



Polestar

Insurance
Company

What we strive for:

Remaining loyal to our commitment to become the preferred company by providing our customers and partners with Attentive, Agile & Accurate services closely followed by tangible benefits.



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The content of this brochure is for information purposes only.

Who we are

Polestar Insurance Company (Polestar) is licensed to deliver underwriting expertise to national and international markets.



Polestar Insurance Company

Polestar is an authorized insurance company. (License No: H 8 10508221)

Message from our president

It is my great pleasure to announce the establishment of Polestar Insurance Company (Polestar).

Polestar, a specialized property insurance company, was launched against a background of dynamic growth in national economy with forward momentum gathered recently and subsequent increase in the need of the community for wider insurance coverage. Its coverage includes fire, engineering and credit.

Polestar is a start-up business small in the number of staff, yet we have succeeded in winning reputations for effective management by experienced and skilled team and for insurance services both kind and responsive.

Our goal is to diversify into multifarious tailor-made insurance products thus building and improving business relations with the world's prestigious insurance and reinsurance companies within the near future under the banner of reciprocity and mutual benefit and on the principle of valuing credit.

With a strong focus on national insurance, we are planning to build a global underwriting platform in the coming years.

For your information, we have agreed, for effective financial management of Polestar, to take out facultative reinsurance for some of our portfolio newly underwritten.

Let me avail myself of this opportunity to express, in advance, my sincere gratitude for the establishment of cooperative relations with your esteemed selves and believe the bilateral relations between us further improve to a greater level.



Kim Kyong Hun

President, Polestar Insurance Company

Key facts & figures

| | |
|---------------|---|
| Foundation | 22 nd August, 2016 |
| Head office | Kallimgil-Dong No.2, Mangyongdae District, Pyongyang |
| Capital | KPW 7,000,000,000 of which KPW 3,000,000,000 paid-up capital KPW 2,000,000,000 organization fund KPW 2,000,000,000 reserves |
| Authorization | To conduct insurance business, issued by State Insurance Commission |

Owners

Polestar is an insurance company jointly owned by 3 entities - Ansan Construction United, Dangsang Electronics Company and Pongnam Cooperative Wholesalers.

Recent rapid growth in national economy came to give rise to the demand of the above entities for secure insurance coverage and long-term funding of their business activities, which stimulated our owners to establish a specialized property, engineering & credit insurer.

This indicates how close we are to what they do. We are about to confirm that Polestar was the optimal solution they finally arrived at.

Why Polestar?

You can count on our expertise.

The support and insurance services we offer our clients are solidly under-pinned.

Polestar has built its early reputation on its values of expertise, quality and sustainability under direct supervision of experienced and skilled team leading qualified underwriters with professional career.

Our team of experienced specialists from a wide variety of backgrounds certainly knows its way around the insurance market.

Their experience is none other than the familiarity gained via work in practice, education and profound insight.

Excellent technical skills and expertise in a number of key areas such as underwriting, pricing, actuarial, market knowledge and reinsurance - these create the key conditions for security and trust.

Our business is accurately putting this expertise to work in order to ensure your success.

Polestar may be new, but it has a fresh mindset, from which all our clients and partners benefit.

How we are structured

Every staff enjoys the matrix structure of the company, which strongly contrasts with the conventional hierarchy structures.

Polestar Insurance Company Structure



Innovative ideas from the bottom of Polestar's career ladder are significant for its success.

What we do

We're in the business of supporting and assisting our clients and partners.

Insurance means the offer of security.

In Polestar's case, this assurance extends to its every customer who profits from our reliability.

Day-to-day management is conducted by our team who stand behind recent successes of Polestar. Efficiency is the attitude of Polestar's experienced and skilled management.

Ethical values such as honesty and equal opportunity flow into Polestar's every business decision.



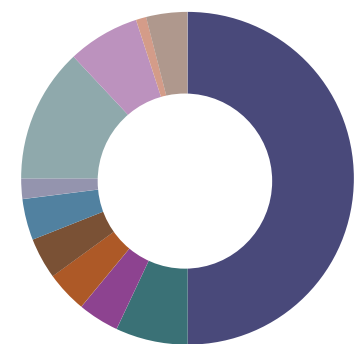
Lines of business

We provide a meaningful capacity for a portfolio of fire, engineering and credit lines.

Total premium income 2016 : KPW 240,200,000



■ Fire-82%
■ Engineering-16%
■ Credit-2%



■ Pyongyang -50%
■ South Phyongan Province -7%
■ North Phyongan Province -4%
■ Jagang Province -4%
■ South Hwanghae Province -4%
■ North Hwanghae Province -4%
■ Kangwon Province -2%
■ South Hamgyong Province -13%
■ North Hamgyong Province -7%
■ Ryanggang Province -1%
■ Nampho -4%

Our portfolio in 2016 (Sep ~ Dec) was less diversified, rather simple. However, the total premium size above indicates that it was a successful ending of the year which is obviously more than usual insurance start-ups generally deserve.

Pictures of risks brought to our attention lately



Fire

This is the basic policy needed by most businesses and is the largest sector in the market.

Fire insurance took the largest portion of our portfolio last year with its premium income up to KPW 197,200,000. Since establishment, we have received fire insurance applications of entities and individuals in surprisingly great numbers. This is attributable to the marked increase in the number of properties newly being erected.

Customers of Polestar enjoy deep relaxation both at home and work simply because they know they are policyholders of our fire insurance.

We are planning to diversify our property risk appetite in the coming years in order to best meet, in the nearest future, the demand of everyone willing to be protected from fire-related losses.

In the year 2017, premium income through property underwriting is expected to be KPW 663,100,000.





Engineering

In a short span of time less than half a year since its birth, we have seen the premium income of KPW 37,500,000 from engineering risks underwritten. The policies issued are for Machinery Breakdown (MB), Machinery Breakdown and Loss of Profit (MLOP), Contractor's All Risk (CAR) and Civil Engineering Completed Risks (CECR).

The engineering policies, particularly MLOP policies, are designed to meet the needs of the clients, applying reasonable rates and deductibles and appropriate endorsements. Furthermore, the procedures of issuing policies and claim settlement are easier and more convenient for the clients. Our client-oriented work procedures and better terms of policies are conceived to be the main strength of development of engineering insurance.

In the year 2017, premium income through engineering business is expected to be KPW 178,400,000.

Credit

Having identified risks and the market for credit insurance coverage, we took out credit insurance last year. The overall premium size of 2016 concerning this business amounted up to KPW 5,500,000.

Risks we cover by this insurance involve not only bankruptcy and default on payment of receivables from export buyer's credit, but also non-commercial risks like payment difficulties brought about by political events in the country of incorporation of the debtor and impossibility or restriction of transfer or of payment conversion as a consequence of serious economic difficulties of the country of the debtor's residence, which frequently happens in the current world trade.

This had a wide appeal for many exporters, which held the key to the success we made through credit insurance last year.

We are pleased to confirm that our credit insurance accounts are open to big and small exporters this year as well.



Human resources practices

Polestar demonstrates high levels of appreciation and trust towards its employees, who with their diverse qualifications and personalities ensure our business' success.

Policy

Utmost importance is given to our employees as they are the ones to undertake the biggest duty in carrying out the key policies of our new business. For this reason, the primary goal of our human resources policy and practice is to identify our company' s needs for personnel in line with its objectives and strategies and assist the creation of human resources that are open to change and are focused on the nearest success by recruiting high-quality people, motivating them, evaluating their performance, and encouraging interaction and communication among individuals and groups.

Performance management

We have introduced a system in which our employees are evaluated every month in line with specific performance criteria. On the basis of the results of these performance evaluations, an employee's training needs are identified and a career plan is developed.

Training

Training has special importance at Polestar owing to the fact that it has vacant positions yet to be filled from within. Therefore, orientation training and basic insurance training are provided to new-hires; the training programs needed at any stage of their careers are identified for all employees so as to develop and equip them with the competencies called for by their positions.

Apart from managerial careers, Polestar also offers its employees to establish themselves within the company as experts.

We actively encourage intellectual curiosity at Polestar. We are proud to have innovative staff who are always open to new ideas and challenges.

When lost in the dark, you always need a GUIDING ST★R!



Please feel free to contact us, if interested.



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