

# An Overview of Anadolu Hayat Emeklilik's Position in the Industry and its Activities in 2018

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## *An innovative approach to customer needs*

Anadolu Hayat Emeklilik pursues its operations with a customer-focus, offering digital solutions to its customers based on its innovative approach. The Company kept bringing need-based innovative products and services, and supporting these tasks with technological solutions in 2018.

Anadolu Hayat Emeklilik sustained its leadership in private pension, auto enrolment and life insurance funds combined on the back of its successful performance achieved in line with its strategy and policies in the reporting period. The Company preserved its no.1 spot with over 1.9 million contracts and certificates and more than TL 2.2 billion in state contribution funds in the Private Pension and Auto Enrolment Systems combined.

## *A year of achievements*

In 2018, Anadolu Hayat Emeklilik:

- Secured 12% increase in total funds in the private pension system, including state contributions, based on the Pension Monitoring Center (PMC) data of 28 December 2018,
- Reached TL 16,379 million in total pension assets under management (including state contributions) and 1,113,878 participants,
- Remained the sector's leader with 16% market share in the number of contracts and certificates,
- Ranks first among private equity pension companies with 587 thousand employees and TL 485 million in funds under management in the Auto Enrolment System according to PMC data of 28 December 2018,
- Achieved 9.4% market share on the basis of a premium production of TL 639 million in life insurance branch according to Insurance Information and Monitoring Center data of 31 December 2018,
- Produced TL 450 million premiums in term life insurance. The Company remained the sector's leader in terms of fund value held by life insurance policyholders, which exceeded TL 1.7 billion,
- Increased its total assets by 13% year-over-year and reached TL 20.2 billion as at year-end 2018,
- Once again manifested its ability to create sustainable and permanent value with a net profit of TL 254 million,
- Neutralized its 2017 carbon footprint, and thus, became a carbon neutral company also in 2018 within the scope of the Sustainability Management System, with the goals of measuring and minimizing the environmental impact of the Company's operations and raising awareness of the subject,
- Became a signatory of the Women's Empowerment Principles (WEPs), a joint initiative of UN Global Compact and UN Women,
- Carried on with customer base expansion, retention and deepening activities in all segments employing the right product and channel mix,
- Continued to upgrade the Mobile Branch in line with customer needs,
- Executed the processes of obtaining quotations and sending contracts in an automated approach through the digital solutions offered to auto enrolment customers,

- Unified service and operational units in a single center after the Customer Services Center started operations out of Kartal Manzara Adalar Office,
- Paid utmost attention to achieving full compliance with the corporate governance principles and regulatory requirements that define the framework of its operations, and kept carefully observing the transparency principle in all of its practices.

### **Marketing and Sales**

During 2018, Anadolu Hayat Emeklilik focused on securing high penetration in auto enrolment, efficient use of distribution channels for expanding the customer base, enhancing pre- and post-sales service quality, and improving customer experience.

Initiatives aimed at customer retention, as well as those at new customer acquisition, continued.

In the management of its pension funds, Anadolu Hayat Emeklilik maintains cooperation predominantly with İş Asset Management, as well as other leading asset management companies in the sector. Relevant work went on for simplifying pension fund components and providing the participants with a more transparent, understandable structure and four different "IQ Funds" were set up which measures customers' risks, and let them invest in the funds that best suit their respective risk profiles and expected returns.

### **A Good Future for Everyone through auto enrolment**

Marking the start of a new era in the national private pension sector and introduced in 2017, auto enrolment began enlarging the customer base of the Private Pension System, which fulfills Turkey's need for long-term funds, and this expansion continued also in 2018. In a repeat of last year's performance, Anadolu Hayat Emeklilik ranked at the top of the private pension companies backed with private capital in terms of total pension assets under management in auto enrolment.

Online Auto Enrolment, which allows easy execution of all steps from quotations to contracts, ensured cost and time saving for companies. In 2019, Anadolu Hayat Emeklilik will continue to offer fast solutions to organizations and employees via Online Auto Enrolment.

### **Automated transactions through payroll integration**

Integration-related work carried out in cooperation with the leading HR and payroll application software companies alleviated the operational workload falling on the companies in the Auto Enrolment System. Transactions such as account opening of employees, viewing the current status of employees' pension accounts, changing status of the accounts, and collection settlement can be performed easily and quickly.

Being the all-around pioneering company of the industry with its product, service and infrastructure competencies,

Anadolu Hayat Emeklilik will continue to serve as the guide in regard to auto enrolment as well.

### **Solutions focused on customer experience**

With the target of providing the highest level of customer experience, Anadolu Hayat Emeklilik delivers all of its products and services along with personalized solutions tailored to customers' expectations.

In the private pension branch, Anadolu Hayat Emeklilik offers services with a rich product portfolio covering pension plans and private pension funds with different content and fees, and encompassing various alternatives that respond to the investment and risk expectations of participants.

In line with the needs of private pension participants, the services of contribution payment guarantee for housewives, as well as social security advisory, emergency ambulance, and healthcare advisory to all customers are offered.

Within the scope of auto enrolment, discounted and free-of-charge services continued to be offered to employees of organizations in various topics, including legal consultancy, check-up and psychological advisory.

In the life insurance branch, premiums were revised in credit-linked and stand-alone life insurance products in line with the needs.

Education Insurance policy was put on sale, which enables an uninterrupted education life for children.

As part of product initiatives targeting different customer segments, "Farmers' Retirement Plan" was introduced for participants mostly living in rural areas and making their living on agricultural activities.

In keeping with the vision set out under the "Excellence in Customer Experience Project", work was carried out actively on all channels, primarily on digital ones, with the aim of optimizing customer experience at all touchpoints and operational processes.

The efficiency and capacity of the distant sales channel were increased, and new customer acquisition and cross-selling activities were carried out using channel-specific products.

"Brand Personality Project" was carried out to uniform the language used in all touchpoints with customers and to ensure effective communication.

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Personalized offers continued to be made in inbound calls and through the IVR system.

Within the scope of Key Account Management, quality of services offered to key customers has been increased based on one-on-one service notion.

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***One of the most preferred employers in the sector for its corporate qualities, brand equity and innovative HR practices, Anadolu Hayat Emeklilik always makes a difference with the value attached to its employees, and the training and career opportunities offered.***

To measure satisfaction with the Company's products and services, customer satisfaction questionnaires continued to be administered to cover sample customer groups divided according to segments, and deliverables from the questionnaire were evaluated, upon which actions were taken to enhance the level of customer satisfaction and improve customer experience.

## ***Campaigns supporting customer relations***

Campaigns backing effective customer relationship initiatives that were conducted for increasing customer retention and depth served as a powerful tool for strengthening the cooperation among distribution channels and for achieving sales targets, and played an important role in helping Anadolu Hayat Emeklilik consolidate its leadership in the sector.

Campaigns were organized, which were aimed at the introduction of digital media, increasing its use and boosting the sales of segment-based products and stand-alone life insurance products.

## ***Customer Services***

### ***Digital approach to customer services***

Nowadays, the fast evolution of customer expectations and usage habits in connection with the advancements in technology lead to constantly increased use of digital channel in the insurance industry, and render innovative solutions directed at customers indispensable. Based on this awareness and consciousness, Anadolu Hayat Emeklilik formulated digital technology with a customer-focus and carries on with its activities with the objective of delivering a superior customer experience accessible any time, anywhere.

Continuing to build on its digital channel management expertise and capability, Anadolu Hayat Emeklilik kept enriching these channels, and introducing projects designed to improve customer experience and enhance its service quality in 2018.

### ***AHE Mobile Branch- Retirement in the pocket***

Giving weight to investments in technology, Anadolu Hayat Emeklilik gives the customers access to information about private pension, auto enrolment and life insurance products any time anywhere through AHE Mobile application.

Using AHE Mobile and the Internet Branch, Anadolu Hayat Emeklilik customers are able to instantly view their private pension, auto enrolment, life and personal accident insurance contract details, the accumulated funds, state contributions, their coverage, payments and fund performances, and perform their transactions securely.

During 2018, AHE Mobile and Internet Branch were visited by 414 thousand and 827 thousand customers of Anadolu Hayat Emeklilik respectively.

### ***Steadily increasing efficiency in customer relations***

In an effort to boost service level, speed, and increase productivity, work continued on upgrading and configuring the IVR flow of the Call Center. The outbound calls and inbound calls teams were expanded, thereby achieving growth in the volume and diversity of the calls handled. During 2018, the Call Center responded to more than 6 million calls and placed more than 1.5 million outbound calls. A total of 2,334,246 transactions were executed within the scope of customer operations during the reporting period.

## **Distribution Channels**

### *High level customer reach enabled through effective distribution channel management*

The nationwide distribution channel structure is a building block of Anadolu Hayat Emeklilik's sales and distribution strategy focused on efficiency and productivity. The Company ensures an extensive customer reach via the diverse channels listed below:

- district sales offices in İstanbul (3), Ankara (2), İzmir, Adana, Bursa, Antalya, Trabzon and Kocaeli, and a branch in the Turkish Republic of Northern Cyprus,
- direct sales force,
- bank branches that serve as the Company's agencies,
- private agencies network, and
- alternative distribution channels.

### *Pioneering company in bancassurance*

Having one of the most extensive distribution channels in the bancassurance channel, Anadolu Hayat Emeklilik continues to make a difference with this strength and competence.

Anadolu Hayat Emeklilik sustained its synergetic collaboration with its main business partner İşbank throughout 2018, enjoying an unrivaled competitive edge with respect to multi-channel use thanks to more than 1,330 branches of the Bank, cutting-edge technology and alternative distribution channels.

Delivering its products to a large audience through this extensive network, Anadolu Hayat Emeklilik realized 91% of its annual new business figure in private pension branch and 98% of the term life insurance premium production via the bancassurance channel in 2018.

### *Future Planning Specialists: A direct sales force of 503 people across Turkey*

Anadolu Hayat Emeklilik preserved its top position in the number of contracts in the Private Pension System in 2018.

One of the key factors underlying this achievement was the direct sales force of 503 individuals that serve as a bridge between the customers and the Company.

The so-called Future Planning Specialists, the direct sales force offers service in İşbank's branches that are present in each city in Turkey. Optimally representing the Anadolu Hayat Emeklilik's capability in providing solutions by its performance in the marketing of private pension and life insurance products, the sales team was responsible for 83% of the private pension products sold in 2018.

## **Extensive and deep-rooted agency network**

Anadolu Hayat Emeklilik works with approximately 250 agents countrywide, a network that embodies a harmonious blend of various business models and combines this mosaic with a solid tradition and corporate structure. Representing the Company's oldest distribution channel, this strong agency network displayed a successful sales performance also in 2018, despite the distribution channels that are diversified owing to the advancing technology. During the reporting period, the agency network was responsible for 22% of total contribution and premium collections in endowment and private pension products.

### *Private Pension Intermediaries*

Agencies and sales representatives offering service as intermediaries in the Private Pension System are required to pass the e-BEAS (Electronic Private Pension Intermediaries Exam).

Once again, Anadolu Hayat Emeklilik made sure that all of its private pension intermediary candidates across all distribution channels took the e-BEAS in 2018. The number of the Company's private pension intermediaries reached 3,255 people by the end of 2018.

## **Human Resources**

### *The power behind success: Competent employees*

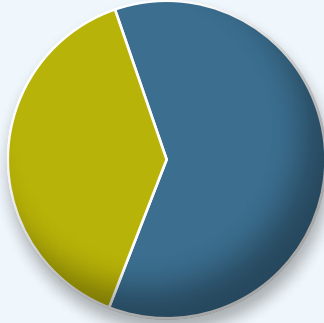
Behind the success attained by Anadolu Hayat Emeklilik is its highly knowledgeable, creative and dynamic people that share common values and are capable of reflecting the deep-rooted corporate culture in their activities and approach to service.

The total number of Anadolu Hayat Emeklilik employees including the direct sales team was 1,064 as at year-end 2018. Boasting a young team, 64% of the Company's human resource consists of employees in the 18-34 age interval.

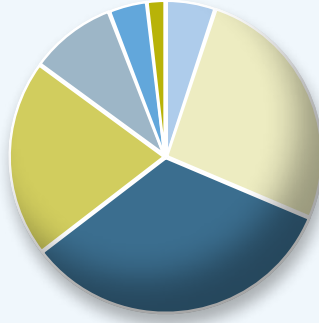
One of the most preferred employers in the sector for its corporate qualities, brand equity and innovative HR practices, Anadolu Hayat Emeklilik always makes a difference with the value attached to its employees, and the training and career opportunities offered.

Anadolu Hayat Emeklilik supports its employees' professional and personal development, and gives them the opportunity to keep abreast of new practices, helps them acquire new perspectives, and further raises the bar in services rendered to policyholders through training programs aligned with their career plans. Within the scope of the training programs focused mostly on the Private Pension System, and professional and personal development, the Company employees received 38,604 hours of training in total during the reporting period.

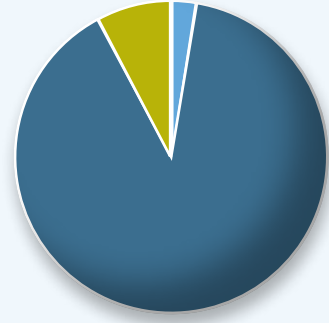
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Gender Breakdown	person	%
Female	651	61
Male	413	39



Age	person	%
18-24	55	5
25-29	279	26
30-34	353	33
35-39	218	20
40-44	96	9
45-49	42	4
50 and above	21	2



Education	person	%
Elementary, secondary	4	0
High school	28	3
University	949	89
Masters and above	83	8

"Management Skills Training" for managers and management trainees continued in 2018 within the frame of the education collaboration agreement with İstanbul Bilgi University. 363 managers and management trainees in total, including sales managers, attend these training programs.

Aiming to give the employees a more pleasant and productive working environment, Anadolu Hayat Emeklilik administers "Employee Satisfaction Questionnaires" and "Internal Customer Satisfaction Questionnaires", and uses the feedback from these questionnaires as input for remarkable initiatives that will lead to transformation.

## Communication

### Corporate social responsibility projects

Heeding the role of women in economic and social development, and constantly keeping women's empowerment in its focus, Anadolu Hayat Emeklilik successfully executes its long-lived social responsibility projects that support women.

### Shots from Life as Seen by Women Photography Contest

Aiming to contribute to the social and cultural development of the Turkish women, "Shots from Life as Seen by Women" photography contest offers them a platform where they can freely express themselves.

The twelfth edition of the photography contest "Shots from Life as Seen by Women" was held in 2018 under the auspices of the Photographic Arts Federation of Turkey. Having set its theme as "About Life" and open to all amateur and professional women photographers, the contest is the one and only photography contest organized exclusively for women. Since its debut, more than 15 thousand women submitted over 62 thousand photographs.

Selected photos are exhibited in İstanbul and various other cities, and collected in a special catalogue each year.

### Leading communication that steers the industry

Below are the highlights of 2018 communication activities of Anadolu Hayat Emeklilik, which approaches these activities with a sense of responsibility and on the axis of long-term plans with the objective of instilling an awareness of secure future across Turkey:

- The advertising film themed "Saving is a good idea" produced for the Youth Retirement Plan was broadcasted on digital media and printed media movie theaters, on various radio stations and outdoor media.
- Communication activities were carried out making more intensive use of local media in order to promote the Farmers' Retirement Plan.

- As part of promotional activities for “Investment Insurance for Children” product, the Company co-developed materials with İşbank, including digital media banners, mailing, and content viewing in cinemas and social media.
- An informative video and advertisement were prepared for IQ funds, which are the new additions to Pension Funds, and published on digital media, in national newspapers and sector magazines.
- “Anadolu Hayat Emeklilik Blog” remained active in 2018, which covers posts under the categories Culture/Arts, About Life, Must-See Places and Career.
- Campaigns which were aiming to increase interaction on social media were carried.
- Commercials continued to be screened at Cinemaximum movie theaters and campaign posters were set up in foyers.
- To announce that Youth Pension Plan has reached 100,000 participants, a press conference was held.
- SEO (search engine optimization) actions were continued to ensure that the corporate website takes place in the top places within search engine results, as well as SEM (search engine marketing) initiatives aimed at creating sales leads via the website.
- Internal communication activities were carried on within the frame of different events in an effort to promote internal communication and corporate awareness.



**First Prize - Oya Akkul** Rope Maker Child

- Giving the Company employees the chance to express the way they see life and seeking to promote internal communication, “Shots from Life as Seen by Employees” photography contest was held for the 12<sup>th</sup> time.

**Awards: Dedicated efforts get rewarded**

The activities Anadolu Hayat Emeklilik carries out with an innovative, technology- and customer-focused approach are recognized by its customers and eminent organizations. The awards granted as a result of the trust held by its customers and the devoted and hard work of its employees add to the strength of Anadolu Hayat Emeklilik.

The mission Anadolu Hayat Emeklilik assumes towards its stakeholders and the society at large was once again endorsed with the following awards received in 2018:

- Anadolu Hayat Emeklilik was again named the best in the sector for the successful campaigns conducted on all social media networks and particularly on Facebook, Twitter, Instagram and YouTube at the Social Media Awards Turkey, where campaigns centered on the social media compete,
- Was named the best-in-class private pension company in customer experience at A.L.F.A. Awards co-organized by Marketing Türkiye and Akademetre,
- Received the “Model Insurer” award in the “Legacy and Ecosystem Transformation” category at the Model Insurer Awards 2018 with Phoenix, its Basic Insurance Transformation project, by Celent, a global advisory firm in the area of financial services.



**Second Prize - Gülseren Sarıgül** Window



**Third Prize - Filiz Gürsu** Mirror