergency situations that might actually occur at the office like fire and blackout, on a weekly basis.

BUSINESS CASE

Holding the CPR training to teach about the value of 'People, Love'

Samsung Life has been holding the CPR training for all new employees to teach them about the value of life as a life insurer's employee and improve the ability to handle emergency situations. In the future, we plan to improve our employees' abilities during emergency situations by continuously holding the CPR training, so that they can give help to people in emergency situations whether at the office or in the society.



Major programs
· Safety awareness education for teaching about the value of life
· Training on chest compression, CPR and AED
· Certificate on completion of CPR training given by the Korean Association of Cardio Pulmonary Resuscitation (KACPR) for employees that passed evaluation

Appendix

Materiality Test
Performances by Department
Financial Statement
Third Party Assurance Statement
Global Reporting Initiative (GRI) G4 Index
Awards and Memberships
About This Report

Materiality Test

Key issues of sustainability management

Samsung Life has conducted materiality tests to identify key sustainability issues of high concerns to the stakeholders through comparative analysis of international standards, global benchmarking, review of internal data, media researches and surveys on stakeholders. Based on the results, we came up with reports that focused on key issues in the value chain. The objectivity of the report was ensured by complying with international norms and standards, including the Global Reporting Initiative (GRI) guidelines.

STEP 1. CREATION OF AN ISSUE POOL

Samsung Life came up with an issue pool composed of 36 issues through diverse internal and external channels for analyzing key issues.

Analysis of international standards
- Analyze according to international standards concerning sustainability management to come up with key issues
- Analysis by: GRI G4 guideline, ISO26000, etc.

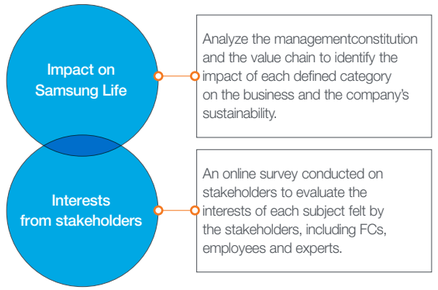
Review of internal documents
- Investigate the articles on the intranet
- Hold interviews with relevant divisions
- Review key issues from sustainability management report
- Confirm documents on internal policies

Global benchmarking
- Review key issues and activities of 11 local and international companies selected, such as DJSI World listed companies, major competitors, etc.
- Conduct researches on the trends of sustainability management reports at home and abroad

Media research
- Investigate articles that were exposed during 2014
- Investigated media: 15 daily newspapers and economic dailies, including Chosun, Choongang, Donga and Hankyoreh

STEP 2. MATERIALITY TEST

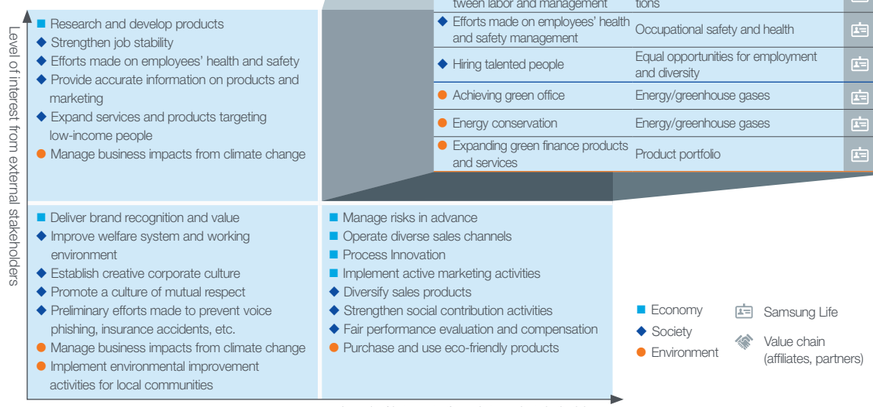
Conduct materiality test by taking into consideration of the level of impacts on Samsung Life and the level of interests from internal and external stakeholders regarding 36 issues derived.



STEP 3. SELECTION OF KEY MATERIAL ISSUES

Deciding on the report details by analyzing the matrix on key material issues from internal and external perspectives.

Materiality issues	GRI perspective	Report restrictions
■ Strengthening product competitiveness	Business Performance	
■ Securing future growth engine	Business Performance	
■ Increase the efficiency of asset management	Business Performance	
■ Reinforcing legal compliance and ethical management	Anti-corruption, compliance	
◆ Strengthening customer satisfaction activities	Labeling of products and services	
◆ Protecting customer information	Customer information protection, Evaluation of suppliers' labor practices	
◆ Developing products reflecting customers' opinions	Product and service labeling, marketing communication	
◆ Developing talented professionals	Training and education	
◆ Supporting partners	Evaluation on local communications, suppliers' human rights, labor evaluation	
◆ Promoting communication between labor and management	Employment, labor-management relations	
◆ Efforts made on employees' health and safety management	Occupational safety and health	
◆ Hiring talented people	Equal opportunities for employment and diversity	
● Achieving green office	Energy/greenhouse gases	
● Energy conservation	Energy/greenhouse gases	
● Expanding green finance products and services	Product portfolio	



ECONOMIC SECTOR

Financial Highlights

Samsung Life generated KRW 28.2 trillion in total premium in FY2014. Excluding corporate pension and retirement insurance, the figure stood at KRW 22.9 trillion, down 7.5% from the high base of the previous year. This was due to the increase in the sale of immediate annuities resulting from a tax reform in the previous year. Our embedded value (EV), which is a comprehensive value of life insurers, amounted to KRW 24.9 trillion (KRW 124,447 per share) as of the end of December 2014, while our RoEV was up 3.9% compared to the end of December 2013.

Business results

Net income stood at KRW 1.3 trillion, up 46.7% compared to the previous year, to achieve outstanding results. Despite the difficult business environment of low interest rates, investment profit increased from eguity disposal gains and management efficiency improved for new business value and loss ratio. Based on these results, we have established maximizing corporate value through qualitative growth as the direction for core management strategies in 2015. By segmenting the management process and actively exploring higher-yielding investment assets such as policy loans and real estate in accordance with the guideline for risk management, we will strive to strengthen our profit base further regardless of the low interest rate environment.

New business value

As of FY2014, the value of new business grew 6.9% year-on-year to KRW 1.2 trillion driven by an increase in higher margin protection sales and improvements made on management efficiency. As a result, our new business margin improved by +3.3% point year-on-year to 31.5%. In 2015, we will continue to drive the growth of value of new business by generating strong protection sales and by attaining an appropriate level of new business margin from annuities through stronger competitiveness in products and services.

	Classification	Unit	FY2012	FY2013[1]	**FY2014**
Embedded value (EV) Summary	EV	KRW trillion	24.9	24.5	24.9
	New business value	KRW trillion	1.1	1.1	1.2
	New business margin	%	21.7	28.2	31.5

1) Annual rates of performance in FY2013 (April–December)

New business and APE by product

Samsung Life's total new business APE was down slightly by 4.3% year-on-year, to reach KRW 3.9 trillion. By product, protection APE maintained a robust growth of 17.2%, not only through the existing whole life products, but also through increased sales of critical illness and health insurance products. On the other hand, annuities declined by 20.5% year-on-year, which was due to a temporary curb in annuity demand after very strong sales in early 2013, just prior to the Income Tax Act amendment coming into effect, with the company's decision to focus on protection sales. In 2015, we are committed to further accelerating growth by driving protection sales, while also strengthening our position in both the protection and annuity markets by increasing higher-margin annuity sales.

Classification	Unit	FY2012	FY2013[1]	**FY2014**
New business APE	KRW trillion	3.0	4.0	3.9
Protection new business APE	KRW trillion	1.3	1.8	2.1

1) Annual rates of the performances in FY2013 (April–December)

Distribution of economic Performance

Samsung Life is committed to fairly distributing its economic returns to its stakeholders, including shareholders, customers, employees and suppliers, through various ways, such as dividend payouts, claims payments, social contribution initiatives and tax payments. Our distribution to stakeholders amounted to KRW 22.4 trillion in 2014.

	Classification	Unit	FY2012	FY2013	**FY2014**
Shareholders	Dividends	KRW 100 million	2,911	1,624	3,403
Customers	Claims paid/ policy reserves		237,814	143,877	200,504
Employees	Wage & bonuses		4,778	3,911	4,594
	Employee benefits		1,176	784	918
	Severance pay		596	655	1,158
Business expenses	Excluding allocation to full-time employees		8,224	6,724	10,132
Government	Income taxes, etc.		2,444	1,327	2,388
Communities	Social contribution expenses		536	521	623
Total			259,508	160,709	223,720

ENVIRONMENTAL SECTOR

Green management

Energy management

Samsung Life's energy consumption in 2014 was a total of 2,788TJ, due to continuous efforts made to save energy. Besides adopting the Building Energy Management System (BEMS), we implemented a total of 292 tasks for energy reduction applicable to 43 buildings, including replacing lights with higher efficiency equipment (LED lamps), installing external wall insulation by using insulating films for air conditioning and heating, adjusting indoor temperatures and repairing worn-out facilities (boilers, etc.). Samsung Life will strive to achieve green office through continuous energy saving efforts and improving the management system.

Paper usage management

Samsung Life has been promoting the use of e-papers in the industry, as the insurance business usually takes lots of paper documents. Besides these, we increased the ratio of e-mails sent out to customers to inform them about useful information, including asset management report, etc., while also encouraging our employees to change their behavior pattern to use tablet PCs for product comparison in the field.

Greenhouse gas management

Samsung Life's main sources of greenhouse gas emissions are energies (electricity and gas) used for air conditioning, heating and lighting. In order to reduce greenhouse gas emissions, Samsung Life has been operating the Greenhouse Gas & Energy Management System (GEMS) and the Building Energy Management System (BEMS). Also, we are minimizing energy consumption by enhancing our employees' awareness on green management through various campaigns.

Wastes management

Samsung Life has no significantly hazardous substances being emitted due to its financial characteristics. Samsung Life has classified wastes generated from office spaces into general waste and specified waste. All of these wastes are legally handled by a government-authorized company. In 2014, we generated a total of 2,473 tons of waste.

Water management

Samsung Life's water use arises mostly from our employees working at the office. Therefore, we need to promote the idea of saving water among 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 is all safely treated before being disposed of through professional treatment institutions operated by local governments.

Major performance

Classification			Unit	2012	2013	2014
Amount of energy use	Amount of energy use per square meter		TJ/1,000㎡	1.59	1.50	1.50
	Total amount of energy use		TJ	3,259	3128	2,788
	Fuel			606	938	871
	Electricity			2,653	2,190	2,062
	Steam			-	-	32
Amount of paper use	Total amount of use		ton	1,360.4	1,286.9	1222.5
Amount of greenhouse gas emissions	Amount of greenhouse gas emissions per square meter		tCO2eq/1,000㎡	77.7	73.8	76.0
	Total emissions		tCO_2eq	159,783	153,777	144,109
	Direct emissions (Scope 1)			26,684	47,479	42,827
	Indirect emissions (Scope 2)			133,099	106,298	101,282
Amount of waste treatment	Total amount of treatment		ton	3,256	2,766	2,473
	General waste	Recycled		1,162	1,526	1,368
		Outsourced		2,086	1,233	1,101
	Designated waste	Outsourced		8	7	4
	Amount of standard plastic garbage bag emissions		kl	9,020	9,780	10,274
Amount of water use	Total amount of use		㎥	1,601,216	1,501,734	1,093,624
	Tap water			1,569,257	1,470,364	1,075,103
	Heavy water			31,959	31,370	18,521

· 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 includes 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.
· The total amount of energy used may be different from the amount of GHG emissions because it is the total of trimmed emissions by business site.
· The amount of GHG emissions of 556tCO2eq from overseas business trips by air is excluded in direct emissions (Scope 1), which is based on the calculation of emissions by the Korea Energy Management Corporation (https://zeroco2.kemco.or.kr).

SOCIAL SECTOR

Talent management

Principles of talent management

At Samsung Life, we prohibit employment discrimination based on the basis of gender, race, age and social status. In compliance with the Korean Labor Standards Act and the International Labor Organization (ILO)'s regulations, we strictly prohibit any form of child labor or forced labor at all on our business premises based on the ILO's Convention Concerning the Prohibition and Immediate Actions Towards the Elimination of the Worse Forms of Child Labor and Abolition of Forced Labor Convention. In 2014, we had no cases of violation.

Non-discriminatory talent recruitment

In order to recruit talented people with profound expertise in their respective areas (sales and marketing, product development actuary, asset management, etc.) and fulfill their corporate social responsibilities, Samsung Life is increasing the number of job opportunities for socially vulnerable groups, such as hiring a certain number of persons who have graduated from regional universities. Starting from 2014, we introduced flexible work schedules for career interrupted women, to promote the work-life balance individually and provide opportunities to make use of the female workforce in society. Also, we developed work positions where the disabled can work, atplaces which are being hired all year round.

Workforce restructuring

Samsung Life has been restructuring its workforce to transform from the existing growth-oriented structure into a profit-oriented one and proactively addressing the low interest rate and low growth environments. The number of persons who changed career to Samsung Life's subsidiaries or Samsung Group's affiliates was 1,000 persons. Some of them set up their own general agencies or became a consultant (FC), a lecturer for training and a call teller.

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 an 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.

Harmonious labor-management relations

Samsung Life has establishedharmonious labor and management relations based on a relationship of mutual trust and respect between one another. 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. Since the establishment of the labor union, we did not have a single instance of any disputes or conflicts between labor and management, and the ratio of persons in the labor collective agreement was 99% of all employees, excluding the executives.

Major performance

Classification				Unit	2012	2013	2014
Employee status	Total number of persons[1]			Number of persons	6,650	6,628	5,545
	By employment status	Full-time employees	Males		6,249	6,284	2,879
			Females				2,490
		Indefinite contract employees	Males		4	5	7
			Females				0
		Professionals/specialized/general contract employees	Males		397	339	109
			Females				60
	By age[2]	Less than 30 years old	Males		-	-	345
			Females				983
		30~50 years old	Males		-	-	2,555
			Females				1,540
		Over 50 years old	Males		-	-	95
			Females				27
	Number of disabled employees				69	26	32
	Flexible time schedule				-	-	71
	Turnover rate			%	0.5	0.4	0.6
	Retirement rate				1.5	2.0	2.1
Labor union status	Total number of employees with labor union membership[3]			Number of persons	3,514	3,999	3,368
Current status of the employees' retirement pension plan	Defined benefit-based (DB) plans			KRW billion	2,627	2,971	2,700
	Defined contribution-based (DC) plans				87	119	236
Current status of parental leave	Ratio of employees using parental leave			%	6.3	6.4	7.6
	Ratio of return to work after parental leave				99.5	91.4	93.4
Current status of training	Training hours per employee			hours	143	153	114
	Training expenses per employee			KRW 10,000	197	212	162

1) Excluding 28,764 FCs, employees on flexible work schedules and part-timers.
2) Starting from 2014, current status by age has to be additionally reported to ensure the credibility of the data.
3) Excluding persons who took leave of absence.

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET (CONSOLIDATED STATEMENT OF FINANCIAL POSITION)

59th (current year): As of December 31, 2014
58th (prior year): As of December 31, 2013

Samsung Life Insurance Co., Ltd. and Subsidiaries (Unit: KRW 1 million)

Account	FY2014	FY2013
Assets		
I. Cash and cash equivalents	4,216,720	3,026,800
II. Financial assets at fair value through profit or loss	2,542,066	594,869
III. Available-for-sale financial assets	123,984,920	112,693,370
IV. Held-to-maturity financial assets	748,147	748,808
V. Loans receivable and other receivables	32,687,421	29,793,530
VI. Derivative financial assets for hedge accounting	165,433	495,748
VII. Investments in associates and joint venture	2,463,717	2,372,841
VIII. Assets held for sale	2,195	-
IX. Investment property	6,146,006	6,310,399
X. Tangible assets	1,800,669	1,783,521
XI. Intangible assets	451,404	193,790
XII. Current tax assets	382	51,330
XIII. Deferred tax assets	12	64
XIV. Other assets	4,815,483	4,859,176
XV. Separate account assets	34,409,139	30,015,137
Total assets	214,433,714	192,939,383
Liabilities and Equity		
I. Insurance contract liabilities	138,982,550	128,760,951
II. Policyholder's equity adjustment	6,771,704	6,028,917
III. Financial liabilities at fair value through profit or loss	89,443	97,750
IV. Other financial liabilities	3,318,418	2,164,529
V. Derivative financial liabilities for hedge accounting	528,978	579,136
VI. Current income tax liabilities	5,880	759
VII. Deferred income tax liabilities	4,195,262	3,620,619
VIII. Provisions	157,222	98,009
IX. Other liabilities	503,705	470,914
X. Separate account liabilities	37,595,813	32,087,408
Total liabilities	192,148,975	173,908,992
I. Equity attributable to owners of the parent	22,204,919	18,970,176
1. Capital stock	100,000	100,000
2. Capital surplus	7,126	6,131
3. Capital adjustments	(1,086,828)	(882,863)
4. Accumulated other comprehensive income	12,488,331	10,236,507
5. Retained earnings	10,696,290	9,510,401
II. Non-controlling interests	79,820	60,215
Total equity	22,284,739	19,030,391
Total liabilities and equity	214,433,714	192,939,383

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

59th Term: from January 1st to December 31st, 2014
58th Term: from April 1st to December 31st, 2013

Samsung Life Insurance Co., Ltd. and Subsidiaries (Unit: KRW 1 million)

Account	FY2014	FY2013
I. Operating revenue	27,426,368	19,304,394
1. Premium income	17,461,627	12,567,384
2. Reinsurance income	233,297	165,969
3. Interest income	5,702,049	4,195,147
4. Gain on financial assets at fair value through profit or loss	210,150	129,324
5. Realized gains on available-for-sale financial assets	685,113	170,927
6. Gain on loan receivables and other receivables	1,113	41,750
7. Gain on derivative financial instruments for hedge accounting	247,306	505,573
8. Gain on foreign currency transactions	487,471	85,675
9. Fee and commission income	43,020	30,083
10. Dividend income	284,011	83,153
11. Rental income	422,481	310,705
12. Separate account commission received	1,091,894	684,995
13. Separate account revenue	433,274	280,678
14. Other operating income	123,562	53,031
II. Operating expenses	26,020,836	18,761,786
1. Increase in policy reserves	10,031,329	7,408,522
2. Insurance claims paid	10,051,134	7,006,875
3. Reinsurance expenses	265,819	179,165
4. Acquisition and administration expenses	1,568,400	1,242,680
5. Triogonometric ratio of acquisition expenses	2,011,555	1,486,146
6. Asset Management Expenses	478,153	325,427
7. Interest expenses	103,104	54,441
8. Loss on financial assets at fair value through profit or loss	209,920	26,491
9. Realized losses on available-for-sale financial assets	42,393	41,315
10. Loss on loan receivables and other receivables	13,708	1
11. Loss on derivative financial instruments for hedge accounting	378,137	85,975
12. Loss on foreign currency transactions	250,865	512,494
13. Separate account expense	433,274	280,678
14. Other operating expense	183,045	111,576
III. Operating income	1,405,532	542,608
IV. Non-operating revenue	321,522	301,719
V. Non-operating expense	123,597	85,782
VI. Profit before income tax	1,603,457	758,545
VII. Income tax expense	266,427	174,117
VIII. Profit for the year	1,337,030	584,428
IX. Other comprehensive income (loss), net of tax	2,253,132	(2,674,524)
1. Items that may be reclassified as profit or loss		
A. Change in value of available-for-sale financial assets	2,186,393	(2,705,968)
B. Change in value of held-to-maturity financial assets	(405)	(389)
C. Change in value of derivative financial instruments for hedge accounting	129,231	42,118
D. Shares of other comprehensive income of associates and joint ventures	(71,277)	13,613
E. Other comprehensive income on separate account	35,622	(60,766)
F. Profit and loss in conversion from oversaes business	12,968	23,073
2. Items that will not be reclassified as profit or loss		
A. Remeasurements of net defined benefit plans	(39,400)	13,795
X. Total comprehensive income for the year	3,590,162	(2,090,096)
1. Profit attributable to:	1,337,030	584,428
Owners to the parent	1,337,488	586,964
Non-controlling interests	(458)	(2,536)
2. Total comprehensive income attributable to:	3,590,162	(2,090,096)
Owners of the parent	3,589,312	(2,088,123)
Non-controlling interests	850	(1,973)
XI. Earnings per share attributable to owners of the parent (in Korean won) (footnote 34)		
Basic earnings per share	7,062	3,059
Diluted earnings per share	7,062	3,059

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

59th Term: from January 1st to December 31st, 2014
58th Term: from April 1st to December 31st, 2013

Samsung Life Insurance Co., Ltd. and Subsidiaries (Unit: KRW 1 million)

Account	Equity Ownership of Dominant Firm						Non-controlling interest	Total
	Capital stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Equity attribute to the oawners of the parent		
2013. 4. 1 (beginning of prior year)	100,000	6,131	(560,318)	12,917,226	9,205,731	21,668,770	112,197	21,780,967
Change of accounting policies	-	-	-	(5,632)	5,632	-	(54,378)	(54,378)
2013. 4. 1 (rewritten)	100,000	6,131	(560,318)	12,911,594	9,211,363	21,668,770	57,819	21,726,589
Ⅰ. Comprehensive income								
1. Profit for the year	-	-	-	-	586,964	586,964	(2,536)	584,428
2. Gain (loss) on valuation of available-for-sale financial assets	-	-	-	(2,705,968)	-	2,705,968)		(2,705,968)
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	-	-	-	(60,766)	-	(60,766)	-	(60,766)
7. Profit and loss in conversion from oversaes business	-	-	-	22,510	-	22,510	563	23,073
8. Remeasurements of net defined benefit plans	-	-	-	13,795	-	13,795	-	13,795
Ⅱ. Dividends paid to shareholders								
1. Annual dividends	-	-	-	-	(291,112)	(291,112)	-	(291,112)
2. Acquisition of treasury stock	-	-	(322,545)	-	-	(322,545)	-	(322,545)
3. Others	-	-	-	-	3,186	4,369	4,369	7,555
2013. 12.31 (end of prior year)	100,000	6,131	(882,863)	10,236,507	9,510,401	18,970,176	60,215	19,030,391
2014. 1.1 (beginning of current year)	100,000	6,131	(882,863)	10,236,507	9,510,401	18,970,176	60,215	19,030,391
Ⅰ. Comprehensive income								
1. Profit for the year	-	-	-	-	1,337,488	1,337,488	(458)	1,337,030
2. Gain (loss) on valuation of available-for-sale financial assets	-	-	-	2,186,379	-	2,186,379	14	2,186,393
3. Gain (loss) on valuation of held-to-maturity financial assets	-	-	-	(405)	-	(405)	-	(405)
4. Gain (loss) on valuation of derivate financial instruments for hedge accounting	-	-	-	129,231	-	129,231	-	129,231
5. Shares of other comprehensive income (loss) of associates and joint ventures	-	-	-	(71,277)	-	(71,277)	-	(71,277)
6. Other comprehensive income (loss) on separate account	-	-	-	35,622	-	35,622	-	35,622
7. Currency translation differences	-	-	-	11,615	-	11,615	1,353	12,968
8. Remeasurements of net defined benefit plans	-	-	-	(39,341)	-	(39,341)	(59)	(39,400)
Ⅱ. Transactions with shareholders								
1. Cash dividends	-	-	-	-	(162,414)	(162,414)	-	(162,414)
2. Change of consolidated entity	-	-	-	-	-	-	9,087	9,087
3. Acquisition of treasury stock	-	-	(201,528)	-	-	(201,528)	-	(201,528)
4. Others	-	995	(2,437)	-	10,815	9,373	9,668	19,041
2014. 12.31 (end of current year)	100,000	7,126	(1,086,828)	12,488,331	10,696,290	22,204,919	79,820	22,284,739

CONSOLIDATED STATEMENT OF CASH FLOWS

59th Term: from January 1st to December 31st, 2014
58th Term: from April 1st to December 31st, 2013

Samsung Life Insurance Co., Ltd. and Subsidiaries (Unit: KRW 1 million)

Account	FY2014	FY2013
Ⅰ. Cash flows from operating activities	8,946,403	9,953,987
1. Cash generated from operations	3,535,411	6,029,167
A. Profit for the year	1,337,030	584,428
B. Adjustments in expenses and revenues (footnote 37)	5,630,564	4,441,652
C. Changes in operating assets and liabilities (footnote 37)	(3,432,183)	1,003,087
2. Interests received	5,432,941	3,998,746
3. Interests paid	(88,360)	(26,474)
4. Dividends received	276,769	79,947
5. Income taxes paid	(210,358)	(127,399)
Ⅱ. Cash flows from investing activities	(7,392,305)	(8,796,433)
1. Proceeds from disposal of available-for-sale financial assets	11,830,481	6,826,184
2. Payment for acquisition of available-for-sale financial assets	(19,101,535)	(14,903,577)
3. Proceeds from disposal of held-to-maturity financial assets	1,868	139,568
4. Settlement of derivative financial instruments for hedge accounting	319,813	39,189
5. Proceeds from disposal of investments in associate and joint venture	(84,421)	(272,896)
6. Payment for acquisition of investments in associate and joint venture	82,438	17,040
7. Acquisition of subsidiaries	(379,481)	(81,717)
8. Disposal of subsidiaries	34,189	119,065
9. Payment for acquisition of investment properties	(142,757)	(759,282)
10. Proceeds from disposal of investment properties	2,464	78,700
11. Payment for acquisition of property and equipment	(74,128)	(56,827)
12. Proceeds from disposal of property and equipment	21,745	16,258
13. Payment for acquisition of intangible assets	(86,014)	(46,889)
14. Proceeds from disposal of intangible assets	4,698	1,341
15. Proceeds from disposal of assets held for sale	28,100	-
16. Increase (decrease) due to changes in consolidated coverage	154,297	10,522
17. Others	(4,062)	76,888
Ⅲ. Cash flows from financing activities	(354,969)	(416,782)
1. Payment of dividends	(203,085)	(312,400)
2. Payment for acquisition of treasury stocks	(201,528)	(322,545)
3. Increase in loans	30,300	54,040
4. Decrease in borrowings	(8,450)	-
5. Increase (decrease) in non-controlling interest	27,794	164,123
Ⅳ. Net increase in cash and cash equivalents	1,199,129	740,772
Ⅴ. Cash and cash equivalents at the beginning of the year	3,026,800	2,286,247
Ⅵ. Exchange loss on cash and cash equivalents	(9,209)	(219)
Ⅶ. Cash and cash equivalents at the end of the year (footnote 37)	4,216,720	3,026,800

FINANCIAL STATEMENTS

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

59th Term: December 31st, 2014
58th Term: December 31st, 2013

Samsung Life Insurance Co., Ltd. (Unit: KRW 1 million)

Account	FY2014	FY2013
Assets		
I. Cash and cash equivalents	3,655,076	2,930,941
II. Financial assets at fair value through profit or loss	1,141,068	594,869
III. Available-for-sale financial assets	123,849,543	112,621,130
IV. Held-to-maturity financial assets	712,142	719,540
V. Loans receivable and other receivables	32,805,807	30,255,113
VI. Derivative financial assets for hedge accounting	165,433	495,748
VII. Investments in subsidiaries, associates and joint venture	3,984,863	2,842,554
VIII. Asset held for sale	2,196	-
IX. Investment property	4,416,289	4,411,133
X. Property and equipment	1,788,936	1,776,071
XI. Intangible assets	215,118	176,504
XII. Current income tax assets	1,676	51,243
XIII. Other assets	4,056,771	4,103,556
XIV. Separate account assets	34,409,139	30,015,137
Total assets	**211,204,057**	190,993,539
Liabilities and Equity		
I. Insurance contract liabilities	138,887,093	128,685,610
II. Policyholder's equity adjustment	6,777,061	6,007,431
III. Financial liabilities at fair value through profit or loss	69,551	97,750
IV. Other financial liabilities	1,068,282	994,750
V. Derivative financial liabilities for hedge accounting	528,978	579,136
VI. Deferred income tax liabilities	4,103,900	3,528,711
VII. Provisions	155,987	97,770
VIII. Other liabilities	449,595	438,118
IX. Separate account liabilities	37,595,813	32,087,408
Total liabilities	**189,636,260**	172,516,684
I. Capital stock	100,000	100,000
II. Capital surplus	6,131	6,131
III. Capital adjustments	(1,080,278)	(878,750)
IV. Accumulated other comprehensive income	12,528,157	10,204,405
V. Retained earnings	10,013,787	9,045,069
Total equity	**21,567,797**	18,476,855
Total liabilities and equity	**211,204,057**	190,993,539

STATEMENT OF COMPREHENSIVE INCOME

59th Term: from January 1st to December 31st, 2014
58th Term: from April 1st to December 31st, 2013

Samsung Life Insurance Co., Ltd. (Unit: KRW 1 million)

Account	FY2014	FY2013
I. Operating revenue	26,885,750	19,208,672
1. Premium income	17,411,159	12,520,200
2. Reinsurance income	231,935	164,943
3. Interest income	5,703,428	4,202,582
4. Gain on financial assets at fair value through profit or loss	101,107	129,324
5. Realized gains on available-for-sale financial assets	607,814	170,804
6. Gain on loan receivables and other receivables	1,505	41,296
7. Gain on derivative financial instruments for hedge accounting	256,596	506,738
8. Gain on foreign currency transactions	394,774	90,078
9. Fee and commission income	25,129	25,450
10. Dividend income	247,653	91,496
11. Rental income	317,764	246,621
12. Separate account commission received	1,091,894	684,995
13. Separate account revenue	433,274	280,678
14. Other operating income	61,718	53,467
II. Operating expenses	25,604,820	18,646,796
1. Increase in policy reserves	10,014,615	7,396,665
2. Insurance claims paid	10,035,836	6,991,000
3. Reinsurance expenses	264,048	176,949
4. Acquisition and administration expenses	1,548,156	1,207,359
5. Amortization of deferred acquisition costs	2,011,555	1,486,146
6. Assets management expenses	399,491	306,219
7. Interest expenses	35,120	25,361
8. Loss on financial assets at fair value through profit or loss	28,456	26,491
9. Realized losses on available-for-sale financial assets	42,393	41,315
10. Loss on loan receivables and other receivables	13,776	1
11. Loss on derivative financial instruments for hedge accounting	378,137	90,806
12. Loss on foreign currency transactions	243,576	511,050
13. Separate account expenses	433,274	280,678
14. Other operating expense	156,387	106,756
III. Operating income	1,280,930	561,876
Iv. Non-operating revenue	203,032	103,419
V. Non-operating expense	114,037	75,178
VI. Profit before income tax	1,369,925	590,117
VII. Income tax expense	238,793	134,736
VIII. Profit for the year	1,131,132	455,381
IX. Other comprehensive income (loss), net of tax	2,323,752	(2,697,466)
1. Items that may be reclassified as profit or loss		
A. Change in value of available-for-sale financial assets	2,193,379	(2,705,082)
B. Change in value of held-to-maturity financial assets	(405)	(389)
C. Change in value of derivative financial instruments for hedge accounting	122,187	44,897
D. Shares of other comprehensive income of associates and joint ventures	8,989	10,810
E. Other comprehensive income on separate account	35,622	(60,766)
2. Items that will not be reclassified as profit or loss		
A. Remeasurements of net defined benefit plans	(36,020)	13,064
X. Total comprehensive income for the year	3,454,884	(2,242,085)
XI. Earnings per share (in Korean won)		
Basic earnings per share	5,972	2,373
Diluted earnings per share	5,972	2,373

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

59th Term: from January 1st to December 31st, 2014
58th Term: from April 1st to December 31st, 2013

Samsung Life Co., Ltd. (Unit: KRW 1 million)

Account	Capital	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total
April 1, 2013 (beginning of prior year)	100,000	6,131	(556,205)	12,907,503	8,875,168	21,332,597
Change of accounting policies				(5,632)	5,632	-
April 1, 2013 (rewritten)	100,000	6,131	(556,205)	12,901,871	8,880,800	21,332,597
I. Comprehensive income						
1. Profit for the year	-	-	-	-	455,381	455,381
2. Gain (loss) on valuation of available-for-sale financial assets	-	-	-	(2,705,082)	-	(2,705,082)
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	-	-	-	44,897	-	44,897
5. Other comprehensive income (loss) on separate account	-	-	-	10,810	-	10,810
6. Remeasurements of net defined benefit plans	-	-	-	(60,766)	-	(60,766)
7. Remeasurements of net defined benefit liability	-	-	-	13,064	-	13,064
II. Transactions with shareholders						
1. Cash dividends	-	-		-	(291,112)	(291,112)
2. Acquisition of treasury stock	-		(322,545)	-	-	(322,545)
March 31, 2013 (end of prior year)	100,000	6,131	(878,750)	10,204,405	9,045,069	18,476,855
January 1, 2013 (beginning of current year)	100,000	6,131	(878,750)	10,204,405	9,045,069	18,476,855
I. Comprehensive income						
1. Profit for the year	-	-	-	-	1,131,132	1,131,132
2. Gain (loss) on valuation of available-for-sale financial assets	-	-	-	2,193,379	-	2,193,379
3. Gain (loss) on valuation of held-to-maturity financial assets	-	-	-	(405)	-	(405)
4. Gain (loss) on valuation of derivative financial instruments for hedge accounting	-	-	-	122,187	-	122,187
5. Shares of other comprehensive income (loss) of subsidiaries, associates and joint ventures	-	-	-	8,989	-	8,989
6. Other comprehensive income (loss) on separate account	-	-	-	35,622	-	35,622
7. Remeasurements of net defined benefit plans				(36,020)	-	(36,020)
II. Transactions with shareholders						
1. Cash dividends	-	-	-	-	(162,414)	(162,414)
2. Acquisition of treasury stock	-	-	(201,528)	-	-	(201,528)
December 31, 2014 (end of current year)	100,000	6,131	(1,080,278)	12,528,157	10,013,787	21,567,797

STATEMENT OF CASH FLOWS

59th Term: from January 1st to December 31st, 2014
58th Term: from April 1st to December 31st, 2013

Samsung Life Insurance Co., Ltd. (Unit: KRW 1 million)

Account	FY2014	FY2013
I. Cash flows from operating activities	8,633,970	9,898,989
1. Cash generated from operations	2,833,440	5,906,163
A. Profit for the year	1,131,132	455,381
B. Adjustments in expenses and revenues	5,678,441	4,508,835
C. Changes in operating assets and liabilities	(3,976,133)	941,947
2. Interests received	5,197,061	4,010,355
3. Interests paid	(23,030)	(17,033)
4 Dividends received	240,535	88,291
5. Income taxes paid	385,964	(88,787)
II. Cash flows from investing activities	(7,545,907)	(8,591,173)
1. Proceeds from disposal of available-for-sale financial assets	11,865,434	6,826,184
2. Payment for acquisition of available-for-sale financial assets	(19,143,980)	(14,886,899)
3. Proceeds from disposal of held-to-maturity financial assets	9,145	139,568
4. Settlement of derivative financial instruments for hedge accounting	319,813	39,189
5. Proceeds from disposal of investments in subsidiaries, associates and joint venture	118,660	22,353
6. Dividends of investments in subsidiaries, associates and joint venture	83,844	7,218
7. Payment for acquisition of investments in subsidiaries, associates and joint venture	(589,826)	(652,102)
8. Proceeds from disposal of assets held for sale	28,100	125,832
9. Payment for acquisition of investment properties	(101,641)	(204,341)
10. Proceeds from disposal of investment properties	2,481	78,700
11. Payment for acquisition of property and equipment	(69,829)	(63,072)
12. Proceeds from disposal of property and equipment	21,416	16,016
13. Payment for acquisition of intangible assets	(83,147)	(42,891)
14. Proceeds from disposal of intangible assets	3,113	1,341
15. Others	(9,490)	1,731
III. Cash flows from financing activities	(363,942)	(613,657)
1. Payment of dividends	(162,414)	(291,112)
2. Payment for acquisition of treasury stocks	(201,528)	(322,545)
IV. Net increase in cash and cash equivalents	724,121	694,159
v. Cash and cash equivalents at the beginning of the year	2,930,941	2,236,996
VI. Exchange loss on cash and cash equivalents	14	(214)
VII. Cash and cash equivalents at the end of the year	3,655,076	2,930,941

INDEPENDENT ASSURANCE REPORT

STANDARD AND SCOPE

This Assurance Statement has been prepared for Samsung Life Insurance Co., Ltd. in accordance with our contract but is intended for the readers of this Report.

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by Samsung Life Insurance Co., Ltd. (SLI) to provide independent assurance on its Integrated Report for the calendar year 2014 ("the Report") against the assurance criteria below to a moderate level of assurance using AccountAbility's AA1000AS (2008), where the scope was a Type 2 engagement.

Our assurance engagement covered SLI's operations and activities in Korea and specifically the following requirements:

- Evaluating adherence to AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness
- Confirming that the Report is in accordance with GRI G4's reporting guidelines (core option) and Financial Services Sector Disclosures
- Evaluating the accuracy and reliability of data and information for only the selected indicators1 listed below:
  - Economic: economic performance (EC1, EC2), indirect economic impacts (EC7, EC8)
  - Environmental: energy (EN3, EN5, EN6), emissions (EN15, EN16, EN18)
  - Social: labor/management relations (LA4), occupational health and safety (LA5), training and education (LA9), diversity and equal opportunity (LA12), supplier assessment for labor practices (LA14), investment (HR1), supplier human rights assessment (HR10), local communities (SO1, FS14), anti-corruption (SO4), compliance (SO8), product and service labelling (PR3, PR5), marketing communications (PR6, PR7), customer privacy (PR8), compliance (PR9), product portfolio (FS8)

Our assurance engagement excluded the data and information of SLI's suppliers, contractors and any third-parties mentioned in the Report.

LRQA's responsibility is only to SLI. LRQA disclaims any liability or responsibility to others as explained in the end footnote. SLI's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of SLI.

LRQA'S OPINION

Based on LRQA's approach nothing has come to our attention that would cause us to believe that SLI has not:

- Met the requirements above
- Disclosed accurate and reliable performance data and information as no errors or omissions were detected
- Covered all the issues that are important to the stakeholders and readers of this Report.

The opinion expressed is formed on the basis of a moderate level of assurance and at the materiality of the professional judgement of the Verifier.

Note: The extent of evidence-gathering for a moderate assurance engagement is less than for a high assurance engagement. Moderate assurance engagements focus on aggregated data rather than physically checking source data at sites.

LRQA'S APPROACH

LRQA's assurance engagements are carried out in accordance with AA1000AS (2008). The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing SLI's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through reviewing documents and associated records.
- Reviewing SLI's process for identifying and determining material issues to confirm that the right issues were included in their Report. We did this by comparing SLI's reported material issues against a report of its peer. We also tested the filters used in determining material issues to evaluate whether SLI makes informed business decisions that may create opportunities that contribute towards sustainable development.
- Auditing SLI's data management systems to confirm that there were no significant errors, omissions or mis-statements in the Report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the Report.
- Checking that the GRI Content Index allows stakeholders to access sustainability performance indicators
- Reviewing additional evidence made available by SLI at their head office in Sejong-daero, Jung-gu, Seoul.

1) The selected indicators are as defined in GRI G4 Sustainability Reporting Guidelines – Reporting Principles and Standard Disclosures (p.48-83).

OBSERVATIONS

Further observations and findings, made during the assurance engagement, are:

Stakeholder Inclusivity

We are not aware of any key stakeholder groups that have been excluded from SLI's stakeholder engagement process. SLI has emphasized the importance of stakeholder engagement through conducting the stakeholder survey in order to define the topics to be reported.

Materiality

We are not aware of any material issues concerning SLI's sustainability performance that have been excluded from the Report. It should be noted that SLI has established extensive criteria for determining material issues/aspects and that these criteria are not biased to SLI's management. However, SLI should be more familiar with GRI's guidelines in order to apply fully the materiality test as defined in GRI's guidelines and to disclose all required information for the selected indicators.

Responsiveness

Future reports should disclose more detailed information on the management approaches, e.g. commitments, goals, targets, etc. on human rights and labor practices applied to investment practices, supply chain management and workforce.

Reliability

SLI's reporting process for the selected indicators are well defined. It should also be noted that energy consumption and greenhouse gas emissions are verified annually by another third-party.

COMPETENCE AND INDEPENDENCE

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification engagement is the only work undertaken by LRQA for SLI and as such does not compromise our independence or impartiality.

Lloyd's Register LRQA

AA1000
Licensed Assurance Provider
000-11

April 2015

LRQA Lead Verifier Tae-Kyoung Kim

On behalf of Lloyd's Register Quality Assurance Limited

17th Floor, Sinsong Building, 67 Yeouinaru-ro, Yeongdeungpo-gu, Seoul, Korea LRQA Reference: SEO6023825

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GLOBAL REPORTING INITIATIVE (GRI) G4 INDEX

General Standard Disclosures

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	Strategy and analysis			
G4-1	Statement from the most senior decision-maker	6-7		V
G4-2	Provides a description of Key impacts, risks, and opportunities	24-25		V
	Organizational Profile			
G4-3	Report the name of the organization	Cover, 8-9		V
G4-4	The primary brands, products, and services	8-9, 28-29		V
G4-5	The location of the organization's headquarters	Back Cover		V
G4-6	The number of countries where the organizaion operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	8-9		V
G4-7	The nature of ownership and legal form	Back Cover		V
G4-8	The markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	8-9		V
G4-9	Scale of the organization	8-9, About This Report		V
G4-10	Total workforce	69		V
G4-11	The percentage of total employees covered by collective bargaining agreements	69		V
G4-12	The organization's supply chain	46-47		V
G4-13	Any significant changes during the reporting period regarding the organization's size, sutructure, ownerhsip, or its supply chain	8-9, 36, 39		V
G4-14	Whether and how the precautionary approach or principle is addressed by the organization	19, 60-61		V
G4-15	List Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	Appendix		V
G4-16	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization	Appendix		V
	Identified Material Aspects And Boundaries			
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G4-19	List all the material Aspects identified in the process for defining report content	66		V
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	Stakeholder Engagement			
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	Report Profile			
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G4-29	Date of most recent previous report (if any)	About This Report		V
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	Governance			
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G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	32		V

· : Homepage

Specific Standard Disclosure

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	EC7	Development and impact of infrastructure investments and services supported	37, 54-59		V
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	EN6	Reduction of energy consumption	61, 68		V
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	EN18	Greenhouse gas (GHG) emissions intensity	68		V
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	LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	GRI Index	30 days	V
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	LA9	Average hours of training per year per employee, by gender, and by employee category	69	Specific disclosure planned in 2015	V
Diversity and Equal Opportunity	DMA		69		
	LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	12, 69		V
Supplier Assessment for Labor Practice	DMA		44-45		
	LA14	Percentage of new suppliers that were screened using labor practice criteria	44, GRI Index	100%	V
Investment	DMA		44-45		
	HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	44, GRI Index	No relevant cases	V
Supplier Human Rights Assessment	DMA		44-45		
	HR10	Percentage of new suppliers that were screened using human rights criteria	44, GRI Index	100%	V
Local Communities	DMA		54-55		
	SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	54-59		V
	FS14	Activities providing financial services to socially underprivileged, including low income group, the disabled, etc.	42		V
Anti-corruption	DMA		30-31		
	SO4	Communication and training on anti-corruption policies and procedures	32		V
Compliance	DMA		30-31		
	SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	GRI Index	No relevant cases	V
Product and Service Labeling	DMA		30-31		
	PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant products and services subject to such information requirements	33	100%	V
	PR5	Results of surveys measuring customer satisfaction	41		V
Marketing Communication	DMA		30-31		
	PR6	Sale of banned or disputes products	GRI Index	No relevant cases	V
	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	GRI Index	No relevant cases	V
Customer Privacy	DMA		20-21		
	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	GRI Index	No relevant cases	V
Compliance	DMA		30-31		
	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	GRI Index	No relevant cases	V
Product Portfolio	DMA		34, 60-61		
	FS8	Montery value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	37, 62		V

AWARDS AND MEMBERSHIPS

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

S&P Dow Jones and RobecoSAM

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 performance and non-financial performance, including social contribution, governance, human rights and the environment. In September 2013, Samsung Life was named to the DJSI World list for the three consecutive years as the first Korean insurer, ranking among the world's top 16 and Asia's top 3 insurers.

Ranked as the No.1 insurance company in the 2014 National Customer Satisfaction Index (NCSI) for 11 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 2014, Samsung Life has topped the survey's life insurance category for the last eleven years in a row.

Ranked as the No.1 insurance company in the 2014 Korea Standards Service Quality Index (KS-SQI) for 12 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 12 straight years as a result of its customer-oriented management practices.

Ranked as the No.1 insurance company in the 2014 Korean Customer Satisfaction Index (KCSI) for 10 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 ten consecutive years in recognition of its continuous implementation of customer-oriented management practices.

Ranked No.1 as the 2014 Most Admired Korean Companies in life insurance industry for 12 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 2014 and was named one of the list's "All-Stars" (one of the list's top 30 companies).

Received the Minister of Trade, Industry & Energy Prize for Sustainability Management at the 38th National Productivity Award

Korea Productivity Center

The government gives awards to companies that have set examples in improving productivity through their management practices and innovation activities, being hosted by the Prime Minister's Office. Samsung Life is Korea's first life insurer to win the Ministry of Trade, Industry & Energy Prize for sustainabilitymanagement.

Received the Grand Prize at 'the 19th Korea Herald Business Insurance Awards'

Korea Herald Business

As an award that has been given to insurance companies that contributed to the improvement of insuranceindustry since 1996, Samsung Life received the Grand Prize (Chairman of Financial Services Commission Award) in recognition of its efforts made in social contribution through 'People, Love Serotonin Drum Clubs', following its receipt of the Innovation Prize for customer services in 2013.

Ranked No.1 on the 2014 Korea Brand Power Index (K-BPI) in life insurance industry for 16 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 sixteen consecutive years, Samsung Life also ranked first in the retirement annuity category for three years in a row.

Ranked No.1 Brand Value in life insurance industry for 11 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 eleven years in recognition of its brand value worth KRW 17.5231 trillion.

Listed in the 2014 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 2014 (6th among Korean companies).

Received the 7th 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 2014, 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

Acquired the web accessibility certification mark

Samsung Life's website was renewed in April 2013 so that all 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, with an extension of certification in May 2014.

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 for the period between January 1, 2014 and December 31, 2014. In the case of changes made in the method of data collection from the previous report, it was amended according to the 2014 standard. In particular, the financial data of 2013 has been changed to suit the amendment of the Enforcement Decree of the Insurance Business Act.

· Financial information has been drawn up in accordance with the Korean International Financial Reporting Standards (K-IFRS).
· In the case of quantitative activities related to core issues, activities conducted until March 2015 were included.
· 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.
· 15 consolidated subsidiaries have been excluded from the report, but in the case of some subsidiaries' activities, the name of the subsidiary is indicated.

Reporting standards

This report was compiled in line with the Global Reporting Initiative (GRI) G4 Guidelines and the Financial Service Sector Supplement. Also, the report meets the core conditions of GRI G4 Guidelines.

Report Assurance

This report received third party assurance for the audits of financial information through an independent audit corporation, while the non-financial information received third party assurance from LRQA Korea.

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2014



2013



2012



2010-2011



Visit our Website at
www.samsunglife.com

Visit our Blog L at
www.samsunglifeblogs.com

Follow us on Twitter at
twitter.com/samsunglife

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 Institute	Work exchange for diverse information protection activities including prevention, response, and inspection of hacking incidents in financial industry.
Korean Inssurance Acedemic Society	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	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.





Samsung Life's Integrated Report has been produced on eco-friendly paper certified by the Forest Stewardship Council™(FSC™). The FSC™ certification can only be used on wood or paper products harvested from forests developed and maintained in an environmentally responsible way. This report was printed with soy ink to substantially reduce air pollutant emissions which occur during the printing process.

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