



SABANCI HOLDING FINANCIAL SERVICES DAY

November 21, 2022

On Stage Today



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Haluk Dinçer

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01 Financial Services in Sabanci

02 Financial Services SBU

03 Q&A



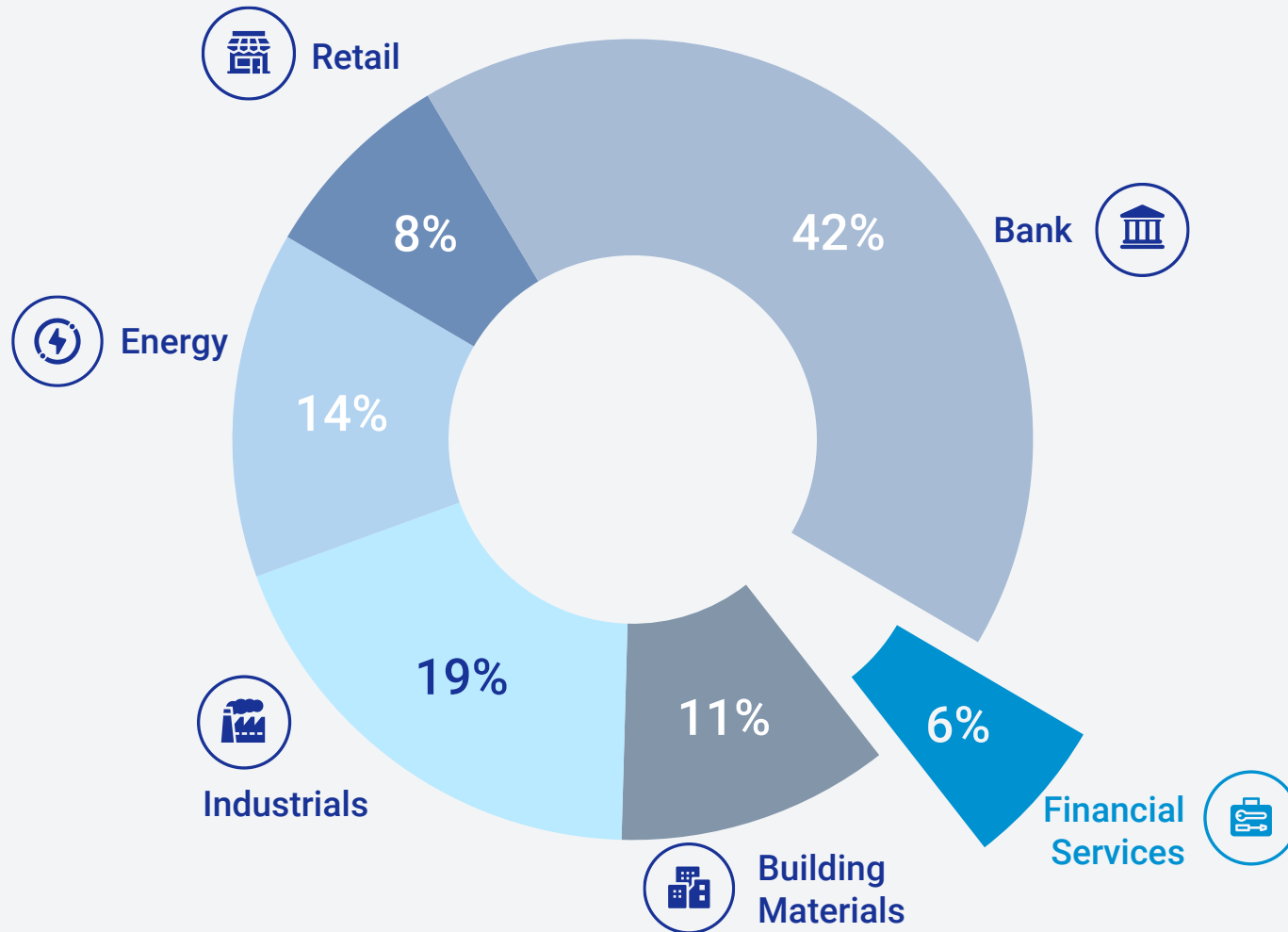
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Financial Services has 9% share in Sabancı Holding non-bank Listed NAV



SABANCI HOLDING
TOTAL LISTED NAV

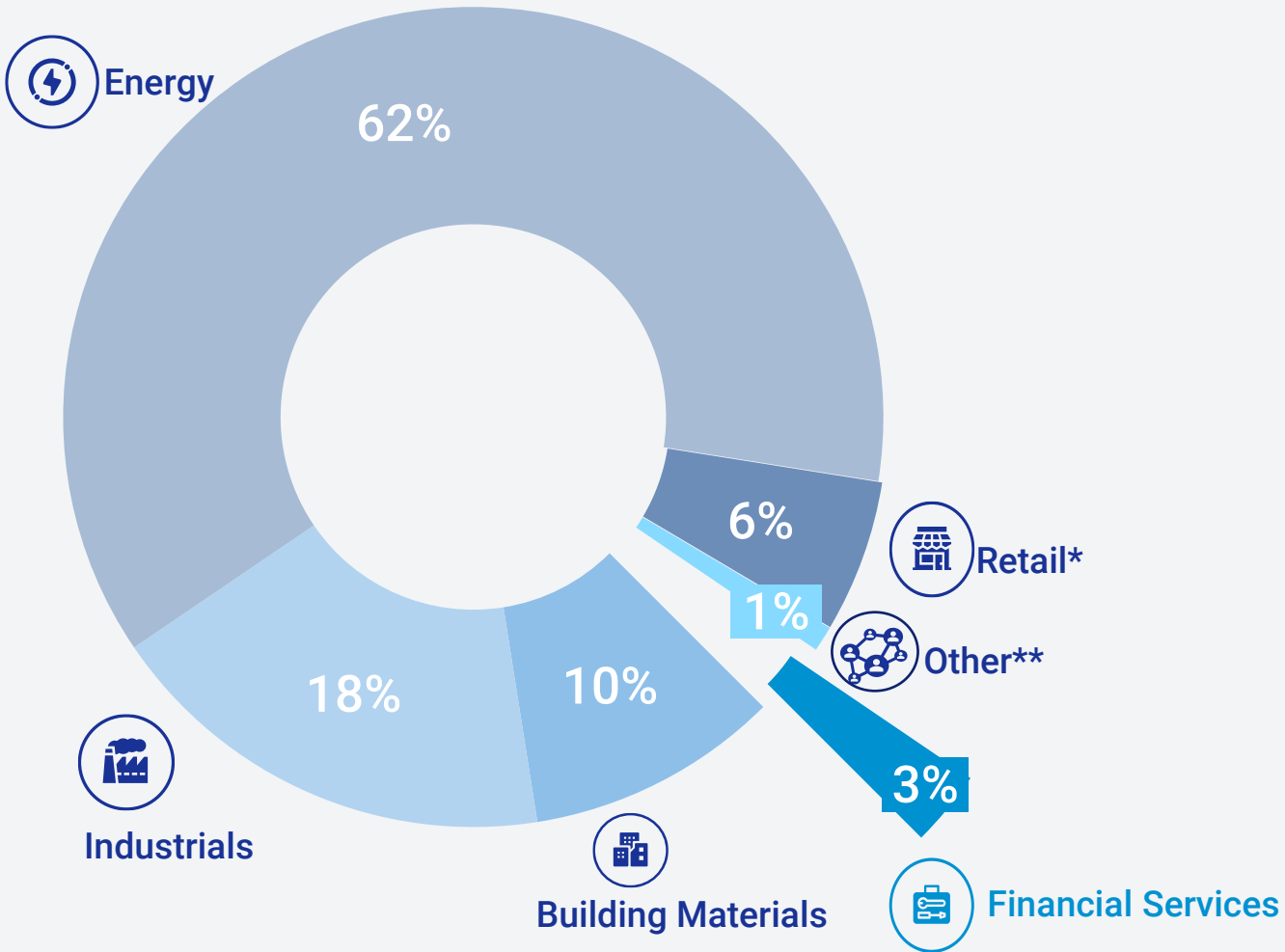
USD 4.4
Billion



Financial Services Share
in Non-Bank Listed NAV

9%

Sabancı Holding's 3% of total non-bank EBITDA constitutes from Financial Services SBU

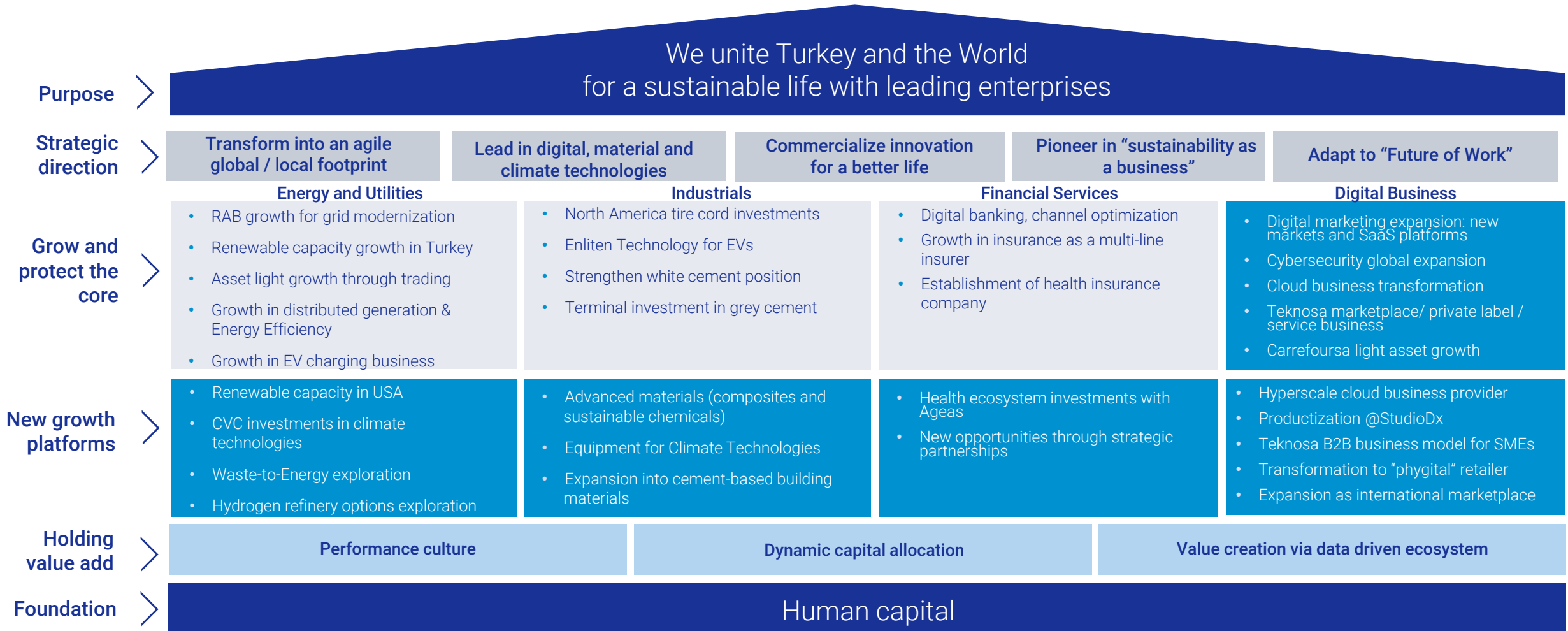


**SABANCI HOLDING
NON-BANK
COMBINED EBITDA***

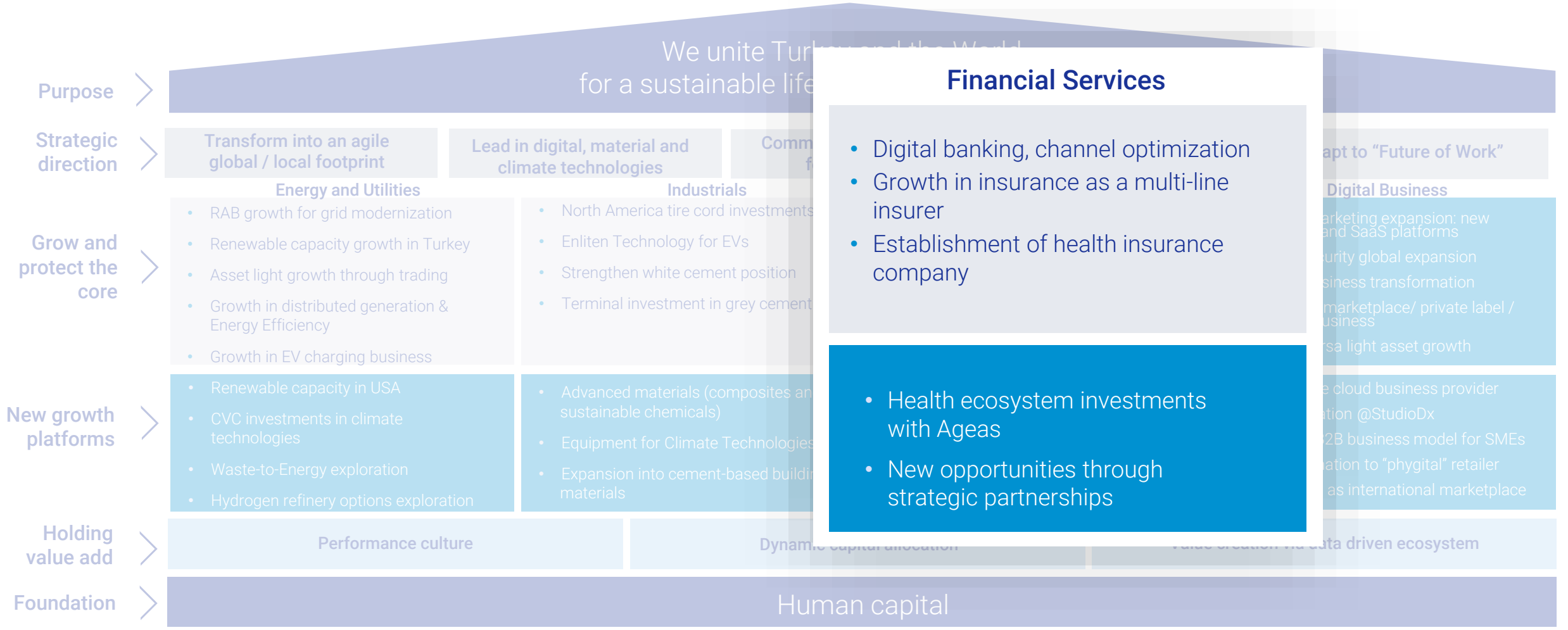
**TL 22.5
Billion**

All figures are for 2022 9M period.
*Excludes non-operational and non-recurring one off items & IFRS16 impact in retail
**Other includes Holding Solo, AFO, Tursa, Fxsa, Sabancı DX and DX BV

Digitalization and health ecosystem initiatives drive our strategy in financials services



Digitalization and health ecosystem initiatives drive our strategy in financial services





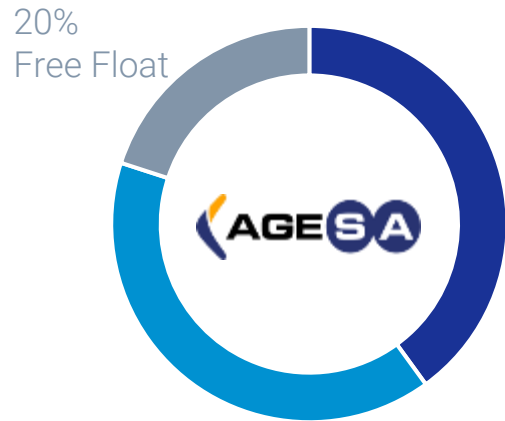
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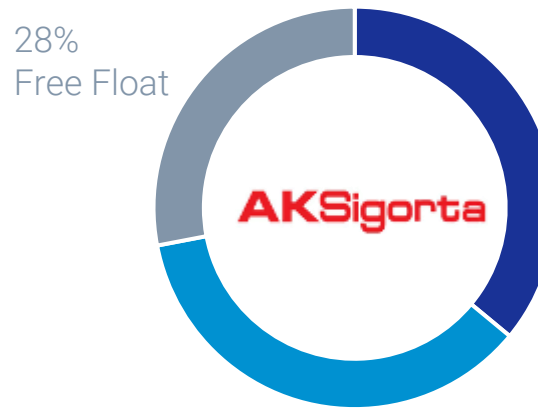
Successful and strengthened partnership with Ageas

Aligned Strategic Approach for Financial Services



40% Sabancı Holding

40% Ageas Insurance International N.V



36% Sabancı Holding

36% Ageas Insurance International N.V

* Sabancı Ageas Health Insurance fully owned subsidiary of Aksigorta

- Leveraging all distribution channels with unified customer centric approach
- Joint working models to transfer experience and create efficiency in departments such as HR and Risk & Internal Audit

Note: Merger of general insurance companies and pension and life companies is not permitted by the legislation

Strong portfolio companies in life, non-life and health businesses

Life and Pension



- Leading position among private companies in Private Pension AuM (58.4Bn TL) with 18.1% market share as of September YTD
- #1 in among private companies in Total Life & PA GWP (2.5Bn TL) with 11.6% market share as of September YTD
- 3.1mn customers
- Multi-line distribution channels with unique and the most productive direct sales force
- High growth in profitability: IFRS Net Profit +105% YoY September YTD

Non - Life



- #5 player in non-life insurance market with 7.1% market share as of September YTD
- Multi-line product offerings in motor, non motor, health branches
- A wide distribution network ~3.600 agencies, exclusive partnership w/ Akbank
- 3.2mn active customers
- Strong growth in premium generation: 92% YoY September YTD

Health

Sabancı
Ageas
Health
Insurance

- Established in August '22, as fully owned subsidiary of Aksigorta
- To be acting as a 'health competence center' serving both group companies
- Will expand insurance business towards a holistic 'healthcare ecosystem'

We shape our business according to global trends



DIGITALIZATION & TECHNOLOGY

Value Chain Being Reshaped

Core businesses are digitized to enable hybrid experience, while new business models emerge via platforms & ecosystems.

AGEING & HEALTHY LIVING

Acceleration in Private Financing & Healthcare Advancement

Beyond health insurance, expansion across the value chain enables better and integrated health experience.

CHANGING NEEDS & SUSTAINABILITY

New Business Dynamics

New emerging needs and sustainability issues require new product and service developments

MACROECONOMIC DYNAMICS

Macro uncertainty and the new world order

Emerging needs for effective capital and risk management

SBU Key Moves to Win

- Strengthen & grow the core as a multi-line insurer
- Become a 'healthcare' player
- Pursue new opportunities in digital platforms and ecosystems – at local and international level

To become the leading new generation financial services provider

1 PROTECT AND GROW THE CORE

Act as a multi-line insurer with Aksigorta & AgeSA

Develop distribution

- Expand our network & productivity
- Increase penetration at Akbank channels

Achieve commercial excellence

- Diversify product portfolio
- Improve customer acquisition, cross sell and retention

Keep efficiency and improve services

- Automated and intelligent - smart processes
- Improved customer and stakeholder experience

Grow in Health market

2 GROW INTO ADJACENCIES

Greenfield health insurance company investment and becoming a healthcare player

3 TRANSFORM

Pursue new opportunities with strategic partnerships in multiple ecosystems

We grow our core by utilizing our strong distribution network, ...

Expanding geographic footprint by strengthening existing structure and reaching new locations

Agencies

- Strong & wide agency distribution with nearly **4000 agencies** in total
- Fast paced growth, **+50% increase in agency network in the last 5 years**
- %20 penetration into total number non-life agencies in Turkey

Direct Sales Force

- Significant growth in unique and the most productive direct sales force in life & pension market with **~600 financial advisors**
- Healthy and sustainable growth with increasing productivity;
 - +60 % growth in number of financial advisors in three years,
 - ~30% of direct sales force channels total production is from new advisors with 1.5 year tenure

Brokers

- ~%70 penetration in total broker network, long-standing relationships with top brokers

Bancassurance

- Reaching wide network of Akbank with large sales force with **711 branches and over 3.300 Relationship Managers** in 19 regions of Turkey
- Focusing on digital transformation and deeper integration



...entering new markets with new products...

Only ~%0.3 of eligible population (pop. aged 18-60) has life savings policy.

Market is underpenetrated and poses a great potential to grow.

Pension	7.6Mn participants	9.0% YoY	322Bn TL fund amount	82% YoY AUM growth
Life Savings	121K participants	0.6% YoY	1Bn TL GWP expected in '22	80% YoY GWP growth

AgeSA launched its new life savings product aiming to expand life savings market.

In September 2022, 67% of new business premium is generated by AgeSA in the market.



... and with sector leading capabilities

Customer Centricity



- Serves ~6 Mn customers
- Above market NPS scores
- New product innovation
- Speech Analytics

Data & Analytics



- Customer segmentation
- Pricing Algorithms
- Cross Sale & Next Best Actions
- AI based Churn & Retention Model

Digital Enablement



- Mobile-centric omni-channel structure
- AgeSA / Aksigorta Mobile Apps
- AgeSA FonPro

Smart Processes



- Digital Twin
- Image Recognition
- Aksigorta Digital Assistant (ADA)
- Robotic Process Automation

People

new way of working enabling an organization to be more nimble, more focused on business value, more attractive to talent, drive better outcomes

01

Agile

Resilience and flexibility

02

Future of work

New way of working

03

New Skills

Strategic work force planning

04

Talent Focus

Strong employer brand to attract and retain talent

There are several trends re-shaping healthcare industry...

Rising needs due to ageing and chronicle diseases

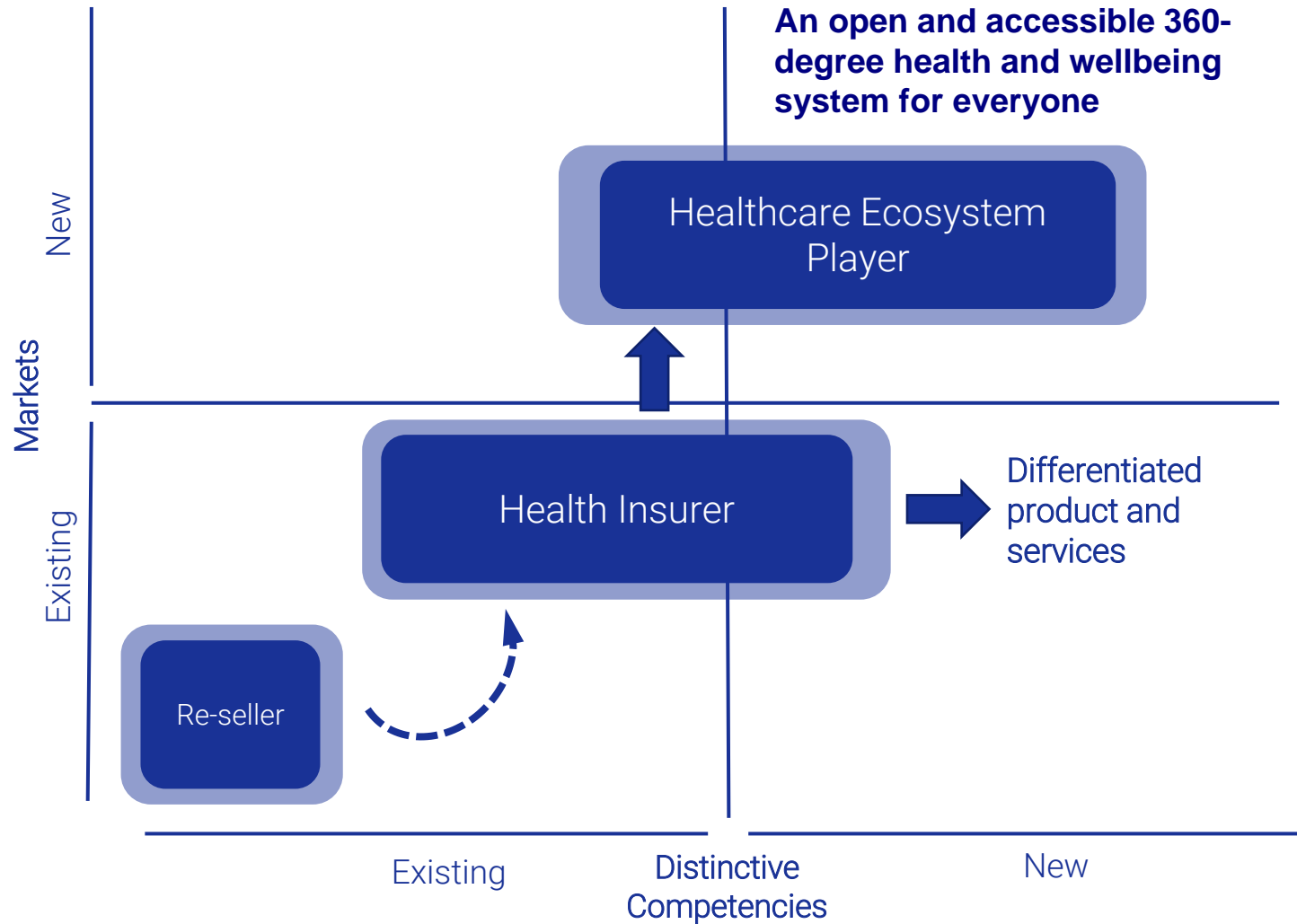
Preventive Care

Personalized and Virtual Care

New Digital Players and Ecosystem Business Models



Our key objective is to develop a new healthcare business focused on health insurance and in the broader health ecosystem



Strategic Priorities

- 1 Design a customer centric, future proof business model: insurance and ecosystem
- 2 Build and run technology based operating model
- 3 Achieve distribution partnerships to catch growth wave
- 4 Be frontrunner in sustainability

We search for opportunities in ecosystem initiatives to create value in the long run

360° approach on health and wellbeing, with products and services (both physical and digital) that allow you to manage your own health in a faster, better, more personal way.



- Tele-Health
- Symptom Checker
- Disease Management
- Wearables
- Digital Products & Services
- Health & Wellbeing Content
- Rewarding Programs

Potential Market Entry Strategies

01

Search for Acquisition Opportunities

02

Build Strategic Partnerships

03

Leverage Sabancı Corporate Venture Capital (CVC) investments and incubate early stage start ups in Sabancı Almost Ready to Fly (ARF)

04

Leverage Ageas Global Know How

Our efforts continue to build our IT Infrastructure as Private Cloud in SabancıDx & Bulutistan, leveraging Group synergies



Private Cloud
Native
Technology
Platform

Automatic
management of
capacity – auto
scaling

High availability
and stability, less
management
overhead

Self healing –
automatic
recovery

Pay as you go,
cost
management
and saving

Domain driven
design and mini-
services



**Sabancı CVC investment*



We invest in strategic partnerships and ecosystem initiatives to transform our business



1 DIGITAL BANCASSURANCE

- Simple and segmented products
- Integrated bundles with banking products
- Personalized and analytics driven targeted offers



2 SABANCI SYNERGIES

- Establish and develop strategic partnerships and extract value from Sabanci ecosystem (Teknosa, Enerjisa, Carrefoursa and other).



3 ECOSYSTEM & PARTNERSHIPS

- Embedded insurance journey in other ecosystems and digital platforms along with change in customer purchase behaviours.

Smart and Sustainable Growth in Financial Services

2022

Competitive Market Positioning;

- Leading position in Pension AUM among private companies since 2015
- #1 player in total life and personal accident among private companies
- Strong presence in the non-life insurance #5 player, organic growth leader for the last 5 years

Strong omni-channel distribution network with wide geographic footprint

Solid operational and financial performance;

- AgeSA, 37% CAGR in terms of IFRS net income growth between 2017 - 2021
- Aksigorta, Best in class G&A efficiency among private players (3.6% vs 5.9% market average)
- Continuous investment on digital, analytics and customer capabilities

FUTURE

- Maintain leading position in Pension AUM with a mindful presence
- Leading position & growth in savings and protection
- Profitable growth with balanced portfolio and strengthened balance sheet
- Best in class customer and stakeholder experience
- New digital engines via platforms and strategic partnerships
- Operational and technical excellence with technology and analytics
- Future of work & end to end IT and cultural transformation
- Sustainability at the heart of business to build a better future
- Health insurance synergies
- Providing new solutions for ageing population (Long Term Care)

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For Further
Details

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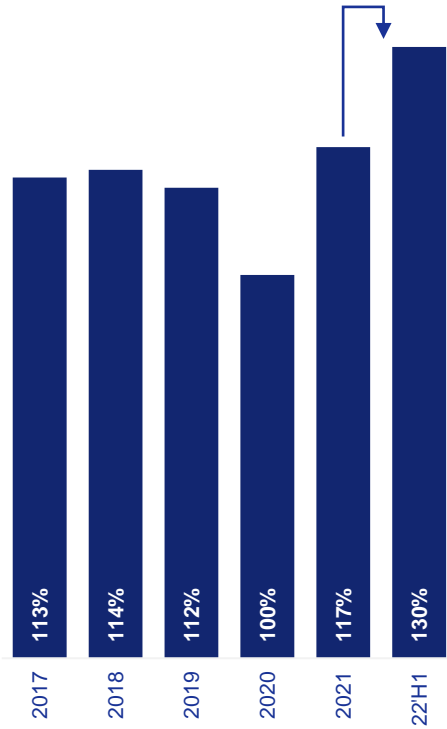
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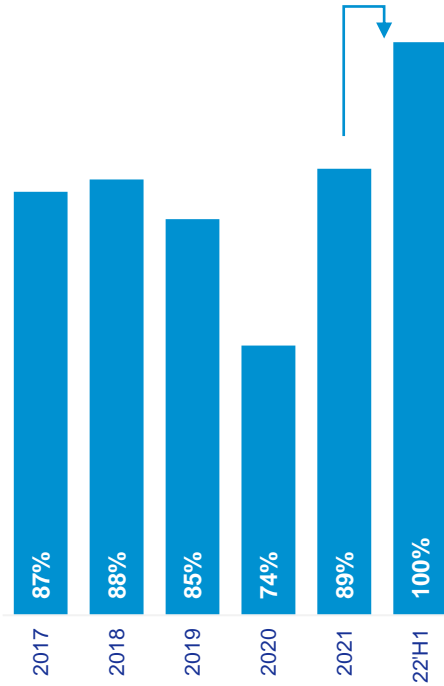
SABANCI

Non-life insurance has been challenged by high inflationary environment and TL devaluation...

Market Combined Ratio (%)



Market Loss Ratio (%)



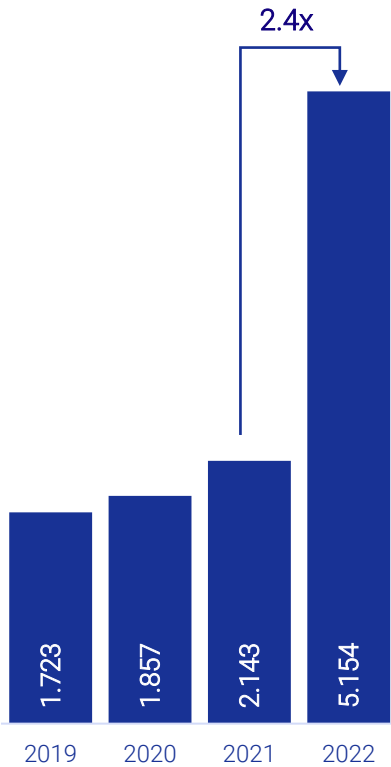
Market UW Results (Mn TL)

Year	UWR
2019	479
2020	4.509
2021	-1.596
2022 H1	-4.597

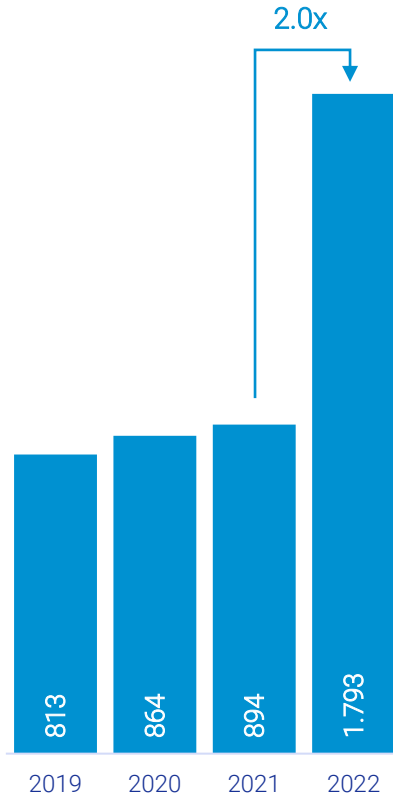
- Market profitability worsened significantly, since market average premium levels were not sufficient to cover rising claims costs due to very sudden & substantial increase in claims inflation as well as devaluation in TL.
- Furthermore, financial income earned on portfolio were not sufficient to offset the gap, either.

... and significant price increases followed as pre-emptive action. Profitability will follow.

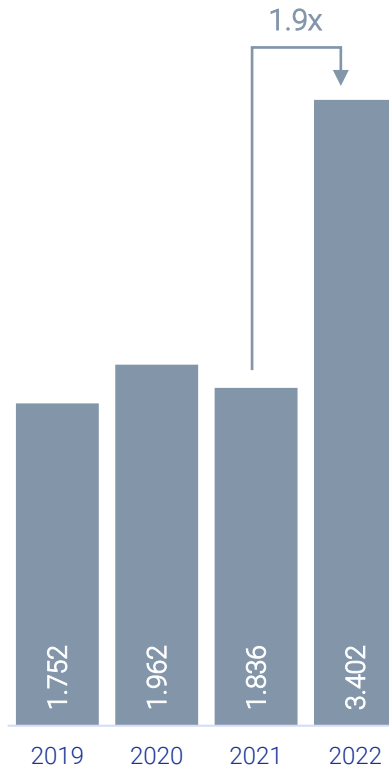
MOD – Average Premium



MTPL – Average Premium



Health – Average Premium



- As a result, average premiums have been increased ~2 times (in comparison to 2021).
- No organic or structural issues exist that will hinder future profitability of the sector.

Market average premiums. 2022 results are LTM as of October.