

FINANCIAL SERVICES DAY

16 NOVEMBER 2023



ON STAGE TODAY



**Orhun
KÖSTEM**

Group Chief Financial Officer
Sabancı Holding



**Haluk
DİNÇER**

Financial Services SBU President
Sabancı Holding

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Disclaimer

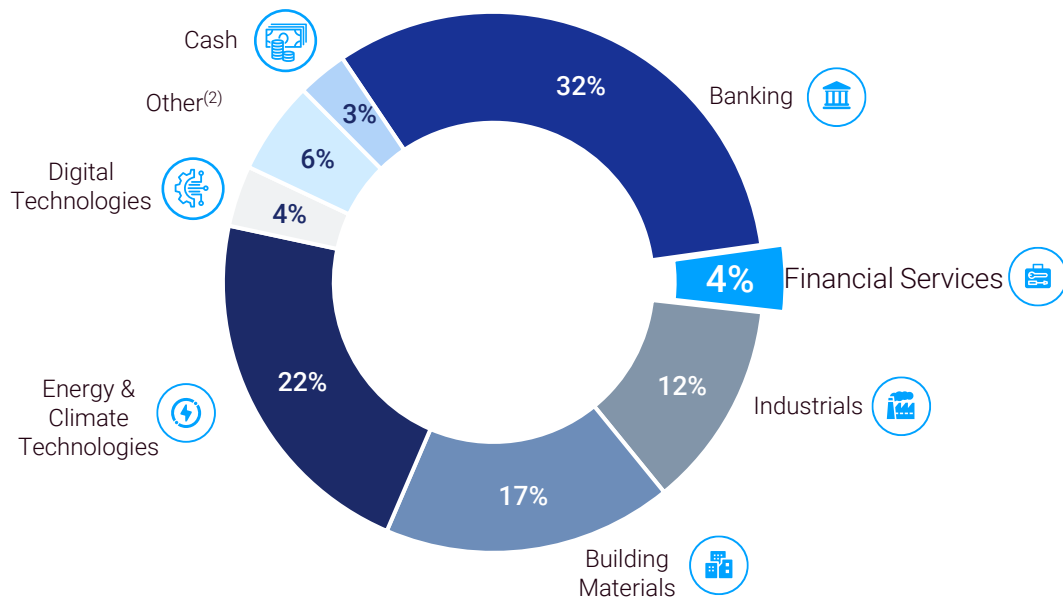
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Financial Services in Sabanci Group



Financial Services has 6% share in Sabancı Holding non-bank NAV

NAV⁽¹⁾ Breakdown Based on Book Value for Unlisted Assets



Sabancı Holding
Total NAV⁽¹⁾

USD 6.5
Billion

Financial Services
Share
in Non-Bank NAV

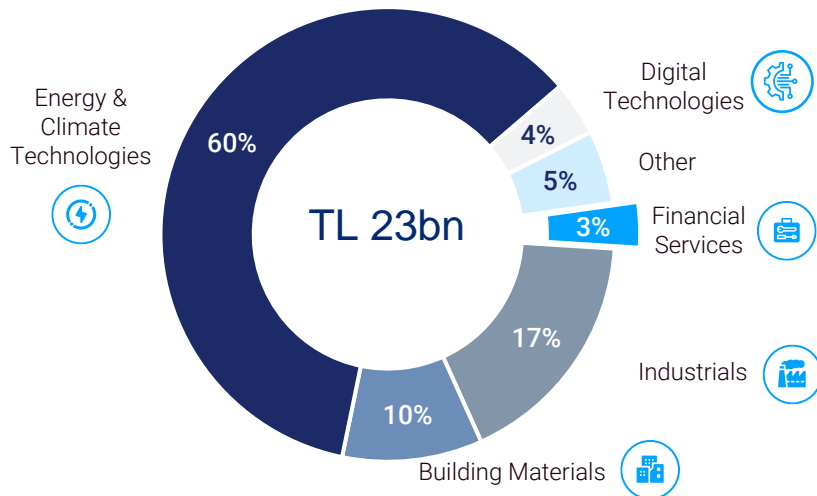
6%

(1) All listed figures are as of November 15, 2023.

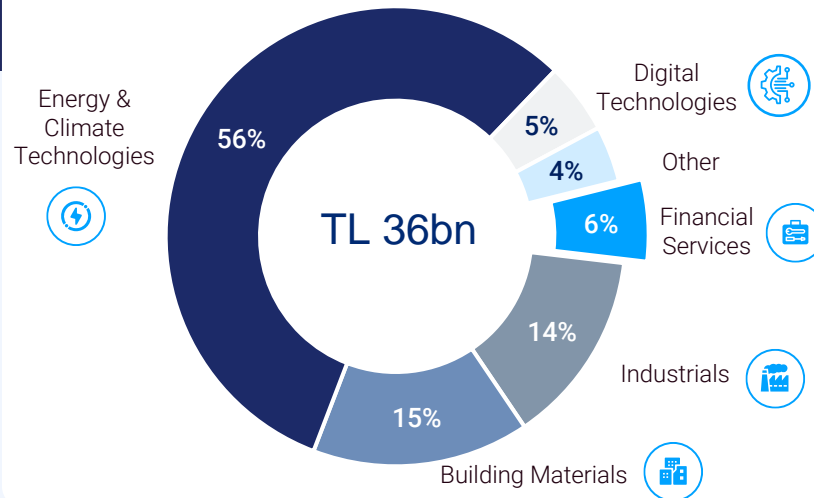
(2) Other includes Carrefoursa, Holding Solo, AEO, Tursa, Exsa.

Contribution of financial services to strongly growing combined EBITDA doubled

Combined Non-Bank EBITDA⁽¹⁾ Breakdown of 9M'22



Combined Non-Bank EBITDA⁽¹⁾ Breakdown of 9M'23



**Triple-digit growths delivered
in key financials in 9M2023**

Top-line growth
108%

EBITDA⁽¹⁾ growth
179%

Net income⁽¹⁾ growth
159%



(1) EBITDA and Net Income excludes non-operational and non-recurring one-off items.

Financial Services SBU Strategy & Roadmap



Why invest in Sabancı Financial Services?

Turkish insurance market is underpenetrated
and signals growth potential

Successful and strengthened
partnership with Ageas

Strong portfolio companies
operating in multi lines; non-life,
health, life and pension

Strong distribution network
with wide geographical footprint and
exclusive bancassurance partnership

Agility in **entering new markets**
with new products

World class use of technology and data with
sector leading capabilities

Growing into adjacent business with
the new health company

Transforming core business with
ecosystem and partnership focus

Turkish insurance market is underpenetrated with a great potential

Turkey is the 19th largest economy in the world⁽¹⁾, whereas the ranking in:

- ① Non-life insurance is 27
- ① Life insurance is 49

GWP/ GDP in 2022 (vs Europe)⁽¹⁾:

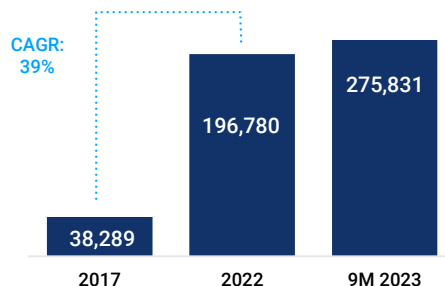
- ① Total: 1.6% (vs 6.4%)
- ① Non-life: 1.3% (vs 3.0%)
- ① Life: 0.3% (vs 3.4%)

Pension funds/GDP in Turkey: 2.9%

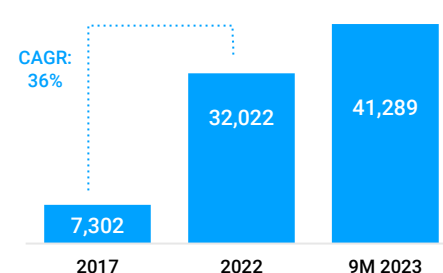
Health

- ① Double digit penetration in number of insured in private health and expected to reach +25% in the long run
- ① Complementary health insured is 4.4Mn, still showing a significant growth

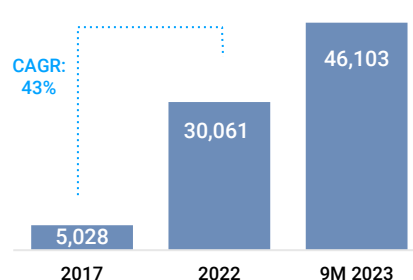
Non-Life GWP (Mn TL)



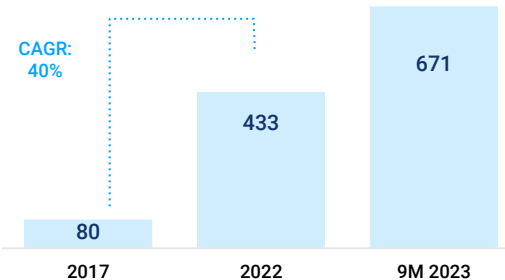
Life & PA⁽²⁾ GWP (Mn TL)



Health GWP (Mn TL)



Pension AUM⁽³⁾ (Bn TL)



GWP: Gross Written Premium, AuM: Asset Under Management, PA: Personal Accident

(1) Swiss Re 3/2023 World Insurance Report (2) Total life and PA figures incl. savings, standalone, credit life and PA (3) Including Auto Enrollment and State Contribution Source: TSB, Haymer

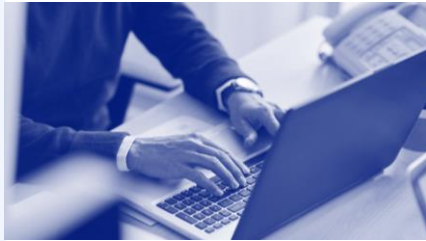
Key Macro Trends for Financial Services

DIGITALIZATION & TECHNOLOGY



Core businesses are digitized to enable hybrid experience, through tech solutions in customer support such as smart digital assistants and payment via smart contracts

CHANGING CUSTOMER NEEDS & EMBEDDED INSURANCE



In line with changing customer behaviors, insurance products are seamlessly integrated into various ecosystems, services and transactions, offering customers real-time personalized policies

NEW RISKS & SUSTAINABILITY



New emerging risks, sustainability issues and green investment themes require new product and service developments

HEALTHY LIVING & WELLBEING



Rising needs due to ageing and chronicle diseases; preventive care; personalized and virtual care; new digital players and ecosystem business models

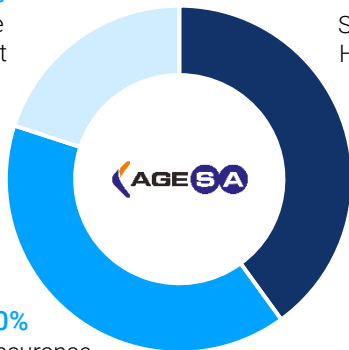
Successful and strengthened partnership with Ageas

Aligned Strategic Approach for Financial Services

20%

Free
Float

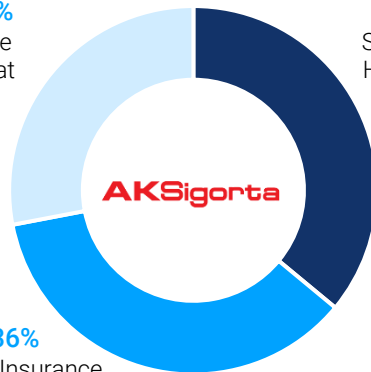
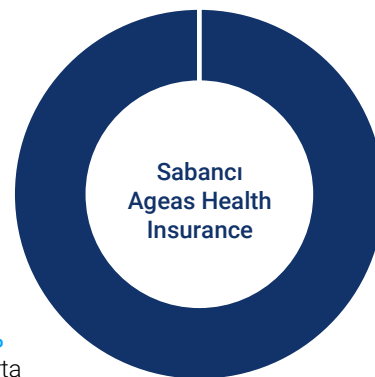
40%

Sabancı
Holding40%
Ageas Insurance
International N.V.

28%

Free
Float

36%

Sabancı
Holding36%
Ageas Insurance
International N.V.100%
Aksigorta

01 Leveraging all distribution channels
with unified customer centric approach

02 Joint working models to transfer experience and create
efficiency in departments such as HR, Risk and 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



- ▶ #1 among private companies in Private Pension AuM (TL120 Bn) with 19% market share⁽¹⁾
- ▶ #1 among private companies in total Life and PA GWP (TL5.2 Bn) with 12.5% market share⁽¹⁾
- ▶ 4.2 mn customers
- ▶ Multi-line distribution channels; agencies, exclusive bank partnership, direct sales force team

Non-Life



- ▶ # 7 among private companies in AuM size (TL 9.4 Bn) with 5% market share⁽²⁾
- ▶ # 5 among private companies in non-life GWP (TL 17.2 Bn) with 6.5% market share⁽¹⁾
- ▶ 2.5 mn active customers with 4.0 mn active policies
- ▶ Multi line distribution channels; agencies, exclusive bank partnership, brokers with multi line product offerings in motor, non motor, health branches

Health



- ▶ Establish a competence center focusing on health
- ▶ Focus on growth in core health insurance business and invest in health services that may create synergy
- ▶ Leverage strategic partnerships in key focus areas: tele-health, wellness/prevention and disease management
- ▶ Establish an independent health brand
- ▶ Aim to be a frontrunner in sustainability (UN target #3: health and wellbeing)
- ▶ Invest in technology, analytics and talent

GWP: Gross Written Premium, AuM: Asset Under Management, PA: Personal Accident

(1) September YTD figures (2) June YTD Figures

To become the leading 'new generation' insurance services provider

GROW AND PROTECT THE CORE

Act as a multi-line insurer with Aksigorta and AgeSA

Achieve commercial excellence

- ② Diversify product portfolio
- ② Growth Engine for customer acquisition, cross and up sell
- ② Automated and smart processes powered by AI

Strengthen leading position in all business lines

- ② Growth in health
- ② Leading position in non motor

Develop distribution

- ② Increase penetration in Akbank channel
- ② Increase capacity and productivity of DSF
- ② Re-igniting corporate business

GROW INTO ADJACENCIES

- ② Greenfield health insurance company investment and becoming a healthcare player

TRANSFORM

- ② 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 and wide agency distribution with nearly **4,000 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 and pension market with ~631 financial advisors
- ✔ Healthy and sustainable growth with increasing productivity;
+74% growth in number of financial advisors in four 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 **712 branches and over ~ 4,000 Relationship Managers** in 19 regions of Turkey
- ✔ Focusing on digital transformation and deeper integration
- ✔ Dedicated sales team with SME focus

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

New Life Savings Product and Continued Improvements in ROP

- ✓ Market is underpenetrated and poses a great potential to grow

Pension	8.4Mn participants	10% YoY ⁽¹⁾	TL 622Bn fund amount	93% YoY ⁽¹⁾ AUM growth
Life Savings	144K participants	18% YoY ⁽¹⁾	TL 2.1Bn GWP in Q3'23	172% YoY ⁽¹⁾ GWP growth
Endowment (ROP)	409K participants	25% YoY ⁽¹⁾	TL 9.2Bn GWP in Q3'23	81% YoY ⁽¹⁾ GWP growth

- ✓ As of September 2023, AgeSA has achieved a 30% market share in premium production in the first year of its new savings life product
- ✓ AgeSA, one of the first players in endowment market, continues to shape the market with the improvements it made in its ROP product

EV Casco

- ✓ E- vehicles align with the global commitment to a more sustainable and eco friendly future offering reduced gas emissions
- ✓ Electric vehicle market in Turkey is emerging fast, with the government incentives through tax benefits

Total Vehicles	28Mn	7.8% YoY ⁽¹⁾
Electric Vehicles	51K	350% YoY ⁽¹⁾

- ✓ Aksigorta launched a competitive MoD policy for electrical vehicles in Sep'23, with the **best in class benefits** offered to the customer
- ✓ Launched in September 2023, the product reached to 37Mn TL premium generation, with ~ 900 policies in 2 months

... and with sector leading capabilities

Customer Centricity



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

Data & Analytics



- ✓ Customer segmentation
- ✓ Journey Analytics
- ✓ Pricing Algorithms
- ✓ Cross Sale and Next Best Actions
- ✓ AI based Churn and Retention Model

Digital Enablement



- ✓ Mobile-centric omni-channel structure
- ✓ AgeSA / Aksigorta Mobile Apps
- ✓ Digital pension self-service capabilities through Akbank Mobile
- ✓ AgeSA FonPro
- ✓ AgeSA Fund advisory Services through Video Call

Smart Processes



- ✓ Aksigorta Digital Twin : Automated Process Mining Solution
- ✓ Image Recognition in Claims Processes
- ✓ Aksigorta Digital Assistant (ADA)
- ✓ Robotic Process Automation

Further improvement potential in existing capabilities with Generative AI

Gen AI potential use cases in insurance business

Efficiency

Reducing costs to create opportunities for new growth and profitability

- ✓ Productivity increase through intelligent support
- ✓ Optimal utilization of the workforce
- ✓ Advanced digital claim assistant
- ✓ Better customer churn management

Experience

Improve customer, distribution channel and employee satisfaction

- ✓ More empathetic and instant customer interaction
- ✓ Virtual insurance experts
- ✓ Personalized patient care from first symptoms to post-visit

Insight

Unlock competitive advantage through new data and insights

- ✓ Decision making algorithms especially in pricing and risk assesment
- ✓ Hyper personalized product offerings
- ✓ Market insights for consumer sentiment / brand awareness
- ✓ Flexibility to work with unstructured and vast amount of data

Our new insurance company was established and progressing as planned

Greenfield Company Establishment

Sabancı Ageas Sağlık Sigorta A. Ş. had been establishment in August 2022 as a full subsidiary of Aksigorta

Technology & People Foundation

Core system development project kicked off by using Cloud Native API based and digital leading technologies. Organization built with expertise and being expanded currently

Health Focused Insurer Searching Synergies with Ecosystem play

Following the license, company will actively start sales and will aim to utilize growth potential in synergy with Aksigorta, Ages and Akbank

Group synergies fully utilized via strategic partnerships with Group Companies and Sabancı CVC investments

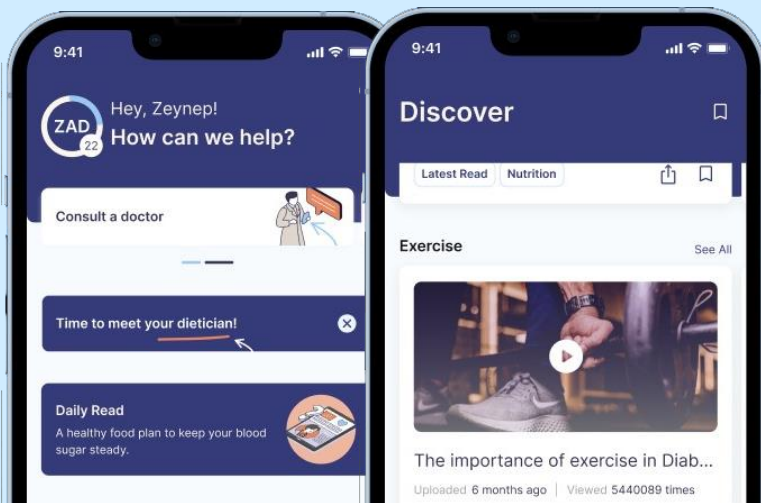


Active know-how transfer sharing enable with Ageas via their leading operations in Portugal



Healthcare ecosystem development process has been kicked off

With digital products and services and collaborations to be built with partners; we will provide insurance and healthcare services in one web/app providing end-to-end seamless experience



Key Features

- | | | | |
|----|--|----|--------------------------------------|
| 01 | Health literacy: Education and awareness | 04 | Measurements and device integrations |
| 02 | Triage via Symptom checker | 05 | Wellness |
| 03 | Telehealth and e-prescription | 06 | Patient monitoring |

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



DIGITAL BANCASSURANCE w/ BAAS⁽¹⁾

- ✓ Offering insurance to the Akbank customers in other ecosystems where Akbank offers service banking

SABANCI SYNERGIES



- ✓ Establish and develop strategic partnerships and extract value from Sabanci ecosystem (Teknosa, Enerjisa, CarrefourSA and other)
- ✓ Sabanci Ageas Health Insurance establish strategic partners assurance with Aksigorta, Ageas and Akbank to leverage synergies

ECOSYSTEM & PARTNERSHIPS



- ✓ Embedded insurance journey in other ecosystems and digital platforms along with change in customer purchase behaviors
- ✓ In healthcare ecosystems, offer more personalized experience to consumer, enhance provider productivity and engage caregivers for improved outcomes

(1) BAAS: Banking as a service

End-to-end financial services to maximize market potential

2023

Competitive market
positioning

Strong distribution network
with wide geographic footprint

Solid operational and
financial performance

Superior digital, analytics and
customer management
capabilities

FUTURE

GROW AND PROTECT THE CORE

- Profitable growth with balanced portfolio & strengthened balance sheet
- Adopt a customer value – based service model
- Increase share of wallet through analytics capabilities
- Expand distribution network
- Diversify product portfolio with focus on new risks

GROW INTO ADJACENCIES

Health insurance synergies

TRANSFORM

New digital engines
via platforms and strategic
partnerships

Q&A





Meet SirA, Sabancı Holding's digital
investor relations assistant !

Turkey's First Investor Relations
Dedicated Assistant !

INVESTOR RELATIONS CONTACTS

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