

An Overview of Anadolu Hayat Emeklilik's Position in the Industry and its Activities in 2019

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Initiatives backed by digital solutions

In the 29 years that passed since its incorporation, Anadolu Hayat Emeklilik made effective use of its know-how and capital, and became a leading company for the national economy. Carrying on with its activities with the power and sense of responsibility of its position, Anadolu Hayat Emeklilik kept bringing need-based innovative products and services, and supporting these with technological solutions in 2019.

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 strategies in the reporting period. The Company rose to no.1 spot also in the total number of participants on the basis of voluntary private pension and auto enrolment systems combined.

Ability to generate permanent value

As a result of its activities in 2019, Anadolu Hayat Emeklilik:

- Augmented total funds under its management, including auto enrolment, in the private pension system by 35% growth year-over-year to TL 23 billion and the number of participants by 9% year-over-year to 1.9 million based on the Pension Monitoring Center (PMC) data of 31 December 2019. For

these two criteria, the Company secured 18% and 14% market shares, respectively,

- Enlarged its premium production in life insurance branch by a huge 92% year-over-year to reach TL 1,229 million for an 11% market share according to Insurance Information and Monitoring Center data of 31 December 2019,
- Doubled its premium production by 102% year-over-year in term life insurance and wrote premiums in the amount of TL 911 million. Fund value held by its life insurance policyholders worth more than TL 2.2 billion handed the Company sustained sector leadership in this segment,
- Increased its total assets by 34% year-over-year and reached TL 27.1 billion as at year-end 2019,
- Once again manifested its ability to create sustainable and permanent value with a net profit of TL 357.5 million,
- Neutralized its 2018 carbon footprint, and thus, became a carbon neutral company also in 2019 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,

- Carried on with customer base expansion, retention and deepening activities in all segments employing the right product and channel mix maintaining its focus on excellence in customer experience,
- Continued to work on increasing the use and effectiveness of alternative distribution channels. Obtained quotations and sent contracts automatically through the digital solutions offered in auto enrolment,
- 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 2019, Anadolu Hayat Emeklilik focused on securing high penetration in all branches on the back of right product and channel mixes, enhancing pre- and post-sales service quality, expanding the coverage of digital processes, and improving customer experience.

Initiatives aimed at new customer acquisition and customer retention 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. FonMatik ROBO, the first initiative integrating digital processes in fund management in private pension, has been launched. FonMatik ROBO is intended to enable participants to invest their savings in private pension funds optimally according to their investor characters,

and steer their accumulations easily. FonMatik ROBO modifies the fund distribution according to market conditions on account of the participants, and also regularly shares fund income.

Anadolu Hayat Emeklilik introduced its chatbot named AHE Assistant (digital customer representative) in 2019. AHE Assistant has been developed employing artificial intelligence technology as part of the customer-centered digitalization process.

Expanded participant base in auto enrolment system

The expansion in the participant base of the private pension system continued in 2019 thanks to the auto enrolment system introduced in 2017. 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.

Online Auto Enrolment, which allows easy execution of all steps from quotations to contracts, ensured cost and time saving for companies in 2019.

Integration making auto enrolment procedures easier

Within the scope of software integration of HR and payroll applications, the Company worked with the leading companies in the sector and alleviated the operational workload falling on the companies included 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.

Personalized products tailored to customer expectations

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, investment 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 counseling.

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

The new Anadolu Hayat Emeklilik website went live, which is vested in a customer-centered structure with its revamped content, design and infrastructure. Website visitors can now reach the information they are interested in much more quickly and easily.

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Anadolu Hayat Emeklilik continued to carry out projects aimed at enriching its digital channels, upgrading customer experience and enhancing service quality also in 2019.

The "Corporate Language Project", designed to uniform the language used in all touchpoints with customers and to clarify the intended message, has been completed.

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.

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 constantly enhanced based on one-on-one service notion.

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 aimed at strengthening 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 also in 2019.

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

Customer Services

Digital approach to customer services

In our day, digital channel usage increasingly expands in connection with the advancements in technology in the insurance industry as in all other sectors, and customers' usage habits and expectations evolve quickly. Based on this awareness and consciousness, Anadolu Hayat Emeklilik acted in line with the changing customer expectations and carried on with its activities putting digitalization and superior customer experience at its focal point. 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 2019.

Within the context of increasing the usage of digital channels, the Company carried out activities related to Mobile, Online Transactions and the IVR system in line with the customer expectations, while at the same time launching the AHE Assistant service offering customers service related to private pension and insurance on its website.

AHE Mobile Branch and Online Transactions

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

Using AHE Mobile and Online Transactions, 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 2019, AHE Mobile and Online Transactions were visited by approximately 1 million Anadolu Hayat Emeklilik customers.

Steadily increasing efficiency in customer relations

In an effort to boost service level, speed, and increase productivity, Anadolu Hayat Emeklilik continued to work on upgrading and configuring the IVR flow of the Call Center.

The number of agents on outbound calls and inbound calls teams were kept at the optimum level, and efficiency has been secured in the service level provided to customers. During 2019, the Call Center responded to more than 5 million calls and placed over 1.9 million outbound calls. A total of 2,365,794 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.

A 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 powerful collaboration with its main business partner İşbank throughout 2019, enjoying an unrivaled competitive edge with respect to multi-channel use thanks to approximately 1,250 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 92% of its annual new business figure in private pension branch and 99% of the term life insurance premium production via the bancassurance channel in 2019.

Future Planning Specialists: A direct sales force of 496 people across Turkey

Anadolu Hayat Emeklilik captured leadership in the total number of participants in voluntary PPS and auto enrolment in 2019.

One of the key factors underlying this achievement was the direct sales force of 496 individuals that serve as a direct communication channel between the customers and the Company.

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Anadolu Hayat Emeklilik successfully executes its long-term social responsibility projects that emphasize the role of women in economic and social development, and support their development.

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 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 84% of the private pension products sold in 2019.

Extensive and deep-rooted agency network

Anadolu Hayat Emeklilik works with 250 agencies 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 2019, despite the distribution channels that are diversified owing to the advancing technology.

During the reporting period, the agency network was responsible for 19% of the total contribution and premium collections in endowment and private pension segments.

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).

Anadolu Hayat Emeklilik made sure that all of its private pension intermediary candidates across all distribution channels took the e-BEAS also in 2019. The number of the Company's private pension intermediaries reached 4,174 people by the end of 2019.

Human Resources

The power behind the success: Competent employees

The success attained by Anadolu Hayat Emeklilik is powered by its highly knowledgeable, creative and dynamic people who reflect the deep-rooted corporate culture in their activities and are capable of meeting on common ground.

The total number of Anadolu Hayat Emeklilik employees including the direct sales team was 1,087 as at year-end 2019. Boasting a young team, 58% of the Company's human resource consists of employees in the 18-34 age interval.

Anadolu Hayat Emeklilik supports its employees' professional and personal development, and gives them the opportunity to acquire new perspectives through training programs aligned with their career plans.

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 41,970 hours of training in total during the reporting period.

Within the frame of the education collaboration agreement with İstanbul Bilgi University, "Management Skills Training" for managers and management trainees continued in 2019. 321 managers and management trainees in total, including sales managers, attended these programs.

The "Visionary Leadership Program" addressing the Direct Sales Team managers and management trainees covered over 70 employees.

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

Anadolu Hayat Emeklilik focuses on social responsibility projects that emphasize the role of women in economic and social development, and support their development.

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.

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First Prize

Zehra Çöplü, Among the Fogs



Second Prize

Gülten Ünal, Love

The thirteenth edition of the photography contest "Shots From Life As Seen By Women" was held in 2019 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 in Turkey organized exclusively for women.

Since its debut in 2007, more than 19 thousand women submitted over 75 thousand photographs.

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

Long-lived communication projects

Below are the highlights of 2019 communication activities of Anadolu Hayat Emeklilik, which are executed on the axis of long-term plans with the objective of instilling an awareness of secure future across Turkey:

- The press launch took place for FonMatik ROBO, Turkey's one and only private pension fund robot that modifies fund distribution according to market conditions on account of the participants, along with communication activities on digital, cinema, radio and outdoor media.
- Communication activities were carried out on the radio to promote the Farmers' Retirement Plan.
- As part of promotional activities for "Investment Insurance for Children" product, broadcasts were made on digital, cinema, radio and outdoor media.
- Contents were prepared on various topics for "Anadolu Hayat Emeklilik Blog", which covers posts under the categories Culture/Arts, About Life, Must-See Places and Career.
- Communications and campaigns were carried out on social networks.
- Campaign posters were set up in foyers and commercials were screened at Cinemaximum cinemas.
- Press conferences were held in order to build on brand image, to maintain contact with the press and to increase recognition.

- SEO (search engine optimization) actions were realized 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 corporate awareness and internal communication.
- 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 Women" photography contest was held for the twelfth time.

Awards encouraging the mission towards the society and stakeholders

The activities of Anadolu Hayat Emeklilik that are appreciated by its customers and eminent organizations are underpinned by the Company's innovative, technology- and customer-focused approach. The Company's mission towards the society and its stakeholders were further encouraged by the following awards collected in 2019:

- Anadolu Hayat Emeklilik was named the best-in-class in Private Pension and Life Insurance category 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 Customers' Friend accolade given by ICERTIAS, an international certification association,
- Claimed Bronze at the Stevie Awards in the "Website Awards-Insurance" category with the new corporate website,
- Earned the second prize in the "Digital Channels" category at the IDC Fintech Awards with the Fonmatik ROBO Project,
- Clinched the second prize in the "Change Management" category at the IDC CIO 2019 Awards with its New PPM Tool Project under which work is carried out in relation to project and demand management tool modification and improvement of associated processes.