

Financial Services

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Sabancı Holding's non-life insurance provider, Aksigorta, retained its strong fifth position market position in 2023. During the year, the company posted gross written premiums (GWP) of TL 27.3 billion – up a record high 101% year-on-year. Effectively using multi-asset management to achieve the best performance, Aksigorta reported AUM of TL 9.2 billion at end-December 2023.

In the life and pension business, Agesa successfully continued to grow in the private pension segment. At year-end, Agesa ranked among the private sector leaders in terms of total net asset value of pension funds under management. In 2023, Sabancı Holding's life and pension provider reported a total fund size of TL 136.7 billion with a 19.4% market share in private pensions, growing by 88% compared to the previous year. In the life and personal accident insurance market, Agesa outperformed the market average in terms of growth and maintained its leadership position among private sector providers with a 12% market share in premium production.

In line with its strategy to grow in core and new platforms, Sabancı Financial Services SBU established a new health insurance company in August 2022. Sabancı Ageas health insurance company was founded to serve as a health competence center for Sabancı Group's financial services companies and expand

the Group's insurance business towards a holistic healthcare ecosystem.

Protect and Grow the Core

Sabancı Holding financial services companies aim to achieve commercial excellence with a diversified product portfolio and accelerated customer acquisition driven by smart automated processes powered by AI. The companies are actively bolstering their respective leadership positions across all business lines and developing distribution channel efficiencies with their strong, long-term relationship with Akbank. Sabancı Holding financial services companies serve 6+ million customers through an extensive distribution network comprised of a bancassurance network established with Akbank, the industry's largest direct sales team, agencies, brokers and digital channels.

Over the past five years, Sabancı Holding financial services companies have expanded their agency distribution network substantially, recording over 50% growth during that time. Today, Sabancı Holding financial services companies have nearly 4,000 affiliated agencies – about 20% of the total agency network in Türkiye in 2023. Meanwhile, the direct sales channel continued to grow in 2023, reaching 691 advisors in 14 regions. The channel is a differentiating factor for Agesa with its unique structure in the market.

Sabancı Holding financial services companies continuously renew their product portfolios to provide the most suitable options in line with changing customer needs. At Aksigorta, the strong relationship with Akbank and agencies are further extended with the eco-casco and electrical vehicle casco products. The Eco-casco product is designed to attract customers without casco coverage, with more limited coverage and relatively lower premiums. The EV casco product was introduced in 2023 to deliver best in class coverage, with a potential to have a market leading position with a first mover advantage in the segment. Shortly after the product introduction, Aksigorta launched its first branded EV casco in partnership with China-based BYD Auto. In 2023, Agesa launched a competitive and differentiated new return on premium life insurance product to maintain its leading position in that market segment. To provide credit life insurance coverage for a wider customer range, Agesa aimed to provide a wider range of coverage options for its customers.

In the non-life business, Aksigorta utilizes data analytics to develop advanced pricing algorithms such as GLM. AI-based pricing models effectively assess risks via smart scoring applications by incorporating various risks from multiple data sources into a single score. Aksigorta Digital Assistant (ADA) facilitates nearly 6 million transactions each year across 171 automated processes, both customer-facing such as price quotations and chat bot, and back-end operations like claims process automation. ADA has improved its capabilities and started responding to all health-related questions from agencies through Aksigorta's core insurance platform utilizing generative AI.

In the life and pension business, Agesa further embraced digitalization in 2023. Agesa moved its sales processes to digital platforms to reach more customers online this year. Akbank customers can now purchase pension contracts through end-to-end digital processes via Akbank Mobile in only a few minutes. Thanks to policy/contract viewing, lead generation and after-sales services features placed in the application, customers can easily and quickly access transactions that suit their needs with a user-friendly experience.

By year-end 2023, Agesa Mobile recorded approximately 2.5 million downloads at the conclusion of its fifth year. Agesa Mobile is continuously upgraded in terms of functions and features to further boost user penetration. Policy applications for the most preferred products can now be completed paperless with remote mobile approval via Agesa Mobile. The latest version of the Agesa Mobile app introduced the Video Call service – a first in the sector. This innovative feature provides a significantly enhanced mobile application experience for hearing impaired customers where sign language certified consultants can be reached in a single click.



Financial Services

Sabancı Holding financial services companies plan to maintain their strong presence across all existing business lines while further expanding the life, non-life and health insurance businesses to new growth platforms.

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At Sabancı Ageas health insurance company, the health insurance core system development initiative kicked off by using cloud native, API based and advanced digital technologies. Organization built with expertise and being expanded currently. A comprehensive differentiating strategic plan has been formulated under four key pillars: distribution channel synergies with Aksigorta, Ageas and Akbank, product and service offers, a focus on the ecosystem, and a commitment to sustainability. The health insurance company is expected to operate actively in the market in the second half of 2024.

Invest in New Growth Platforms
Digital bancassurance is gaining importance with more customers preferring digital channels for their banking transactions. In response to this growing trend, Sabancı Holding financial services companies ramped up their digitalization efforts and penetration in Akbank's sales channels.

In 2023, Aksigorta customers' experience improved in Akbank Mobile with a bundled credit card unemployment product offer in the credit card application process.

In addition, a paperless approval process for corporate customers was introduced thanks to expanded digital capabilities. With these new features, Aksigorta can now offer its customers an inclusive and barrier-free digital insurance experience.

In the health insurance business, development of the healthcare ecosystem is currently underway. With digital products and services and collaborations via strategic partners, Sabancı Ageas health insurance company aims to provide insurance and healthcare services in one web platform/app delivering a seamless end-to-end experience to customers. Tele-health, disease management and wellness are the key focus areas in the health business. The new healthcare entity will also prioritize capitalizing on synergies via strategic partnerships with Sabancı Group companies and Sabancı CVC investments such as Bulutistan and Albert. The ultimate goal is to create a healthcare business to accompany individuals on their unique health journey towards healthier communities and a sustainable planet.

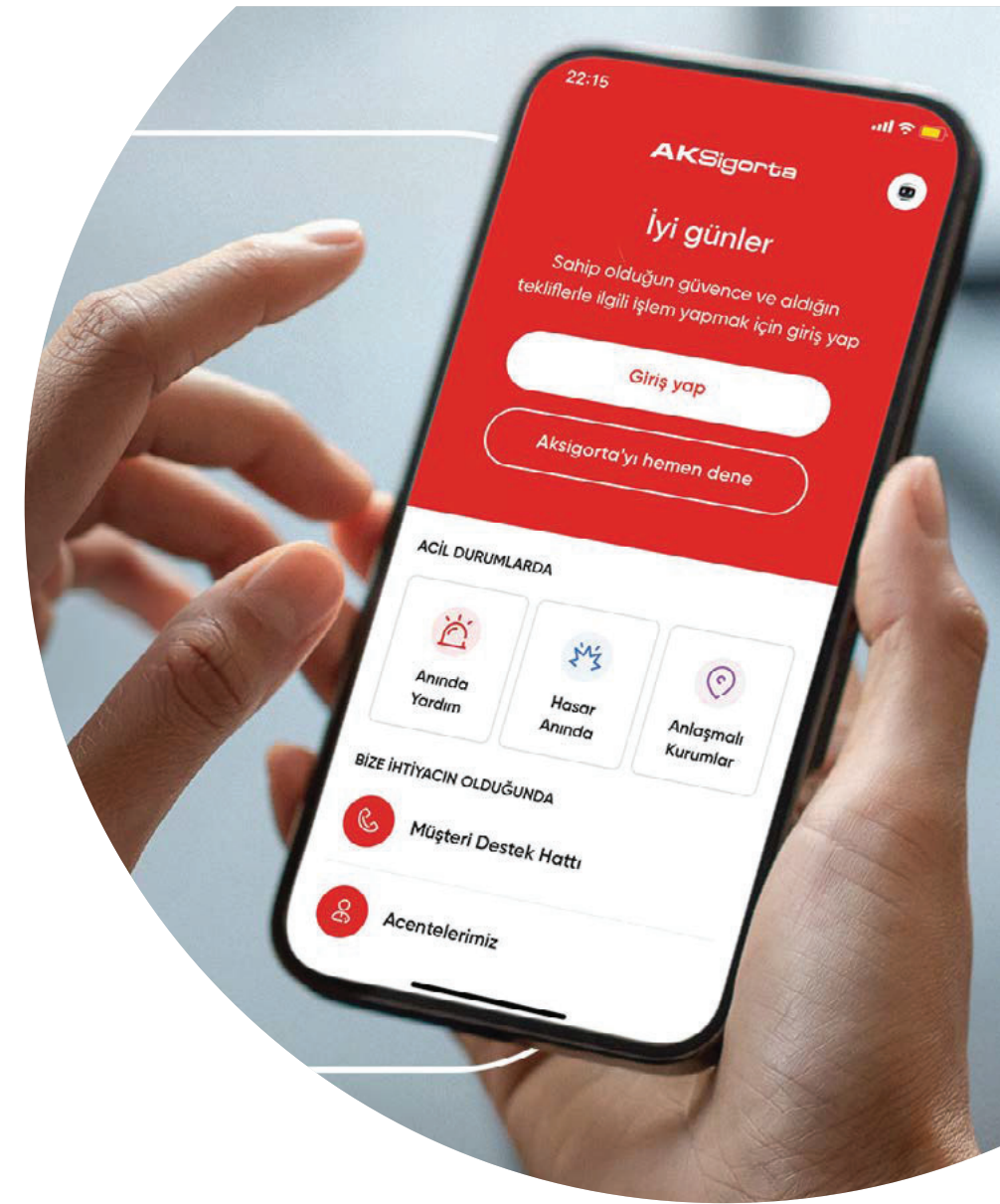
The Way Forward

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The non-life business closely cooperates with third-party digital platforms, especially in the payment services, telco and e-commerce sectors. In 2023, Aksigorta strengthened its partnerships with Papara and Vodafone with new product offerings. Utilizing Sabancı Group synergies, Aksigorta partners with Enerjisa and Arvento as well. Aksigorta initiated a partnership with Arvento, subsidiary of Brisa, by offering a 20% discount on new insurance policies and renewals to its customers who have an Arvento tracking device in their vehicles.

Ageas plans to move forward with its efforts to enrich the product portfolio with new product options that are innovative, inclusive of different risks and flexible in the stand-alone life insurance market, where Ageas is currently the market leader.

Digital development at Ageas will proceed in response to the rapidly changing business environment and evolving customer needs. Ageas plans to step up investments in analytical competencies in line with its strategy to become a data-centered company. Toward this objective, Ageas is developing an end-to-end program that builds upon its artificial intelligence and customer data analytics modelling capabilities. This effort aims to provide customers with the most appropriate service and product recommendations and consolidate all up- and cross-selling suggestions under a single roof with multi-channel management.



Greater awareness of health and wellbeing, an ageing society and higher healthcare expenditures are key growth drivers in expanding Sabancı Holding's healthcare business. Rather than simply providing financial support for health needs via insurance provision, Sabancı Group financial services companies aim to provide personalized health and wellbeing products to increase the health span of individuals and society by leveraging their unique expertise and advanced technology.

A comprehensive differentiating strategic plan has been formulated under four key pillars: distribution channel synergies, product and service offers, a focus on the ecosystem, and a commitment to sustainability.