



Postal Insurance



Building a Happier Nation

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Managing Entity

It is managed by the state, with the Minister of Science and ICT overseeing its operations

Objective

Through the universal availability of insurance, we jointly address the risks associated with diseases and disasters, thereby contributing towards the stability of the public's financial life and the promotion of public welfare

Universal Insurance Service

Leveraging the post office network spread from rural and fishing villages, remote areas, to small, mid-sized, and large cities nationwide, we contribute to making insurance universally available with affordable premiums and simple registration procedures

Features of Postal Insurance

Accounting Features

Postal insurance is governed by the Act on the Special Account for Postal Insurance and associated government budget and accounting laws and regulations. To ensure transparent operations, we are audited by the relevant government agencies and external professional institutions.

Public Role

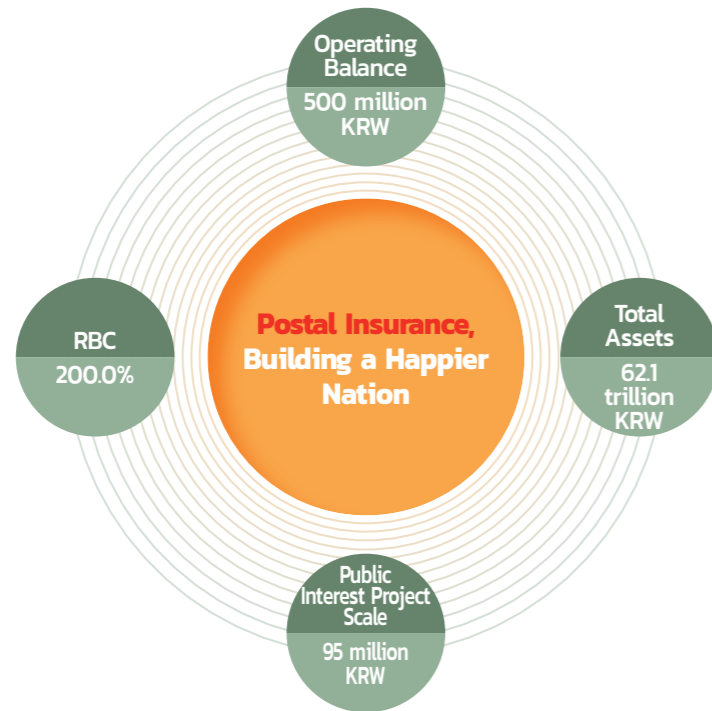
As a state-run insurance provider, we widely offer insurance targeting the vulnerable groups and by identifying and assisting with projects designed to promote public interest for marginalized communities, thereby fulfilling our social responsibility

Postal Insurance

Postal Insurance, Building a Happier Nation



Vision



Top 5 Strategies Top 17 Initiatives

Resolve liquidity crisis and strengthen risk management

- Resolve a liquidity crisis and ensure efficient management
- Enhance the management of an insurance premium and secure investment resources
- Strive to achieve RBC ratio targets during a crisis
- Reinforce credit and market risk management and construct a foreign exchange risk management system

Increase the operating income through company-wide boom-up sales

- Activate insurance sales through improved insurance productivity
- Launch products reflecting customer demands and activate sales
- Establish an integrated system for improving management performance
- Promote new business ventures to discover the stable sources of income

Enhance investment returns through efficient asset management

- Drive asset allocation to strike a balance between profitability and stability
- Invigorate securities management by leveraging high-interest market conditions and financial market volatility
- Strengthen stability and profitability by building a balanced alternative investment portfolio
- Boost reserves for the efficient operation of real properties and activate loans

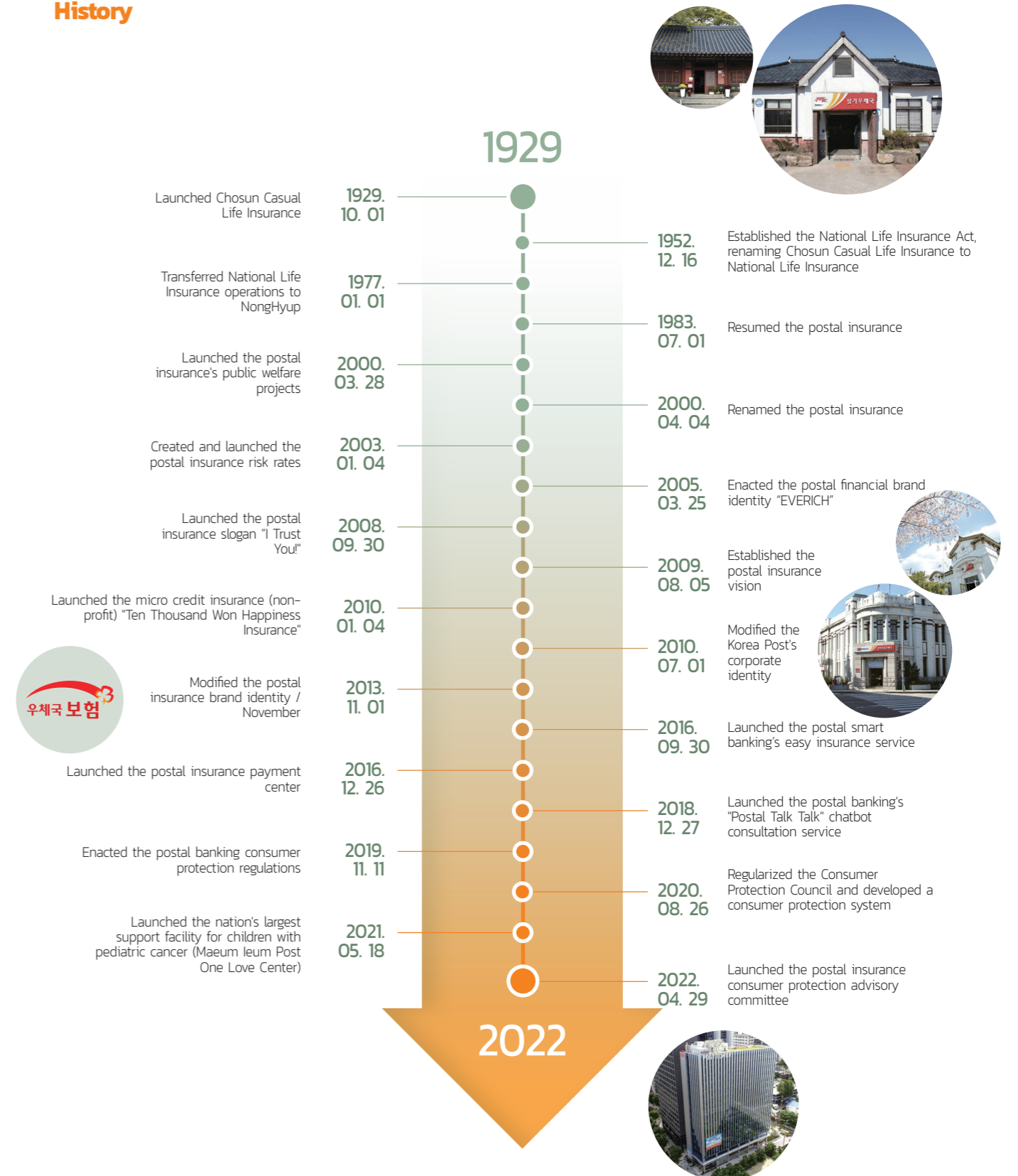
Strengthen the role of the state-run insurance through enhanced social responsibility

- Promote public interest projects that assist government policies and leverage the unique features of the postal service
- Expand socially responsible investments to elevate the stature of the postal insurance
- Enhance consumer rights and customer satisfaction through the establishment of a consumer protection system
- Reform systems to provide customer-oriented services

Digital transformation across the entire value chain for the insurance business

- Respond to environmental changes and meet customer needs through digital transformation

History

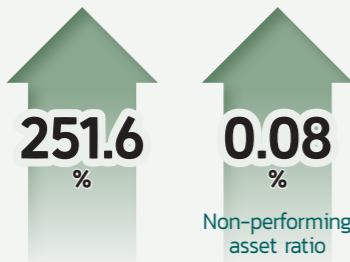


2022 Management Outcomes



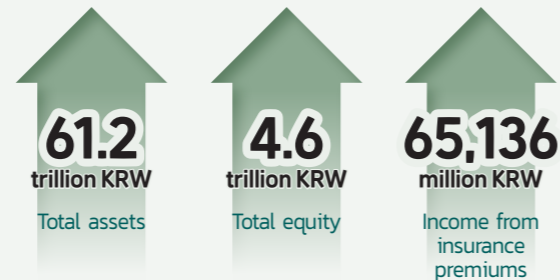
Stability

Maintain soundness through operating rigorous risk management and realizing the continuous generation of profits



Growth potential

Maintain steady growth in total assets and hold strong contracts with customer-centric management



Customer-centric insurance service

Maintain the company-wide efforts to enhance the perceived customer value by providing insurance services centered on customer convenience and benefits

Product development

- Developed the New100 Age Health Insurance, More Sturdy Child Protection Insurance, and Green Bonus Savings Insurance Plus incorporating changes in customer demand and enhanced coverage

Underwriting

- Underwriting based on public medical information (health checkup results, medication information, etc.) without any submission of documentation if consented by the customer.
- Initiatives for complete sales monitoring to reduce incomplete sales, and the promotion of three major principles (in-person and handwritten signatures, terms and conditions, and main product description).

Payment Review

- Promotion of easy insurance claims through platforms linked with Kakao Channel (postal insurance)

Postal Insurance's Public Roles

Reinforcement of the public role of state-owned insurance

Efforts are being made to promote public interest projects designed to fulfill social responsibility, expand public insurance for the enhanced social safety net, and implement ESG management for sustainable development



Continuous promotion of public interest projects designed to fulfill social responsibility

- Over 240 volunteer groups and around 9,600 employees participate in regular volunteer activities*, holiday visits to vulnerable groups, disaster recovery, and other community-based contributions in line with the local characteristics and need.
- During Family Month, marginalized children send wishes and stories through the "Wish Mailbox" and the gifts they desire are sent in return (around 2,800 recipients received clothes, school supplies, etc.)
- Support programs for pediatric cancer patients and their families, including cancer treatment expenses and residential spaces, Psychological counseling, and health promotion (used by 9,969 people annually).

* We operate the nation's largest integrated support facility for pediatric cancer patients (Postal One Heart, One Love House, opened in May 2021).



Active supply of public interest insurance to fill the insurance coverage blind spot

- Economic risk prevention through free cancer insurance enrollment for low-income disabled people (468 beneficiaries, 380 million KRW).
- Free scholarship insurance and scholarship fund for youths in living facilities and family foster care (448 beneficiaries, 1.09 billion KRW).
- Products that offer protection against accidents for low-income groups (Ten Thousand Won Happiness Insurance) and traffic accident insurance premium support for platform workers (Narmi Insurance) (39,023 beneficiaries, 1.98 billion KRW).



Continuous promotion of the ESG management and continuous care for the socially vulnerable

- Sustained role as a public institutional investor for profitability and public interest
 - Participation in domestic VC funds for the digital new deal (60 billion KRW)
- Expansion of ESG investments and the establishment of ESG investment funds for major asset classes
 - New investment worth 536.2 billion KRW, up 20.2% from the previous year
- Rent reduction for 4 insurance halls nationwide to support small business owners overcome by COVID-19

Postal Insurance's Public Roles



Postal Insurance

plays a pivotal role in ensuring the stability of the citizens' lives

Ensure equal opportunities for insurance enrollment

Everyone should benefit from insurance regardless of region, age, or income

- It is easy to enroll, offers affordable premiums, and guarantees full payment by the state.
- Over 3,500 post offices nationwide offer the opportunity to enroll in insurance.
- Promoting indemnity insurance with its national insurance attributes aids in alleviating the financial strain of medical costs on individuals.



Funds raised contribute towards the national economy

For all citizens to be happy, a robust national economy is vital

- Investing in startups, especially those that find it challenging to borrow from financial institutions, combined with ESG investments, breathes life into the economy.
- Every year, public funds are repaid to support overcoming national crises like the IMF and promote economic growth.
- Costs are supported for the operation and maintenance of post offices nationwide.



Profits are returned to the citizens

As social polarization intensifies, the state's responsibility to support the vulnerable becomes paramount

- Profits are distributed to the policy holders. (No dividends to shareholders)
- Public interest insurance is continuously developed and supplied for the socially weak (649,000 people, 38.5 billion KRW).
- To give back to the citizens, various public interest projects are actively pursued, such as the postal service for welfare registration to discover welfare blind spots, support for pediatric cancer patients and their families, learning support for children in childcare facilities, operating cafes for people with developmental disabilities, and a recycling project for multi-use cups

< Public Interest Insurance Support Status (total as of December 2022) >
(Unit: people, 100 million KRW, cumulative)

Product name	Launch	Eligibility and major benefits	Number of beneficiaries	Amount provided
Dream of Youth Insurance	May, 1995	Scholarship for orphaned boys and girls (fully covered)	4,239	117.0
Disability Protection Insurance (Cancer Cover Type)	September, 2001	Cancer treatment support for low-income people with disabilities (fully covered)	6,441	47.3
Happiness with 10,000 Won Insurance	January, 2010	Medical fee support for death and injury caused by accidents for basic living beneficiaries and the near-poverty class (subscribers pay only 10,000 KRW, the difference is covered by the public interest project budget)	595,422	200.9
Post Office Platform Workers Insurance	March, 2020	Accident insurance for transportation workers in the platform economy (50% of the insurance premium)	3,259	0.6
Dream Tree, Happiness of Sharing	Sales ended	Medical fee support for children from a single-parent family, support for basic livelihood beneficiaries	39,906	18.7
Total			649,267	384.5

Synergy effects of postal and insurance services

Through revenue from postal insurance, the postal service's operations are bolstered

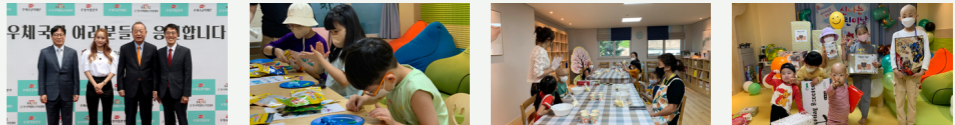
- The payment made for facilities required for the operation of the postal insurance service to post offices plays a pivotal role in the operation of the postal infrastructure.
- Through the personnel and physical infrastructure of post offices nationwide, we strive to ensure that no citizen is ever left out from the social safety net of insurance coverage.

Social Contributions





A. Pilot project for the identification of the households in crisis in welfare blind spots

Background	<ul style="list-style-type: none"> Strengthen the role to serve as a social safety net of post offices by identifying households in crisis in welfare blind spots through the post office network, enabling early welfare support Leverage human resources (postal workers) spread across the nation in post offices to prevent social tragedies like the Suwon single-mother and two daughters incident 								
Key Initiatives	<ul style="list-style-type: none"> Collaborate with local governments* for postal workers to deliver local welfare information to households suspected of being in crisis, while also creating a checklist on residential and living conditions and then forwarding the checklist to local governments to prevent any crises. (In 8 local governments nationwide) Yeongdo District in Busan, Yeonggwang County in Jeollanam-do, Jongno District in Seoul, Samcheok in Gangwon, Yongsan District in Seoul, Asan in Chungnam, Buk District in Gwangju, Seodaemun District in Seoul (in the order of a business agreement) Of the 4,669 delivered households, public services* (welfare counseling etc.) are provided to 253 households (5.4%), and private sector services (provision of necessities, etc.) are provided to 230 households (4.9%), totaling welfare support provided to 483 households (10.3%). Applications by basic living beneficiaries (27), applications by the near-poverty class (4), application for emergency living expenses (27), service connections (15), income, caregiving, medical care, counseling and support for vulnerable populations (149), health kits (26), communication fee reduction support (3), etc. 								
Support Procedure	<ul style="list-style-type: none"> Postal workers visit households suspected of being in crisis, delivering local welfare information. They observe and note the living environment and conditions (creating a checklist) and then forward this information to the local authorities to identify households in crisis <p style="text-align: center;">< Welfare Registration Delivery and Support Procedure ></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="background-color: #4F7942; color: white;">Local government</td> <td style="background-color: #4F7942; color: white;">Post office</td> <td style="background-color: #4F7942; color: white;">Post office</td> <td style="background-color: #4F7942; color: white;">Local government</td> </tr> <tr> <td>Send mails (including welfare information)</td> <td>Pay a visit to the households suspected to be in the welfare blind spot</td> <td>Create a checklist (observe residential and living conditions)</td> <td>Support for eligible individuals (link to welfare services)</td> </tr> </table>	Local government	Post office	Post office	Local government	Send mails (including welfare information)	Pay a visit to the households suspected to be in the welfare blind spot	Create a checklist (observe residential and living conditions)	Support for eligible individuals (link to welfare services)
Local government	Post office	Post office	Local government						
Send mails (including welfare information)	Pay a visit to the households suspected to be in the welfare blind spot	Create a checklist (observe residential and living conditions)	Support for eligible individuals (link to welfare services)						
Relevant photos	 <ul style="list-style-type: none"> Welfare Registration Agreement Ceremony Welfare Registration Mail Delivery Welfare Registration Mail Delivery Welfare Registration Information Poster 								

Enhancing social value through expanded medical welfare support for vulnerable populations

Background	<ul style="list-style-type: none"> Provide safe and sanitary spaces for pediatric cancer patients undergoing treatment and their caregiving families Financial, psychological, and emotional support for pediatric cancer patients and their families through integrated services for rest and recovery.
Key Initiatives	<ul style="list-style-type: none"> Operation of the "Postal One Heart, One Love House" (2 locations since 2000) <ul style="list-style-type: none"> Number of users: 9,969 (a 16% increase from the previous year's 8,578) Amount provided: 450 million KRW Operation of the nation's largest integrated support facility for pediatric cancer patients (Postal One Heart, One Love House (opened in May, 2021) <ul style="list-style-type: none"> (Facility scale) 13 guest rooms, with each one a private space consisting of one room for each family. (Systematic management) Enhancement of amenities to improve the convenience of the facility. (Programs): Offering diverse programs like aromatherapy, nutritious meals, and baking to boost psychological, emotional and physical health. (Writing contest): Organizing a writing contest for those who use the "One Heart, One Love House" and compilation into a booklet
Support provided	<ul style="list-style-type: none"> (Medical expense support) Emergency treatment expense support (5 million KRW) and supplementary treatment expense support (2 million KRW) (Program operations) Offering counseling, education, and psychological and emotional support programs tailored to user needs. (Cultural activities support) Support engagements like meetups with influencers (e.g., Hey Jini).
Relevant photos	 <ul style="list-style-type: none"> One Love Home's 1st anniversary ceremony One Love Home's art program One Love Home's baking program One Love Home's Children's Day event

Fulfilling social responsibility by consistently broadening our horizon for social contributions

Solving community issues	Efforts to address insurance blind spots Financial security and economic risk prevention for the financially marginalized.	Support for the socially vulnerable Support Social contribution activities for mutual cooperation and social integration	
<ul style="list-style-type: none"> Nationwide post office volunteer group ("Post Office Happiness Sharing Volunteer Group") activities <ul style="list-style-type: none"> Various activities such as addressing community issues and social problems (780 million KRW) Wish Mailbox for a Happy Delivery <ul style="list-style-type: none"> Program designed to fulfill the children's wishes through writing letters Customized support for vulnerable populations (200 million KRW)  <p style="text-align: center;">▲ Wish Mailbox for Happy Delivery</p>	<ul style="list-style-type: none"> Free cancer insurance enrollment support for low-income disabled individuals (468 people, 370 million KRW). Free scholarship insurance enrollment support for teens in foster care (448 people, 1.09 billion KRW). Support for the enrollment in accident insurance and "Ten Thousand Won Happiness Insurance" for low-income individuals and transportation accident insurance for platform transportation workers (39,023 people, 1.98 billion KRW).  <p style="text-align: center;">▲ Expansion of insurance support for marginalized communities</p>	<ul style="list-style-type: none"> Operation of cafes for people with developmental disabilities (since 2022) <ul style="list-style-type: none"> Leveraging post office spaces to create and support job opportunities for the disabled people, propelling a program designed to create sustainable jobs (290 million KRW). Educational support for children in foster care (since 2022) Emotional and learning support, along with digital capacity training for the children in foster care (290 million KRW). Overnight care for unattended patients (since 2001) By creating job opportunities for middle-aged female caregivers, free overnight care is given to homeless and other unattended patients (850 million KRW).  <p style="text-align: center;">▲ Cafes for individuals with development disabilities</p>	<ul style="list-style-type: none"> Mentoring services for the children from families with disabled parents (since 2006) <ul style="list-style-type: none"> Through college student mentors, support for the academic and daily life of children from families with disabled members, along with cultural experiences (550 million KRW). Support for the wheelchair basketball tournament for the disabled people (since 2002) <ul style="list-style-type: none"> Alongside the provision of sports wheelchairs and basketballs, support is provided to the self-realization of the disabled people and contributes to the improvement of the perception of non-disabled individuals (100 million KRW).  <p style="text-align: center;">▲ Mentoring for children from families with disabled parents</p>

Protection of Financial Consumers

[Consumer Protection]

As the champion for everyday folks, Postal Bank remains committed to the protection of financial consumers



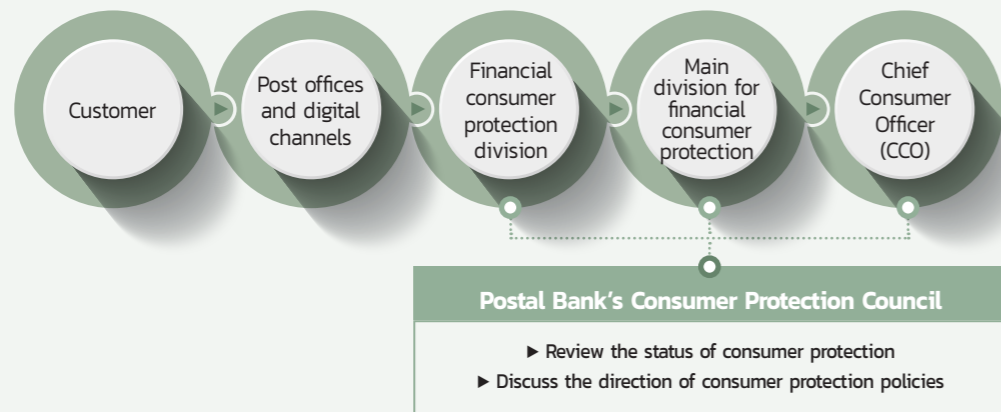
Consumer Protection Charter

As a state-run financial institution, Postal Bank holds the protection of the financial consumers' rights as the top priority in its business activities. To be the trusted choice for the citizens, we will remain fully committed to constructing and abiding by the following detailed principles

- We will treat every financial consumer, including those in marginalized groups, with equal and fair respect, without any undue discrimination.
- We will provide clear and transparent information to aid financial consumers in making informed decisions about financial products and services.
- We will collect consumer information only with proper consent and use and protect such information in a legal and just manner.
- We will address consumer grievances and provide remedies as rapidly and fairly as possible.
- We will make the utmost effort to enhance both human and physical capabilities to provide better financial products and services.

Postal Bank's consumer protection organization

Being a state-run financial institution, we place the protection of financial consumers' rights as our top priority.



Asset Management

Establishment of a strategic asset allocation plan

- Annually set a strategic asset allocation plan for the systematic management of the postal insurance reserves and to respond to market conditions.
- Given the depreciating market conditions, the focus is placed on managing safe assets.

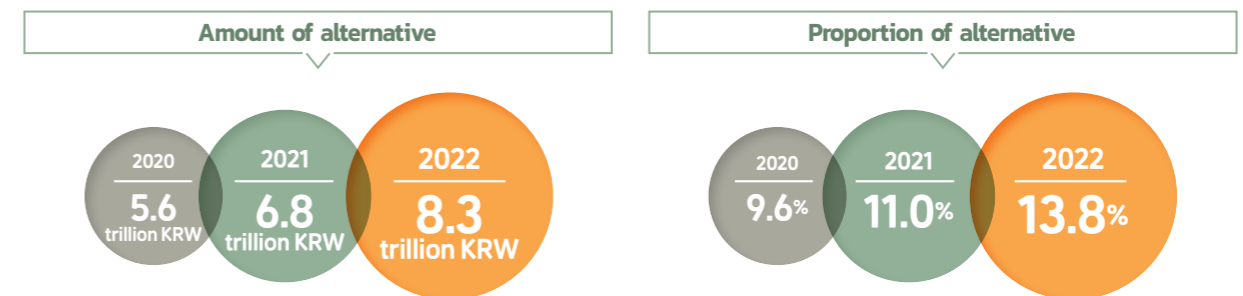


Implementation of a long-term, stable investment strategy

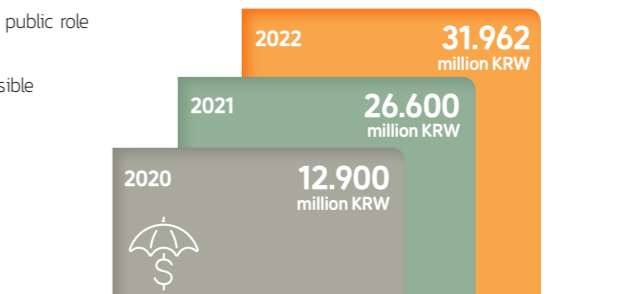
- Averaging the rising interest rate to fully expand long-term bonds for stable income from interests.
- Rebalancing the portfolio and expanding passive holdings to reinforce profit security in light of increased market volatility.

Expansion of alternative and responsible investments

- To diversify the portfolio and vary the revenue structures, with an increase in the alternative investments.



- Expand the postal insurance's responsible investments to reinforce the public role and improve long-term profitability.
- Introduce an ESG-integrated strategy to enhance the quality of responsible investments, considering non-financial factors in investments.



Insurance Products



Products

Postal insurance offers a total of 53 products (36 for protection, 9 for savings, 8 for group/public interest)

- Comprehensive coverage including death, health, injury, and caregiving
- Digital (online) products comprise 16 in total (14 for protection, 2 for savings) offering a diverse portfolio

Product overview

Post office public insurance (6 types)

- **For disabled individuals**
 - Disability Annuity Insurance
 - (Non-par) Disability Protection Insurance [treatment for accidents, cancer, supporting family member's death/disability]
- **For marginalized individuals**
 - (Non-par) Happiness with 10,000 Won Insurance [Low-income class]
 - (Non-par) Dream of Youth Insurance [marginalized children such as those in foster homes, North Korean defectors]
- **For national policy**
 - (Non-par) Post Office Account Alliance Insurance [young adults (protection)/ children (protection)]
 - (Non-par) Post Office Platform Workers Insurance [platform transportation workers (injury)]

Life insurance offering benefits not only for death but also during life (7 types)

- (Non-par) Post Office One-Stop-OK Insurance
- (Non-par) Post Office Reliable Life Insurance
- (Non-par) Post Office Economic Term Insurance
- (Non-par) Post Office Care Insurance
- (Non-par) Post Office Integrated Health Insurance
- (Non-par) Post Office Diabetes Assurance Insurance
- (Non-par) Post Office Wide Health Insurance

Medical expense insurance for alleviating the financial strain of medical costs (4 types)

- (Non-par) Post Office Covered Medical Expense Insurance (Renewal Type)
- (Non-par) Post Office Covered Medical Expense Insurance (For Conversion Resumption)
- (Non-par) Post Office Senior Medical Expense Insurance (Renewal Type)
- (Non-par) Post Office Simple Medical Expense Insurance (Renewal Type)

Pension insurance for a comfortable life after retirement (4 types)

- (Non-par) Post Office Annuity Insurance
- Post Office Annuity Savings Insurance (Transferred Type)
- (Non-par) Post Office Annuity Savings
- (Non-par) Post Office Personal Annuity Insurance (Transferred Type)

Insurance for businesses and organizations (2 types)

- (Non-par) Win-Win Group Plan Insurance
- Post Office Group Guarantee Insurance

Savings Insurance for saving funds (3 types)

- (Non-par) Green Bonus Saving Insurance Plus
- (Non-par) Power-Saving Insurance
- (Non-par) Conversion Rider

Online insurance for easy enrollment via the Internet and mobile platforms (16 types)

- (Non-par) Post Office Online Pension Savings Insurance
- (Non-par) Post Office Online Savings Insurance
- (Non-par) Post Office Online Cancer Insurance
- (Non-par) Post Office Online Insurance for Three Major Diseases
- (Non-par) Post Office Online Economic Safety Insurance
- (Non-par) Post Office Online Child Insurance
- (Non-par) Post Office Online Diabetes Insurance
- (Non-par) Post Office Online Term Insurance
- (Non-par) Online Customized Hope Insurance
- (Non-par) Post Office Online Wide Cancer Insurance
- (Non-par) Post Office Online Mini Cancer Insurance
- (Non-par) Post Office Online Care Insurance
- (Non-par) Post Office Online Hospital Surgery Insurance
- (Non-par) Post Office Online Comprehensive Health Insurance
- (Non-par) Post Office Online Life Insurance
- (Non-par) Post Office Online Dementia Care Insurance

Health & cancer insurance for a healthy lifestyle (9 types)

- (Non-par) Post Office Health Clinic Insurance (Renewal Type)
- (Non-par) Post Office New 100 Years' Health Insurance
- (Non-par) Family Cancer Insurance
- (Non-par) Post Office Dental Insurance (Renewal Type)
- (Non-par) My Hope Insurance
- (Non-par) Post Office Dementia Care Insurance
- (Non-par) Post Office Safer Children's Protection Insurance
- (Non-par) Post Office Simplified Issue Health Insurance (Renewal Type)
- (Non-par) Post Office Simple Plus Health Insurance (Renewal Type)

Accident insurance for unexpected incidents (2 types)

- (Non-par) EverRich Accident Cober Insurance
- (Non-par) Post Office Safety Belt Insurance

Risk Management

Strengthened RBC ratio management

- To respond to domestic and international environmental transformation, develop and enforce a comprehensive plan for managing the RBC ratio.
- Set solutions for managing the available capital and required capital, and select the matters to be improved for the RBC ratio manage goals.

Objectives	Maintain an RBC ratio above 200%.
Direction	Preemptively respond to domestic and international environmental transformation, develop soundness improvement solutions, and promote continuous management.

Risk management procedure



Reinforced risk management activities

[Enhanced market risk management]

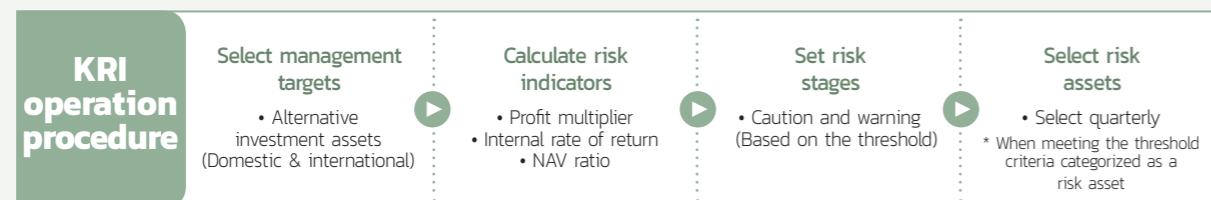
- Measure the investment status and risk of stocks, bonds, and derivatives on a daily business basis, and file monthly reports.
- Monitor market risk changes due to financial market shocks through a scenario analysis.

[Enhanced operational risk management]

- Perform the risk control self-assessment (RCSA) at least twice per annum at each branch and division.
- Conduct group and cybersecurity training for employees, reward outstanding employees, and encourage participation in operating risk management

[Enhanced alternative investment risk management]

- Operate the risk indicators (KRI) for alternative investment assets to detect early signs of risk and minimize losses.



Digital Innovation

Launch of the next-generation comprehensive financial system for the post office (Scheduled for May, 2023)

“ Systems operate swiftly, customers relax comfortably.
 Systems operate precisely, customers enjoy simplicity.
 Systems embrace the new, customers feel at home. ”



[Enhancing Customer Interactions with Digital Environment]

01. Expand the online service base

Broaden mobile and online services to all products and services, and enhance customer convenience with 24-hour customer support provided via advanced chatbots.

02. Omnichannel service

Without any distinction between the sales stores and online channels, offer customers seamless, real-time one-stop consultation services on any channel they choose.
 * An environment where if a task is interrupted on a specific channel, such as mobile, the Internet, and in store, it can be resumed and continue on another channel.

03. Create a smart financial window

By building a financial counter environment designed to digitize various paper forms, and by implementing a mobile app service where the customers can check their waiting status and make reservations, we always seek to enhance customer convenience.

[Benefit customers through customer-centric services]

01. Simple and user-friendly service environment

Using the postal bank's identity, design an intuitive, systematic, and consistent user-centric layout to boost customer satisfaction.

02. Personalized asset management services

Using big data eCRM, offer personalized product information and recommendations, fulfilling customer needs with personalized asset management services.

[Build the future-oriented infrastructure for enhanced efficiency and safety]

01. Launch uninterrupted services

Establish a 24/7 support system to minimize interruptions* in the work and provide continuous and stable services by developing a system designed to deal with disasters and system failures.

02. Build the future-oriented infrastructure

By securing a flexible and scalable cloud system, as well as innovative technology platforms like big data, ensure the competitive edge for the future.