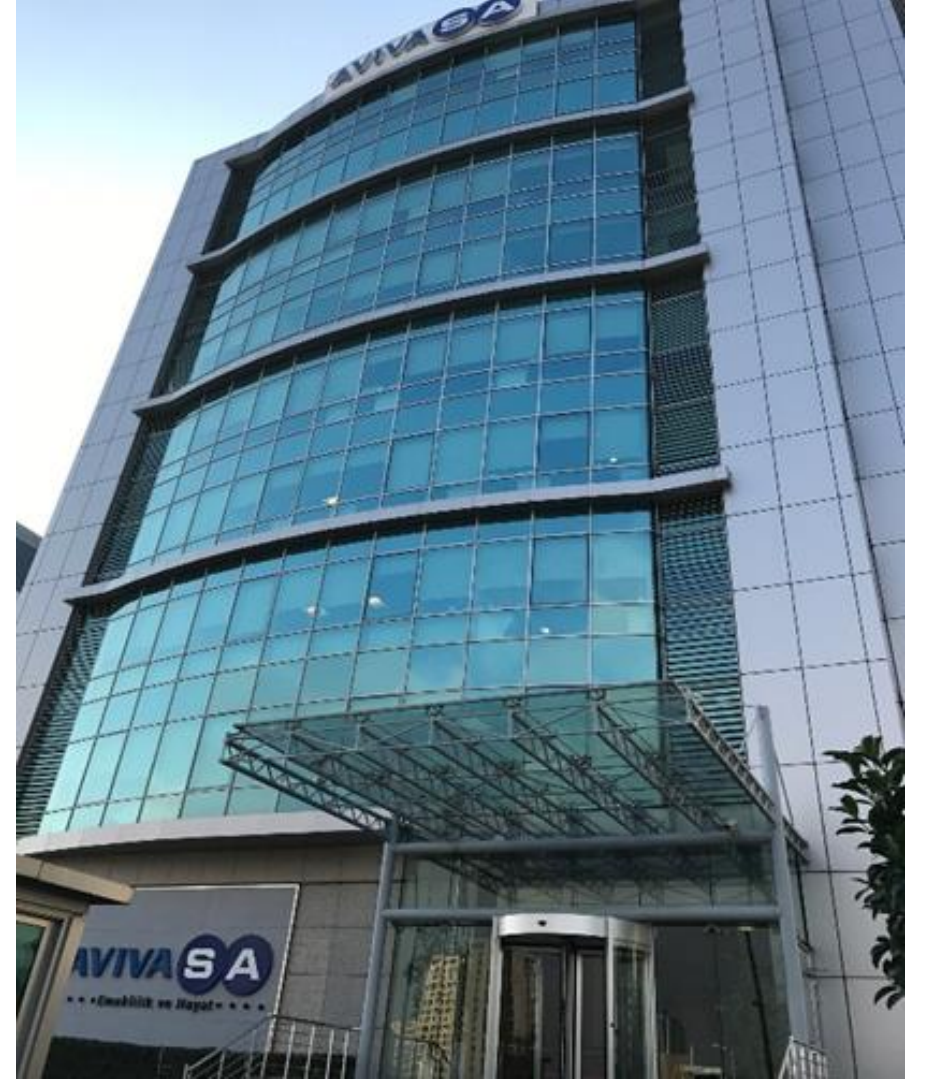


# Presentation to Investors Q1 2018

May 2, 2018



**AVIVA SA**

**YARIN ŞİMDİDEN GÜZEL**

# AvivaSA at a Glance: Unique Positioning and Attractive Business Model

# Leading Life and Pension Player in Turkey

Unique demographic profile: second largest country in Europe (~81million) with almost 50% under 30 years old

Turkey's  
attractive  
growth and  
demographics

#1  
Pension

- 19,5% market share in terms of AuM
- ~878 k participants; 15,7 billion TL AUM (Q1 2018)
- 32% CAGR in terms of AUM (2013-2017)
- Strong position at corporate pension

#2  
Auto Enrolment  
(exc. state comp.)

- 19,3% market share in terms of participants
- ~407 k participants; 228 million TL AUM (Q1 2018)

#8  
Life Protection

- 6,0% market share
- 71 mTL GWP and ~1.5m customers (Q1 2018)
- 22% CAGR in terms of GWP (2013-2017)

#2  
Personal Accident

- 16,5% market share
- 13 mTL GWP and ~0.5m customers (Q1 2018)
- 21% CAGR in terms of GWP (2013-2017)

# Blue-chip “Sponsoring” Shareholders: A Unique Blend of Expertise and Reputation



Global diversified insurer with presence in 17 countries and over 100 bancassurance partners.

Best practice policies based on UK international standards on governance / audit.

One of the largest Turkish “multi-business company” with wide franchise of consumer brands and networks  
Unparalleled local trust and reputation

**Established in 2007  
as a joint venture of  
Ak Emeklilik and  
Aviva Hayat**

# Cultural Change Initiatives Are Based on 5 Top Priorities

**1-0/BE WELL AHEAD**

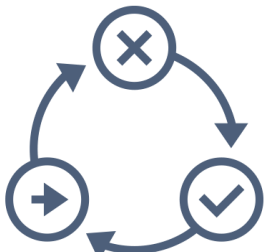


# DIGITAL FIRST: 5 ambitions to Being a «Digital Insurance Company»



## Leading the Innovation

- Digital Garage
- Insurtech eco-system
- Innovation Culture



## New Working Culture

- Agile Development
- Collaborative working
- Cross-functional Project Teams



## Being a Cost-Efficient Company

- Lowering operating costs
- Straight through processing
- Automation (Robotics etc.)



## Being a Data Driven Company

- Holistic Data Strategy
- Analytical Excellence
- Big Data
- Data Driven Culture

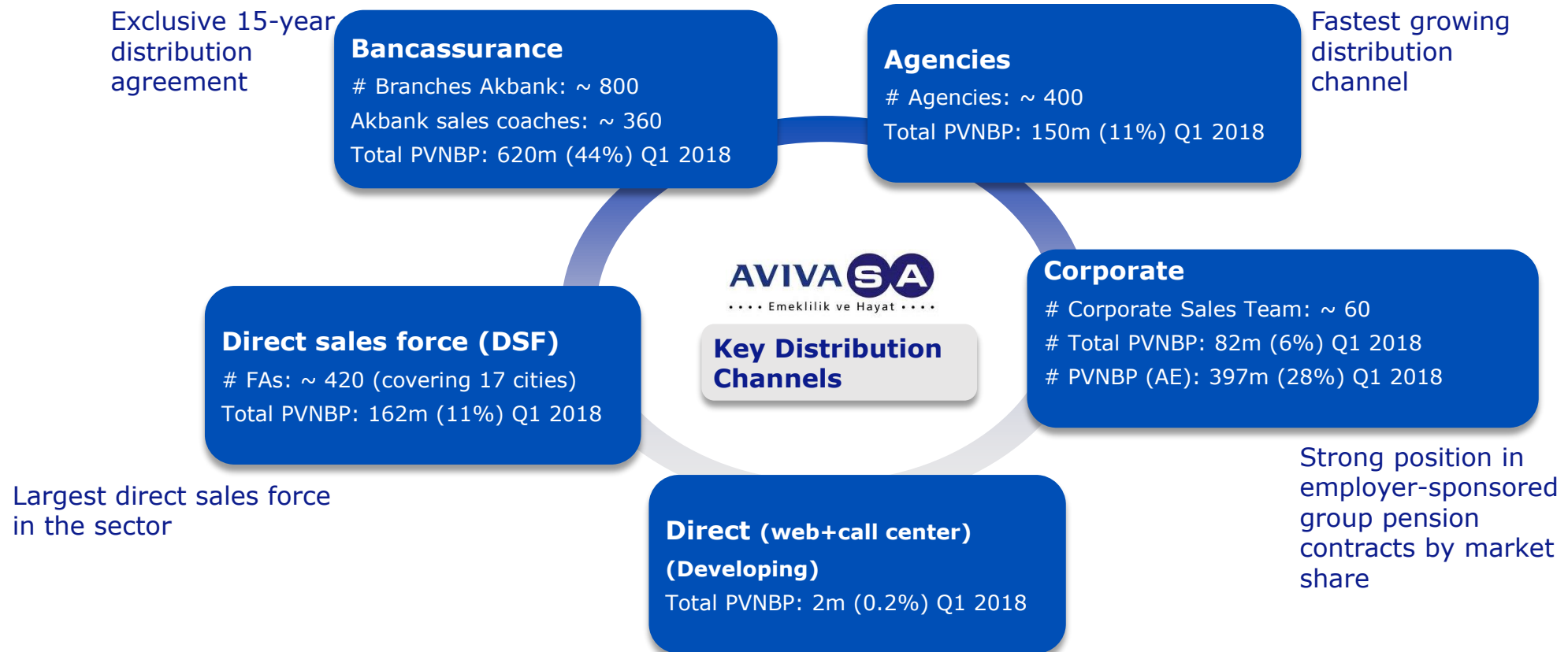


## Creating a Unique Digital User Experience

- B2I: Understanding customers
- User-Centric Design
- Unique Digital UX



# Solid Sales Culture through a Multidistribution Platform to Expand Scale and Penetration in Pension and Life



# Solid Financial Foundations and Historical Track Record of Value Creation

	Q1 2018	YoY/Δ
Pension Contributions	389 mTL	1%
Pension AUM (inc AE)	15.9 bTL	23%
Total GWP (Life+PA)	140 mTL	25%
Total Technical Profit	100 mTL	21%
Expense Ratio <sup>(1)</sup>	14.1%	+1.2 pts
Profit for the Period	36 mTL	29%
ROE	28.1%	+1.8 pts
MCEV (2017 FY)	1.7 bTL	13%

- AvivaSA has maintained #1 position in terms of AuM
- Growing Life & PA business supporting both by credit and non-credit linked products

- Steady increase thanks to pension scalability and protection segments

- Mainly due to one-off personnel and marketing expenses

- In Addition to 21% increase in technical profit, financial and other income is higher than prior year due to higher interest income

- One of the leaders in the sector
- High ROE level

- Continued the double digit growth of the 'economic value' of the Business where future new business value generation is intact



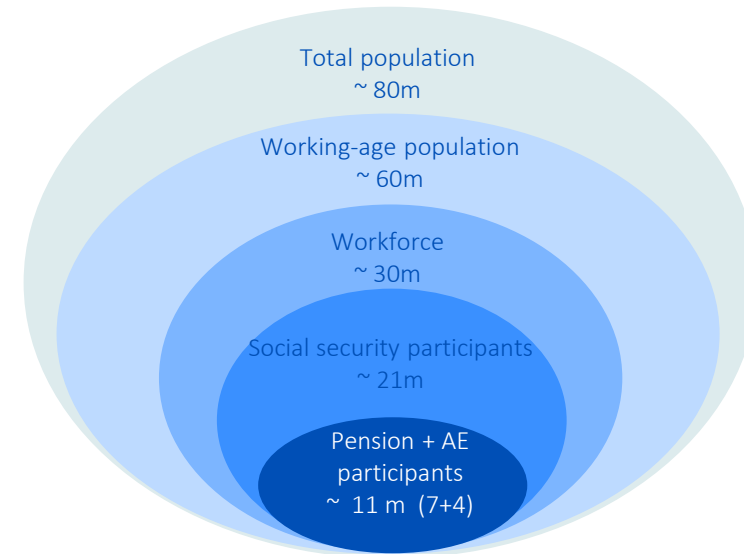
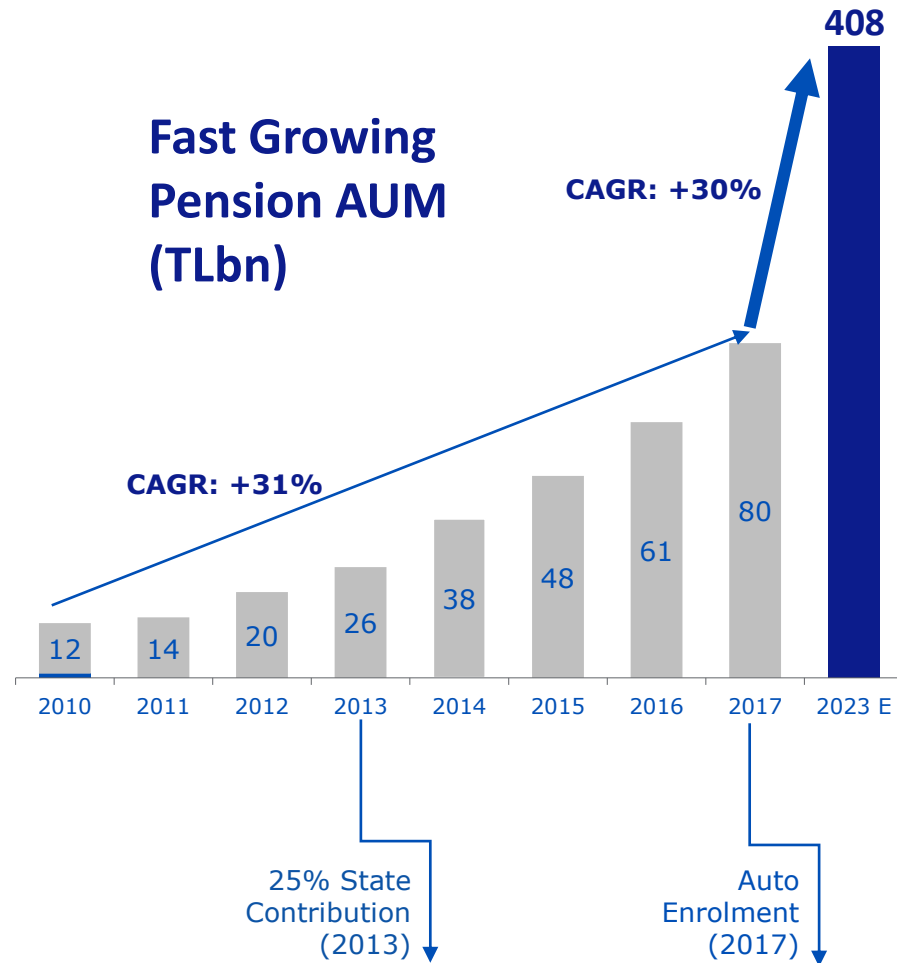
# Pension and Auto Enrolment

# Pension – Sustainable Growth and Scale Ambitions

Pension System		
Pillar I Social Security	Pillar II Auto Enrolment (2017)	Pillar III Pension (2003)
Defined Benefit State Subsidized	Defined Contribution State Supported	Defined Contribution State Supported
Mandatory	Semi-Mandatory (enter mandatory / stay voluntary)	Voluntary
Covering Basic Needs for Retirement and Health	Saving and Improving Life Standard for Retirement	Saving and Improving Life Standard for Retirement
Admin by government	- Admin by Pension Companies - Asset management by Asset Management Companies	- Admin by Pension Companies - Asset management by Asset Management Companies

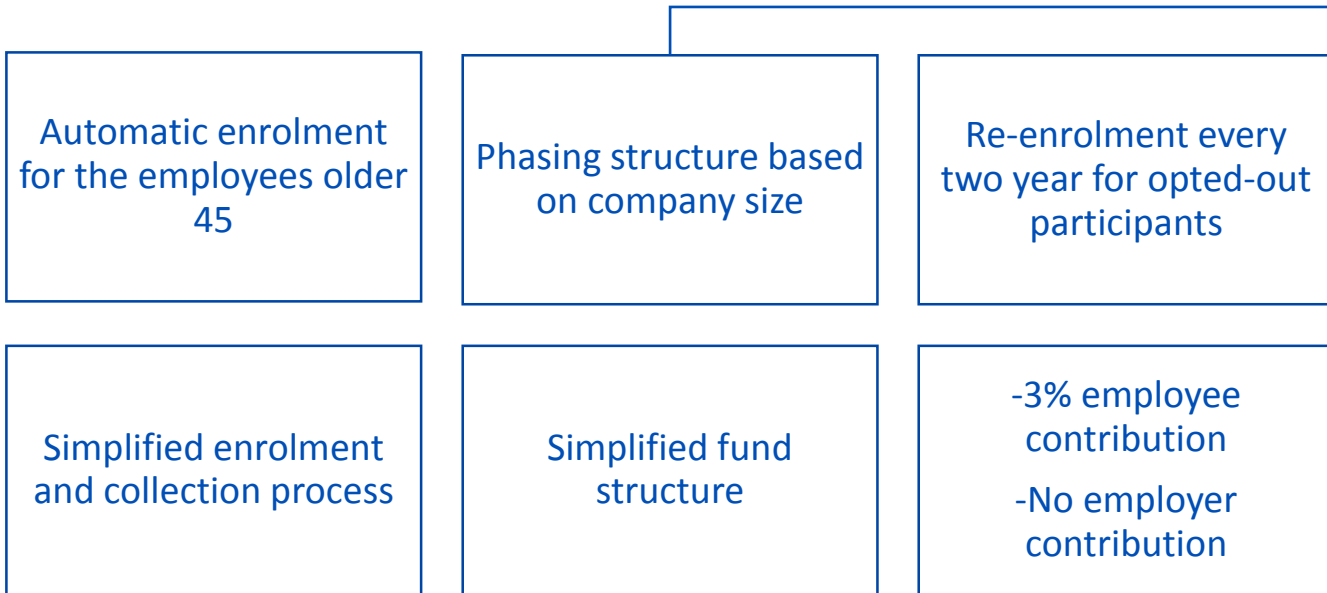
**New Topic** Severance  
Payment:  
under discussion

# Pension – Sustainable Growth and Scale Ambitions



Incentives	
Auto Enrolment	Pension
<ul style="list-style-type: none"> <li>- 25% state contribution</li> <li>- 1,000 TRY one-off state contribution</li> <li>- 5% state contribution of their total savings for retired 10 years annuities buyers</li> <li>- Deferred tax in terms of pension investment income</li> </ul>	<ul style="list-style-type: none"> <li>- 25% state contribution</li> <li>- Deferred tax in terms of pension investment income</li> </ul>

# Pension - Auto Enrolment



- 25% state contribution
- 1,000 TRY one-off state contribution
- 5% state contribution of their total savings for retired 10 years annuities buyers
- Deferred tax in terms of pension investment income

Phasing Structure	Type of Employer	Potential Participants (Million)
Jan/2017	1000+ Private	1,9
Jan/2017	1000+ State	0,3
April/2017	250+ Private	1.0
April/2017	250+ State	2,7
July/2017	100+	1,5
Jan/2018	50+ Private	1,2
Jan/2018	50+ State	0,4
July/2018	10+	2,7
Jan/2019	5+	2,5
<b>Total</b>		<b>14,2</b>

**New Topic**

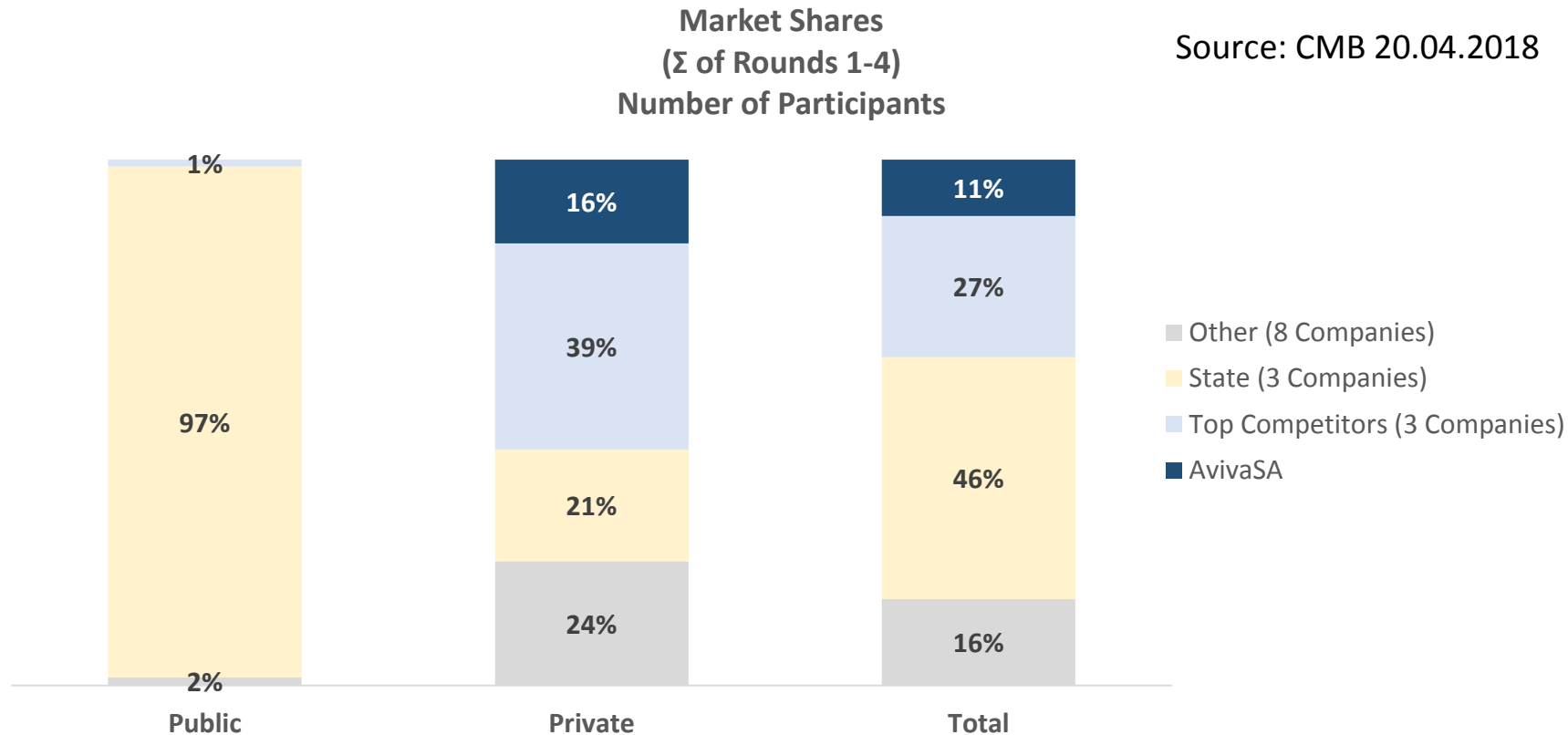
## Auto Enrolment:

Different sales, commission, service and marketing model

Corporate and SME type business line

# One of the Leading Company in Auto Enrolment Market

## Supported by Selective Presence



### Results and Lessons Learned So Far

- ✓ More fragmented than regular pensions
- ✓ Servicing capability is very important
- ✓ Banks play a key role: AvivaSA achieved it's targets mainly utilizing Akbank potential
- ✓ Cannibalization on private pension system was lower than expected
- ✓ Average opt-out ratio ~60% in the market

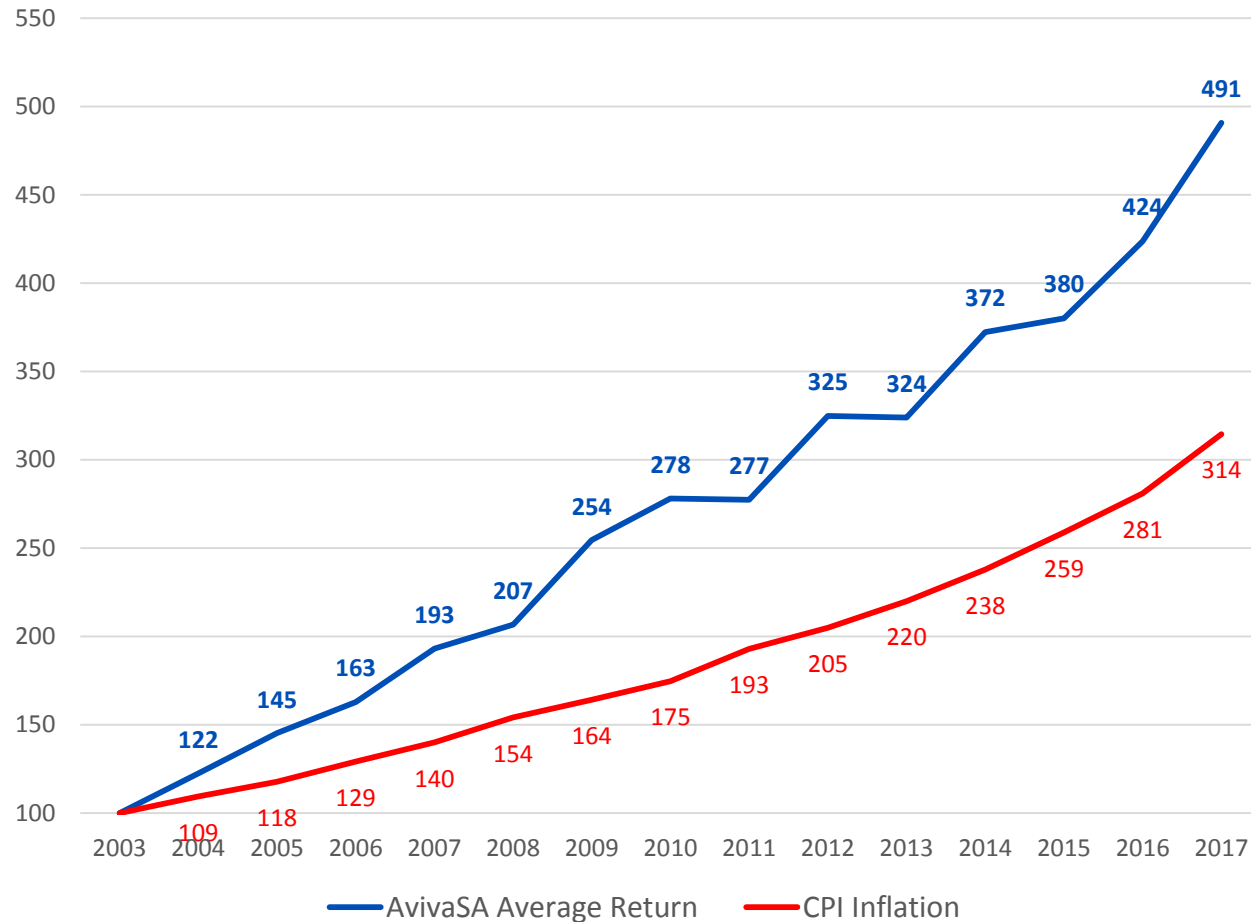
# Pension – Fee Structure

## Pension System – Fee Structure

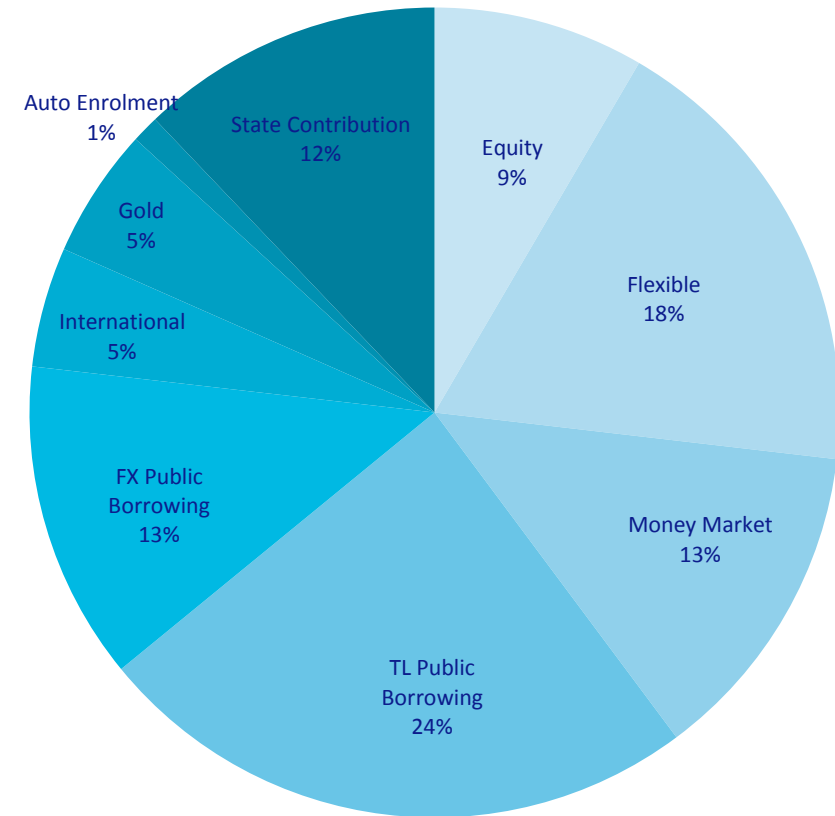
	Auto Enrolment	Pension
Fund Management Fee	<p><u>Max:</u> 0,85% yearly</p> <p>Initial Fund Standard Fund Variable Fund (4 different risk appetite)</p>	<p><u>Max:</u> Money market: 1,09% yearly Fixed Income: 1,91% yearly Equity-Flexible: 2,28% yearly State Contribution: 0,365% yearly <u>Avivasa average:</u> 1,5% including state contribution <u>Bonus mechanism:</u> For the policy older then 5 year old. No bonus for the fund management fee below 1,1%. It will start at 2021. 0-5 years; No bonus 6th year: 2.5% bonus of yearly fund mng. fee collected 7th year: 5.0% bonus of yearly fund mng. fee collected 14th year: 22.5% bonus of yearly fund mng. fee collected +15th year: 25.0% bonus of yearly fund mng. fee collected</p>
Management Fee	None	<p><u>Max:</u> %8,5 of the monthly minimum wage Collectible for the first 5 years of the policy</p>

# Pension – Fixed Income Dominance and Strong Real Return

Average Pension Plan Return (AvivaSA)



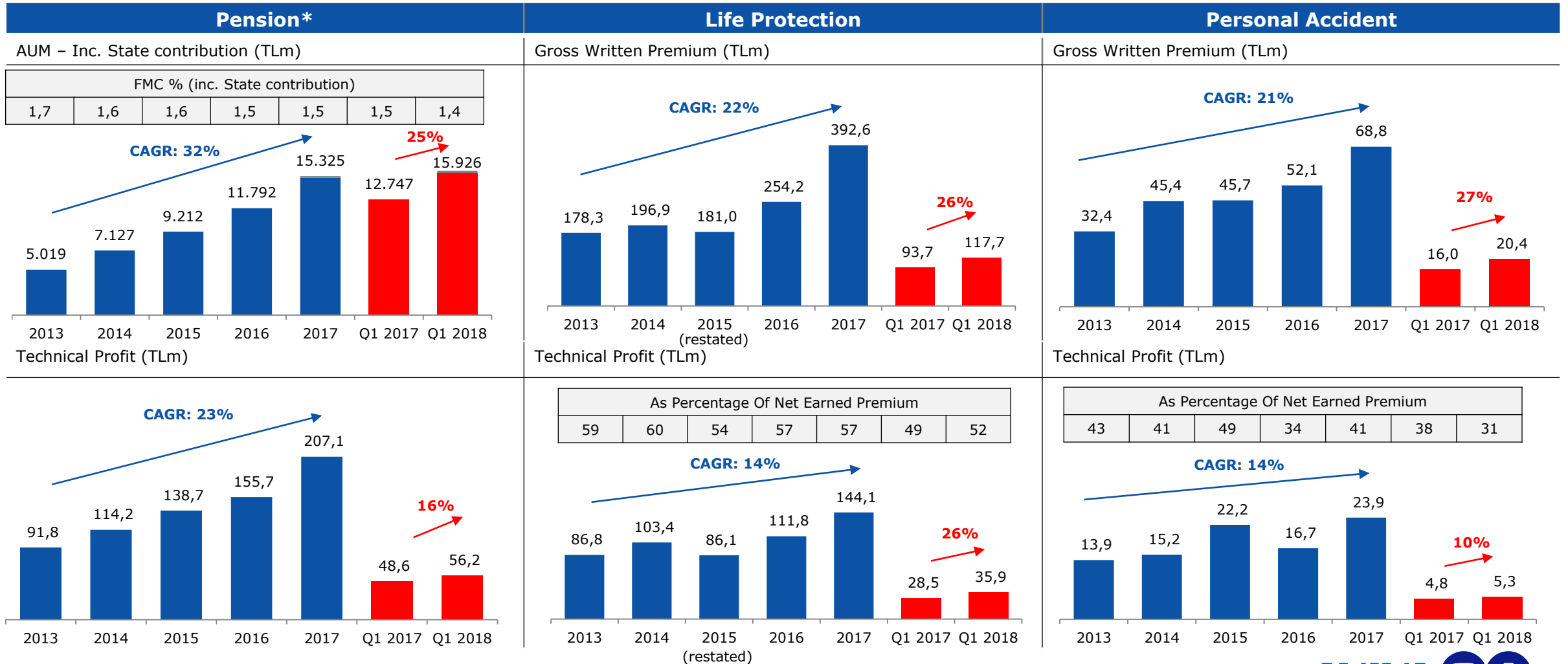
Fund Type Allocation  
(include state contribution fund)  
(AvivaSA 201)



# Business Lines



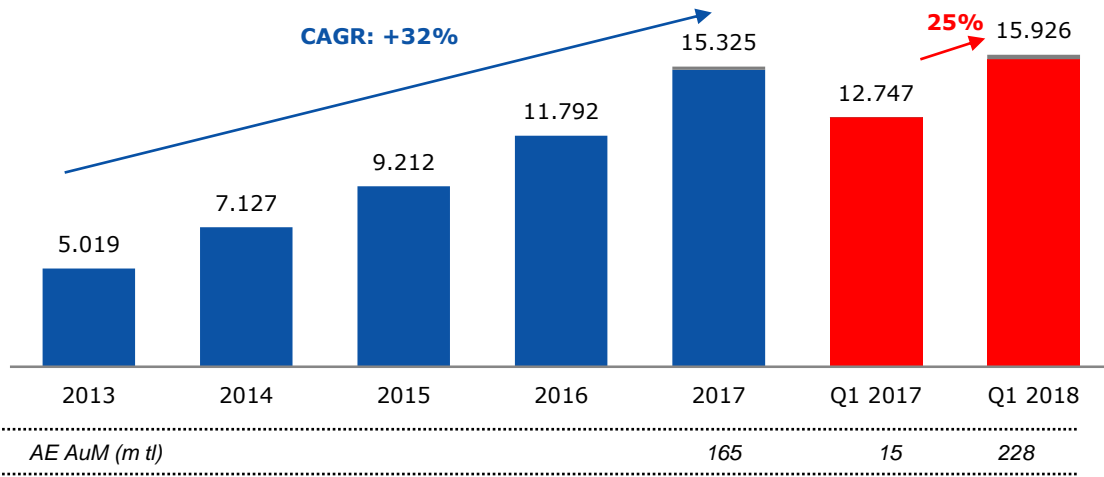
# Differentiated Management of Trends and Dynamics per Segment



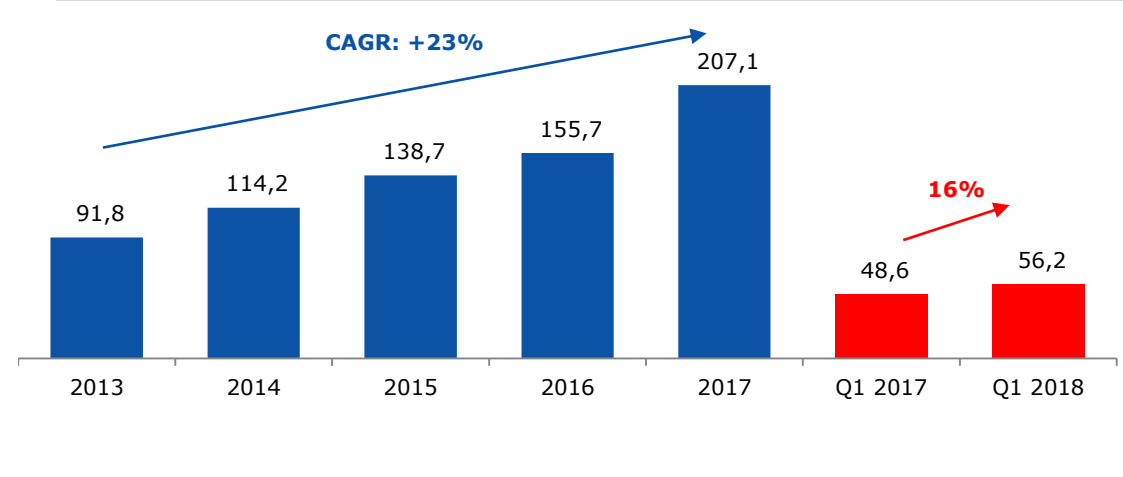
# Pension\*

## Sustainable Growth and Scale Ambitions

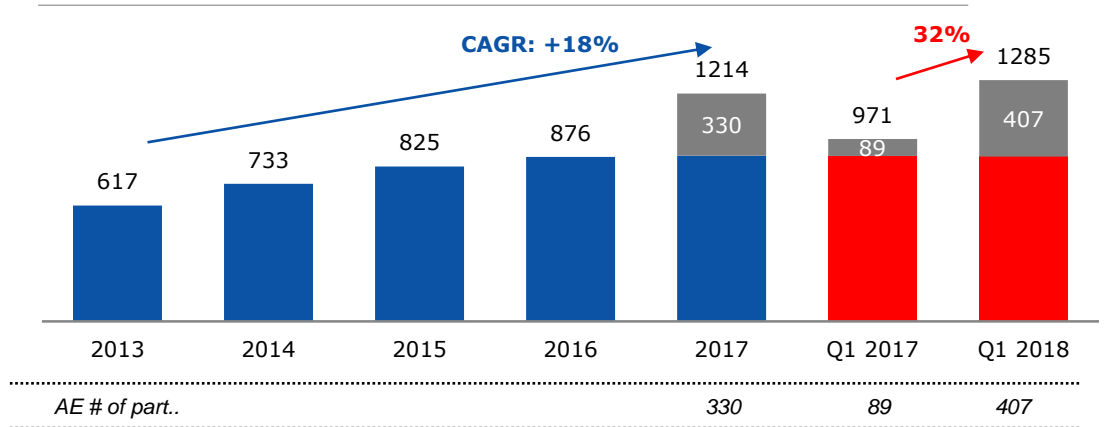
Pensions AUM including State Contribution (TLm)



Technical Profit (TLm)



Number of Participants (x1000)



Market Share Of AvivaSA % (in terms of AUM) Inc. AE

	2013	2014	2015	2016	2017	Q1 2017	Q1 2018
Pension	19,1	18,8	19,2	19,4	19,5	19,5	19,5
AE	-	-	-	-	9,2	14,2	9,4
Total	-	-	-	-	19,2	19,5	19,2

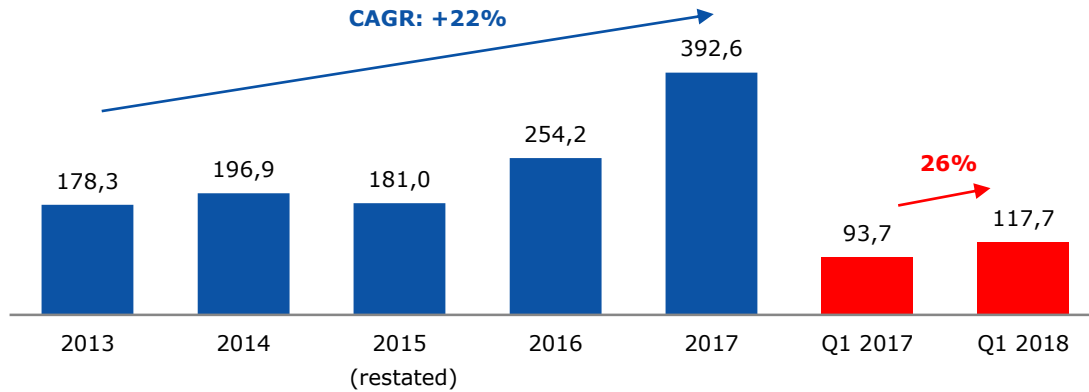
Average Monthly Contribution Size / Policy (TL) Exc. AE

2013	2014	2015	2016	2017	Q1 2017	Q1 2018
202	217	261	288	259	253	299

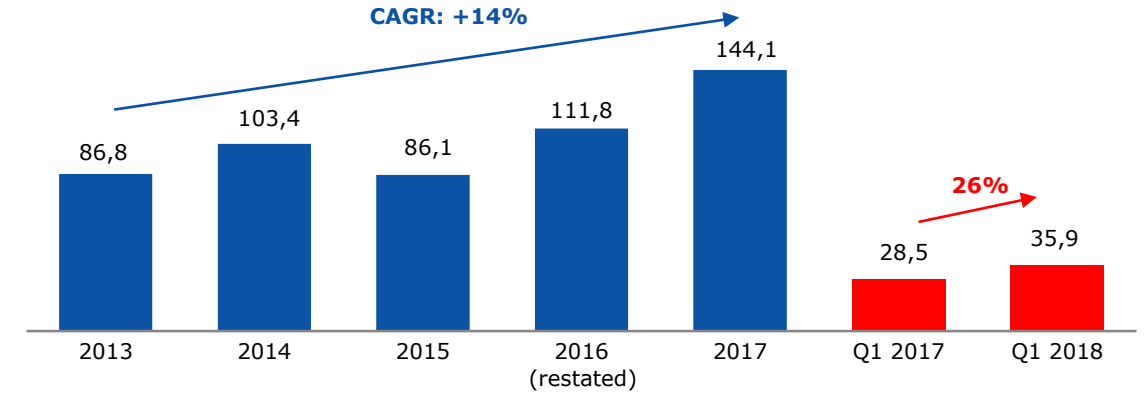
# Life Protection

## Sustainable and Resilient Growth Model Fuelled by Bancassurance

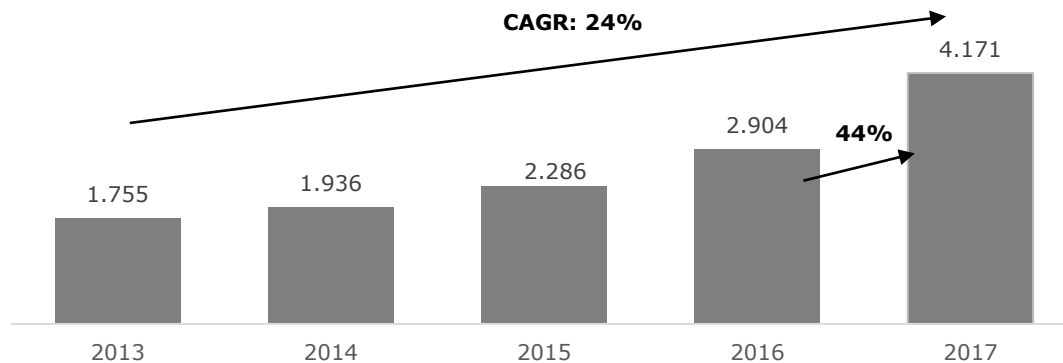
### GWP (TLm)



### Technical Profit (TLm, %)



### Sector GWP (TLm) (Excluding state companies)



### Claims and Commission Ratios (%)

(Excluding Life Savings)

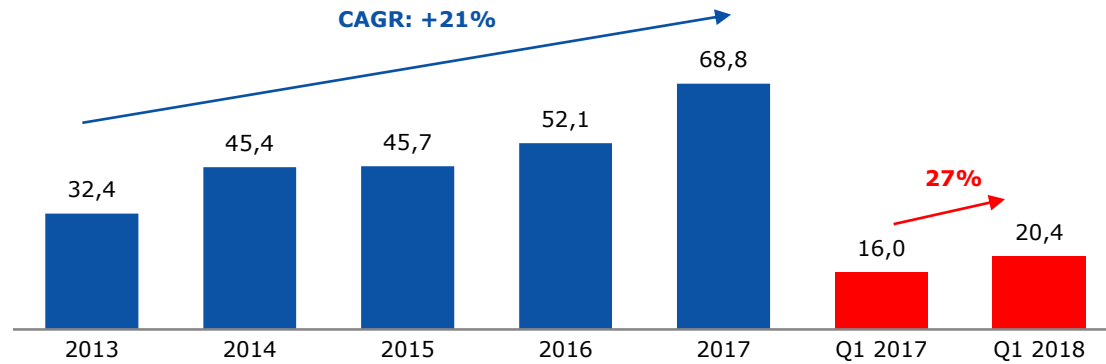
	2013	2014	2015	2016	2017	Q1 2017	Q1 2018
<b>Claims Ratio*</b>	14,8%	17,7%	22,3%	20,4%	13,3%	17,2%	16,6%
<b>Comm. Ratio**</b>	18,8%	17,2%	17,9%	18,4%	26,5%	30,1%	27,9%

\* Total Claims (exc. Surrender) / NEP  
 \*\* Commission expenses net of income / NEP

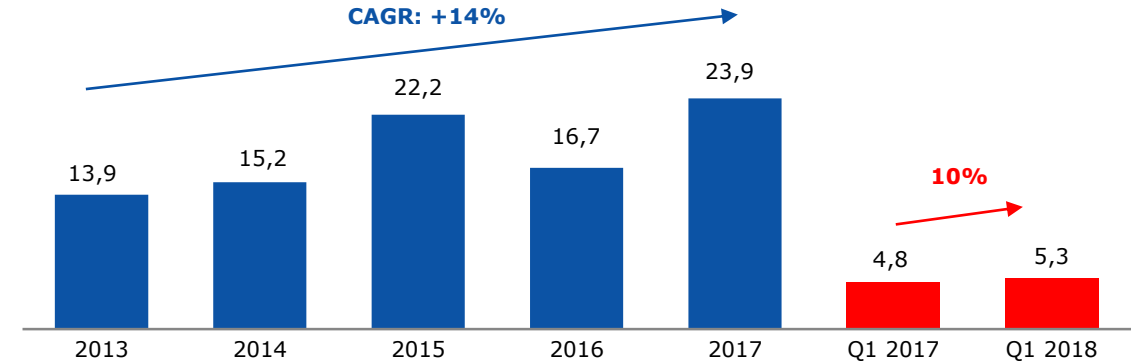
# Personal Accident

## A Complementary Profit Pool for the Group

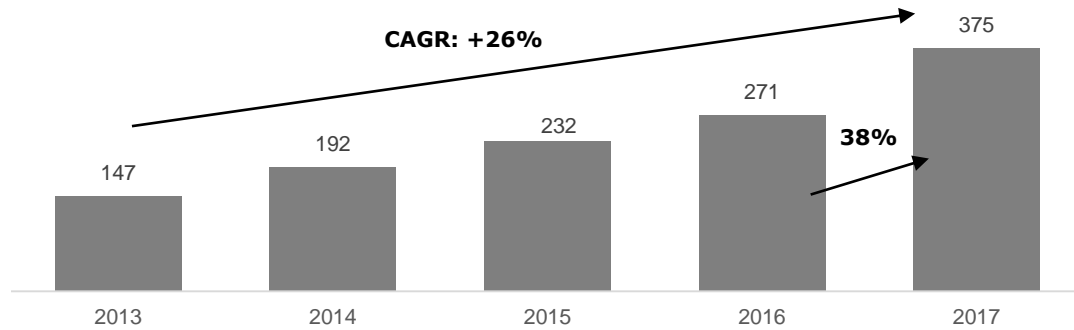
### GWP (TLm)



### Technical Profit (TLm)



### Sector GWP (TLm) (Excluding state companies)

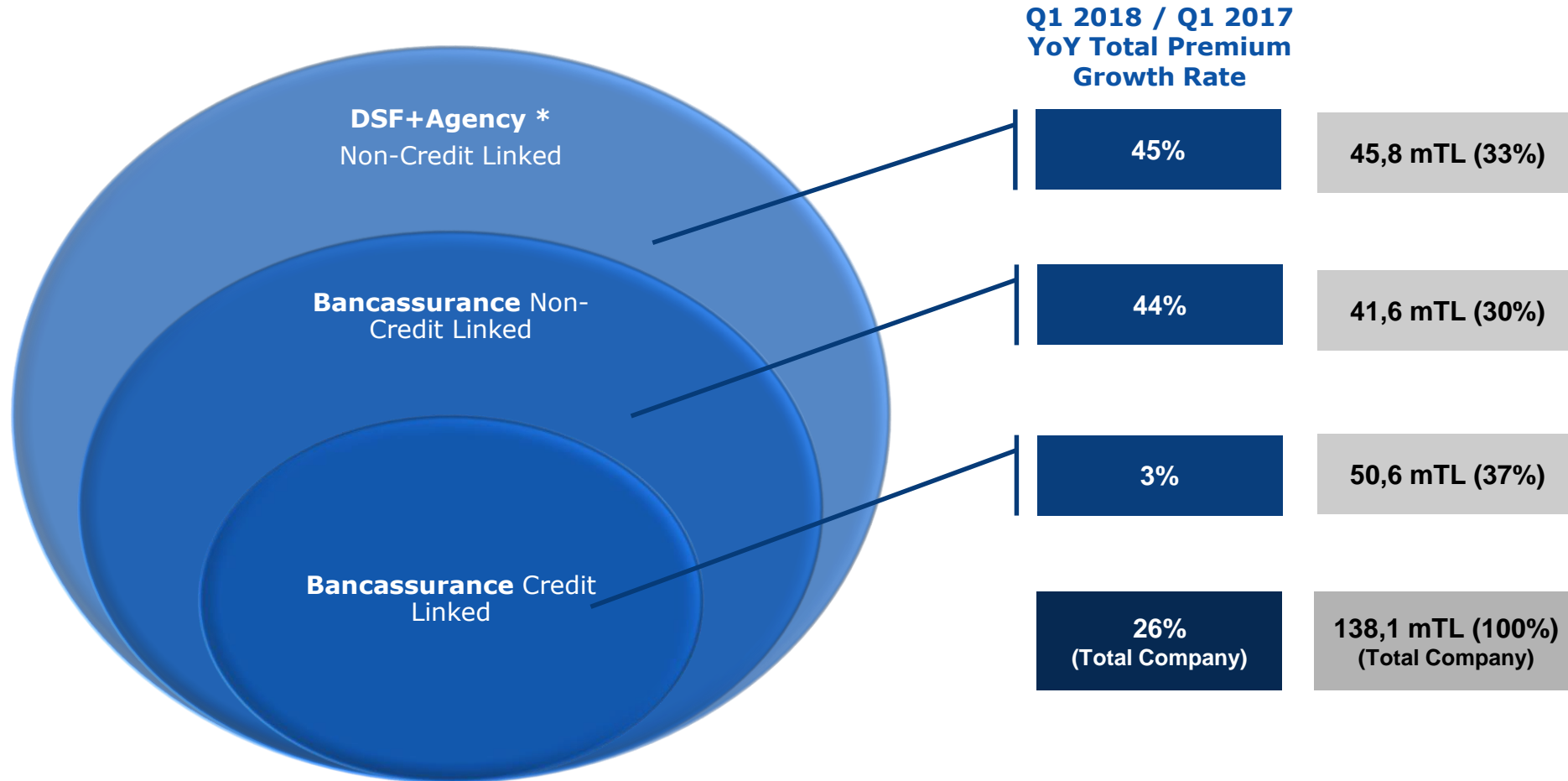


### Claims & Commission Ratio (%)

	2013	2014	2015	2016	2017	Q1 2017	Q1 2018
<b>Claims Ratio</b>	10,0%	12,3%	5,1%	19,4%	11,5%	16,5%	14,8%
<b>Comm Ratio*</b>	46,1%	46,1%	46,0%	46,0%	45,6%	45,0%	52,4%

\* Commission Expenses, net of income / NEP

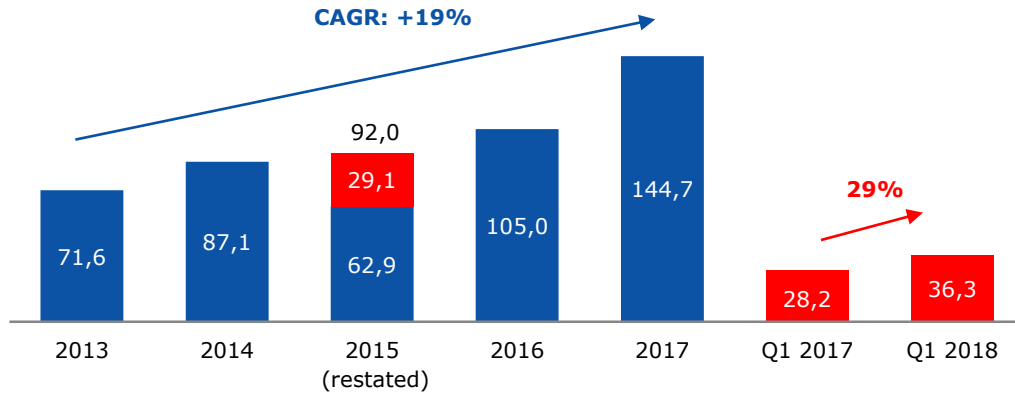
# New Action Plan to Expand Life Protection + Personal Accident



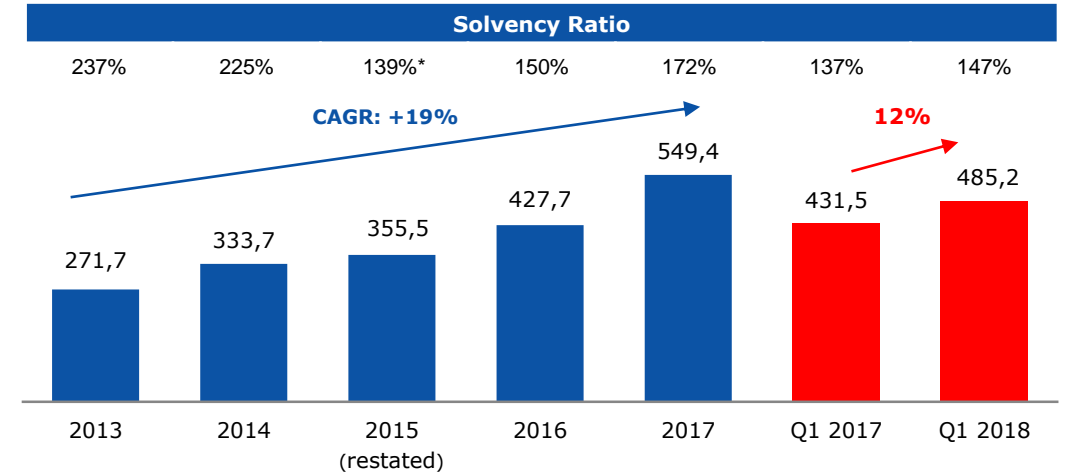
# Financials

# A Story of Solid Profitable Growth

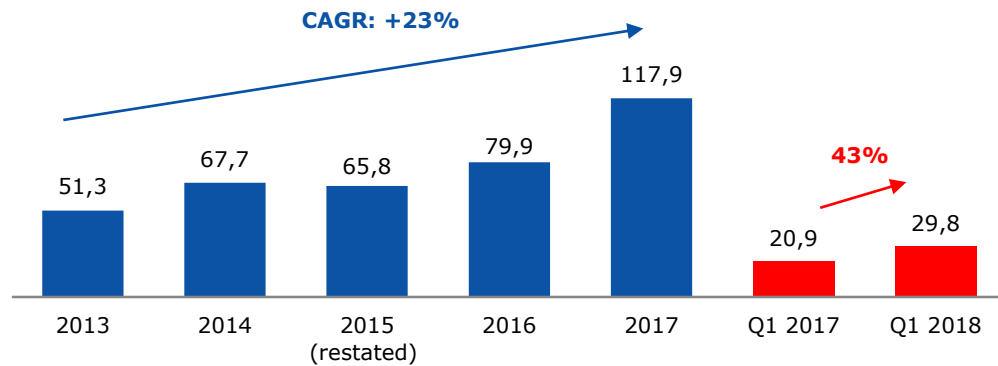
## Profit for the Period (TLm)



## Shareholders' Equity and Solvency Ratio (TLm)



## Technical Profit After G&A (TLm) ≈ EBIT



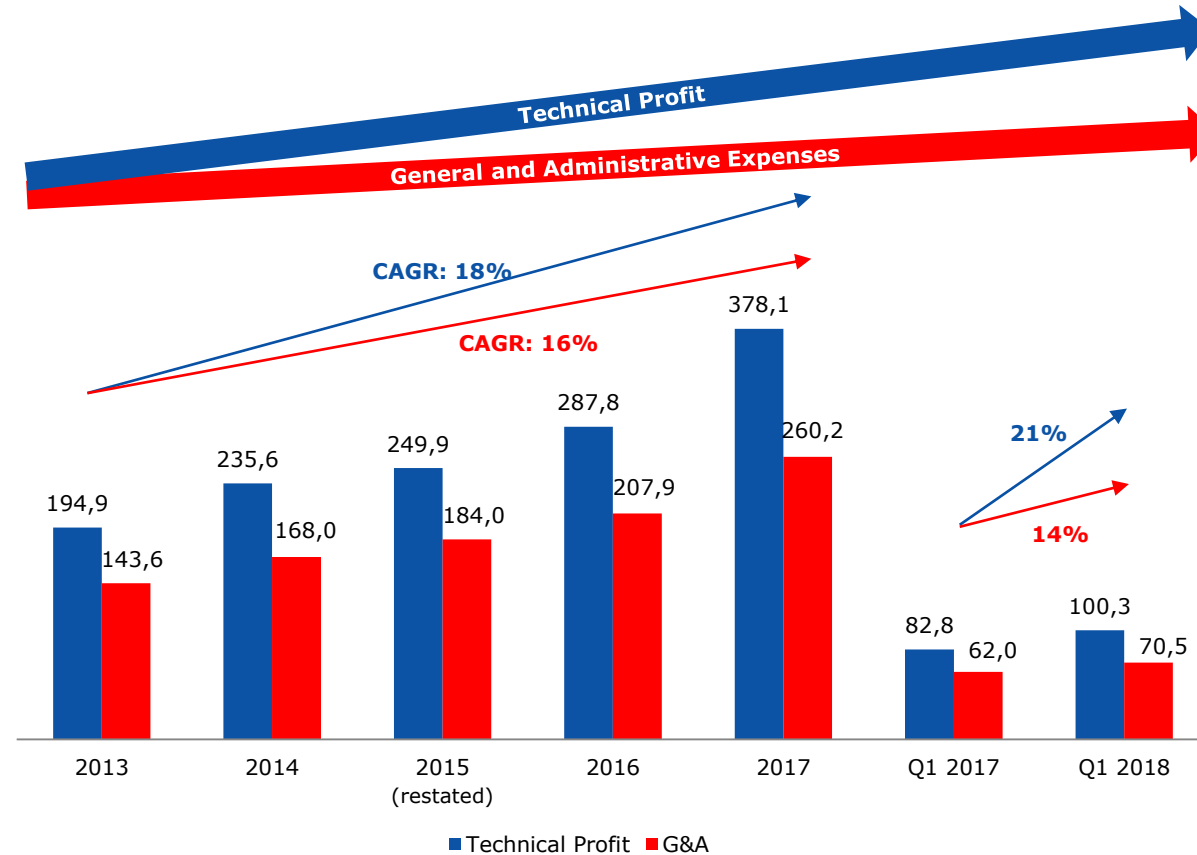
ROE	2013	2014	2015 (restated)	2016	2017	Q1 2017	Q1 2018
	28%	29%	18%*	27%	30%	26%	28%

\*Before write-off RoE is 26%, Solvency ratio is 154%

- Steady increase in shareholders' equity reflects active management of capitalization to fund business growth
- Capital-light business, which benefits from AvivaSA's measured approach to risk and new product introduction
- IFRS 15 Impact is calculated beginning from 2013 and has been reflected on 2018 opening equity, amount of (43.9) m TL.

# ...Solid and Resilient Technical Profitability with Operating Leverage Potential...

Technical Profit (TLm)





# Summary of P&L from IFRS Segmental Reporting

	2013	2014	2015 (restated)	2016	2017	CAGR	Q1 2017	Q1 2018	YoY
Pension Technical Profit	91,8	114,2	138,7	155,7	207,1	23%	48,6	56,2	16%
Life Protection Technical Profit	86,8	103,4	86,1	111,8	144,1	14%	28,5	35,9	26%
Life Savings Technical Profit	2,4	2,9	2,9	3,6	3,0	6%	0,9	2,9	216%
Personal Accident Technical Profit	13,9	15,2	22,2	16,7	23,9	14%	4,8	5,3	10%
<b>Total Technical Profit</b>	<b>194,9</b>	<b>235,6</b>	<b>249,9</b>	<b>287,8</b>	<b>378,1</b>	<b>18%</b>	<b>82,8</b>	<b>100,3</b>	<b>21%</b>
General and Administrative Expenses	-143,6	-168,0	-184,0	-207,9	-260,2	16%	-62,0	-70,5	14%
<b>Total Technical Profit after G&amp;A Expenses</b>	<b>51,3</b>	<b>67,7</b>	<b>65,8</b>	<b>79,9</b>	<b>117,9</b>	<b>23%</b>	<b>20,9</b>	<b>29,8</b>	<b>43%</b>
Total Investment Income & Other	39,8	42,2	49,8	52,3	63,3	12%	14,5	17,9	24%
Profit Before Taxes	91,1	109,9	115,6	132,2	181,2	19%	35,3	47,7	35%
<b>Profit for the Period (Before Write-Off)</b>	<b>71,6</b>	<b>87,1</b>	<b>92,0</b>	<b>105,0</b>	<b>144,7</b>	<b>19%</b>	<b>28,2</b>	<b>36,3</b>	<b>29%</b>
One-off Asset Write-Off Effect (net of tax)			-29,1						
<b>Profit for the Period (After Write-Off)</b>	<b>71,6</b>	<b>87,1</b>	<b>62,9</b>	<b>105,0</b>	<b>144,7</b>	<b>19%</b>	<b>28,2</b>	<b>36,3</b>	<b>29%</b>

One-off Asset Write-off: An IT project has been started at the end of 2012 in order to standardize all core insurance systems into a single application and integrate this core system with the peripheral systems. Although the project still continues, it has been decided to discontinue the development of the new core insurance application. Instead, current core systems will be modernized with a more agile methodology. Total capitalized costs related with this project was 48.7 Mtl, and TRY 36.3 Mtl of this cost (around 75%) has been written off in accordance with the aforementioned decision.

# Going Forward

IFRS 15

IFRS 17

# 2018 Outlook

- ✓ Keeping the high performance in protection business
- ✓ Strong RoE level at ~30%
- ✓ Maintaining leadership in terms of pension AuM with ~25% growth y-o-y
- ✓ Getting stronger in protection business supported by increased both credit-linked and standalone volumes
- ✓ Selective presence approach while acquiring auto enrolment customers
- ✓ Controlled increase in expenses for the upcoming periods
- ✓ Closing gaps in technology by stabilizing IT infrastructure
- ✓ Strengthening the customer experience with digital and user friendly solutions

# Pension

## Summary P&L

### Pension Technical Profit (TLm)

	2013	2014	2015	2016	2017	CAGR	Q1 2017	Q1 2018	YoY
<b>Fund Management Income<sup>(1)</sup></b>	69,0	87,0	111,3	137,5	177,1	27%	40,0	49,4	24%
<b>Management &amp; Entry/Exit Fee<sup>(2)</sup></b>	48,2	66,6	78,8	78,1	89,9	17%	24,9	26,8	8%
<b>Other Income/(Expenses)</b>	-5,8	-7,4	-8,8	-11,2	-12,5	21%	-3,0	-3,2	7%
<b>Net Commission Expenses</b> (of which)	-19,6	-32,0	-42,7	-48,7	-47,5	25%	-13,3	-16,8	26%
- Commission Ex.	-56,6	-70,2	-89,3	-92,7	-78,1	8%	-22,1	-21,5	-3%
- DAC	37,0	38,2	46,6	44,0	30,6	-5%	8,8	4,8	-46%
<b>Technical Profit</b>	<b>91,8</b>	<b>114,2</b>	<b>138,7</b>	<b>155,7</b>	<b>207,1</b>	<b>23%</b>	<b>48,6</b>	<b>56,2</b>	<b>16%</b>

### Key Profit Drivers

- Pension volume (AUM)
- Lapses and Retention
- New Pension Fee Structure (management fee redefined)
- Commission Expenses / DAC

# Life Protection

## Summary P&L

### Life Protection Technical Profit (TLm)

(Excluding Life Savings)

	2013	2014	2015 (restated)	2016	2017	CAGR	Q1 2017	Q1 2018	YoY
<b>Gross Written Premiums</b>	178,3	196,9	181,0	254,2	392,6	22%	93,7	117,7	26%
<b>Earned Premiums</b>	<b>148,3</b>	<b>171,2</b>	<b>158,1</b>	<b>196,5</b>	<b>252,6</b>	<b>14%</b>	<b>58,3</b>	<b>68,7</b>	<b>18%</b>
<b>Total Claims</b>	-32,7	-37,5	-42,8	-48,3	-40,8	6%	-12,1	-13,1	8%
Claims Ratio*	14,8%	17,7%	22,3%	20,4%	13,3%		17,2%	16,6%	
<b>Commission Expenses</b>	-27,8	-29,4	-28,3	-36,2	-67,0	25%	-17,6	-19,2	9%
Comm.Ratio**	18,8%	17,2%	17,9%	18,4%	26,5%		30,1%	27,9%	
<b>Other Income/ (Expense), Net</b>	-1,0	-0,9	-0,9	-0,2	-0,8	-5%	-0,1	-0,5	290%
<b>Technical Profit</b>	<b>86,8</b>	<b>103,4</b>	<b>86,1</b>	<b>111,8</b>	<b>144,1</b>	<b>14%</b>	<b>28,5</b>	<b>35,9</b>	<b>26%</b>
Technical Margin	58,5%	60,4%	54,5%	56,9%	57,0%		48,9%	52,2%	

### Key Profit Drivers

- Net earned premium volumes
- Death and Benefits claims
- Surrender levels
- Commission Expenses

✓ Overall life protection technical profit is positive due to the high technical profitability of the product coupled with cost efficient operating model, and this is valid throughout all periods under review

# Personal Accident

## Summary P&L

### Personal Accident Technical Profit (TLm)

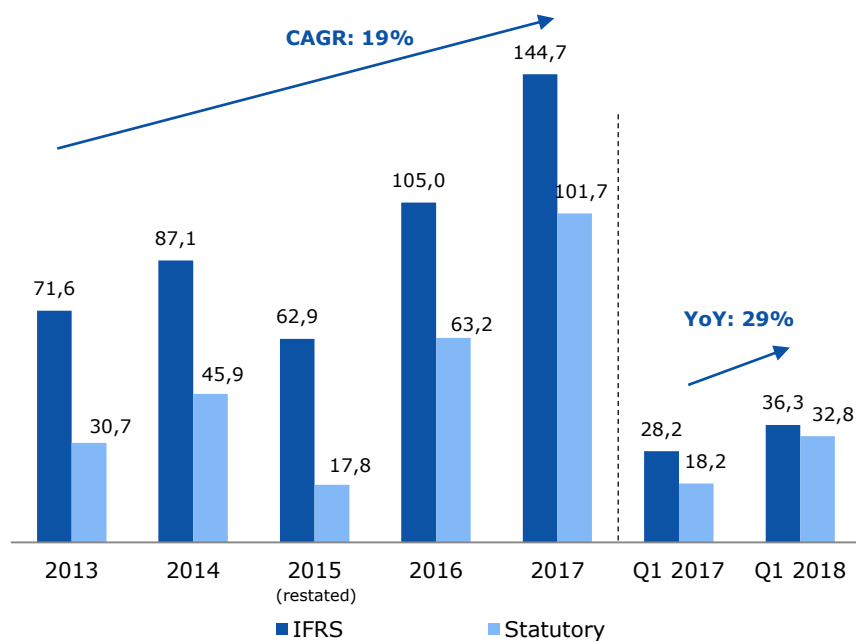
	2013	2014	2015	2016	2017	CAGR	Q1 2017	Q1 2018	YoY
<b>Gross Written Premiums</b>	32,4	45,4	45,7	52,1	68,8	21%	16,0	20,4	27%
<b>Earned Premiums</b>	<b>32,1</b>	<b>36,6</b>	<b>45,6</b>	<b>49,0</b>	<b>58,5</b>	<b>16%</b>	<b>12,5</b>	<b>17,0</b>	<b>36%</b>
<b>Total Claims</b>	-3,2	-4,5	-2,3	-9,5	-6,7	20%	-2,1	-2,5	22%
Claims Ratio*	10,0%	12,3%	5,1%	19,4%	11,5%		16,5%	14,8%	
<b>Commission Expenses</b>	-14,8	-16,9	-20,9	-22,5	-26,7	16%	-5,6	-8,9	59%
Comm.Ratio**	46,1%	46,1%	46,0%	46,0%	45,6%		45,0%	52,4%	
<b>Other Income/(Expense), Net</b>	-0,2	0,0	-0,1	-0,2	-1,1	64%	-0,0	-0,3	1474%
<b>Technical Profit</b>	<b>13,9</b>	<b>15,2</b>	<b>22,2</b>	<b>16,7</b>	<b>23,9</b>	<b>14%</b>	<b>4,8</b>	<b>5,3</b>	<b>10%</b>
Technical Margin	43,4%	41,5%	48,8%	34,2%	40,9%		46,6%	45,6%	

### Key Profit Drivers

- Net earned premium volumes
- Accident / Benefits claims
- Surrender levels
- Commission Expenses

# Reconciliation between IFRS vs. Statutory Profit for the Period

**IFRS vs. Statutory Profit for the Period (TLm)**



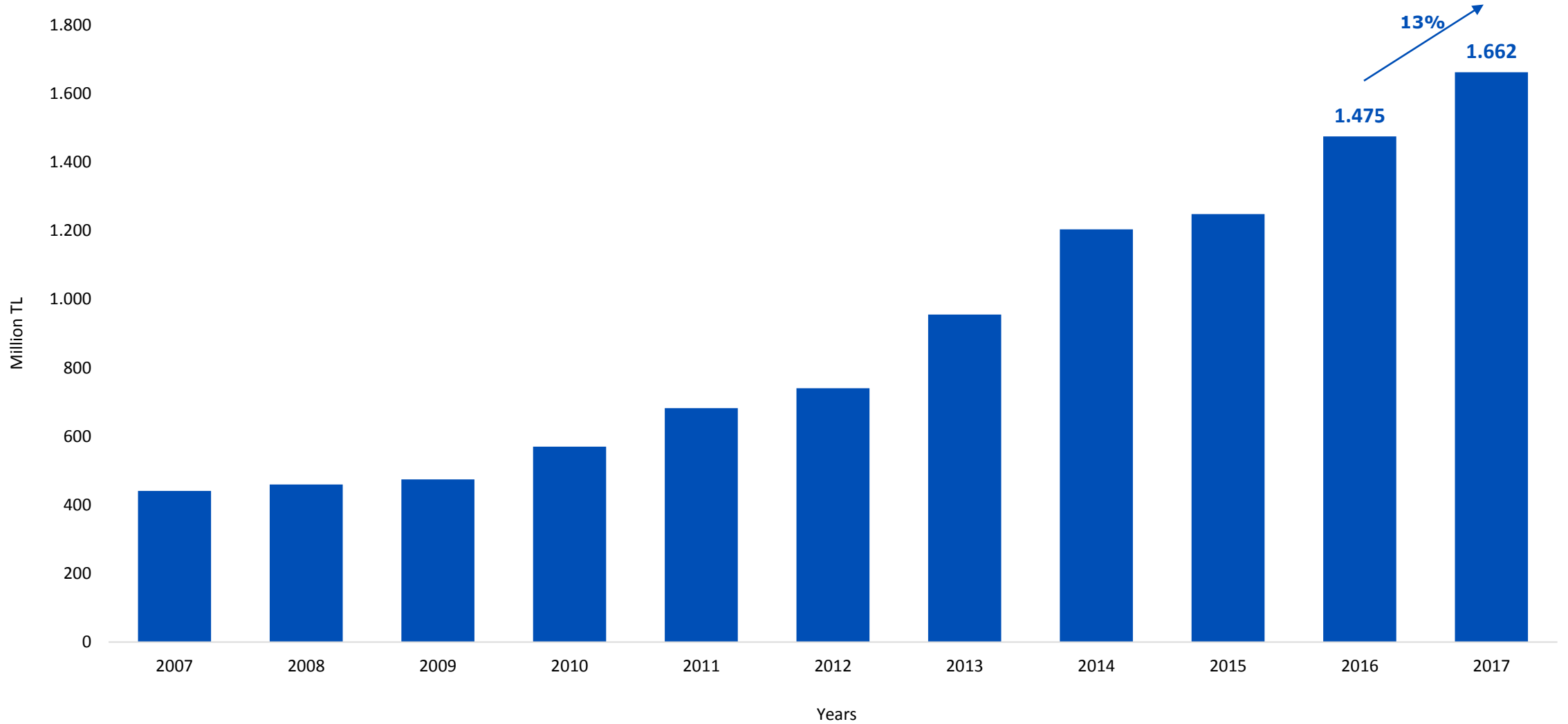
**Profit for the Period Reconciliation (TLm)**

	2013	2014	2015 (restated)	2016	2017	CAGR	Q1 2017	Q1 2018	YoY
<b>IFRS Profit for the Year</b>	<b>71,6</b>	<b>87,1</b>	<b>62,9</b>	<b>105,0</b>	<b>144,7</b>	<b>19%</b>	<b>28,2</b>	<b>36,3</b>	<b>29%</b>
Equalisation Reserve write-off	-2,7	-0,3	-2,3	-3,0	-4,7	15%	-1,1	-1,6	39%
Change in Deferred Asset Costs	-49,9	-51,2	-54,0	-44,5	-45,4	-2%	-8,6	-6,6	-23%
Change in Deferred Income Reserve				-4,7	-4,5		-2,8	3,4	-255%
Deferred Tax	11,8	10,3	11,3	10,5	11,6	0%	2,5	1,3	-49%
<b>Statutory Profit for the Year</b>	<b>30,7</b>	<b>45,9</b>	<b>17,8</b>	<b>63,2</b>	<b>101,7</b>	<b>35%</b>	<b>18,2</b>	<b>32,8</b>	<b>61%</b>
<i>Total Difference</i>	<i>40,9</i>	<i>41,2</i>	<i>45,1</i>	<i>41,8</i>	<i>43,0</i>	<i>1%</i>	<i>10</i>	<i>3,5</i>	<i>-65%</i>

# Market Consistent Embedded Value Disclosures

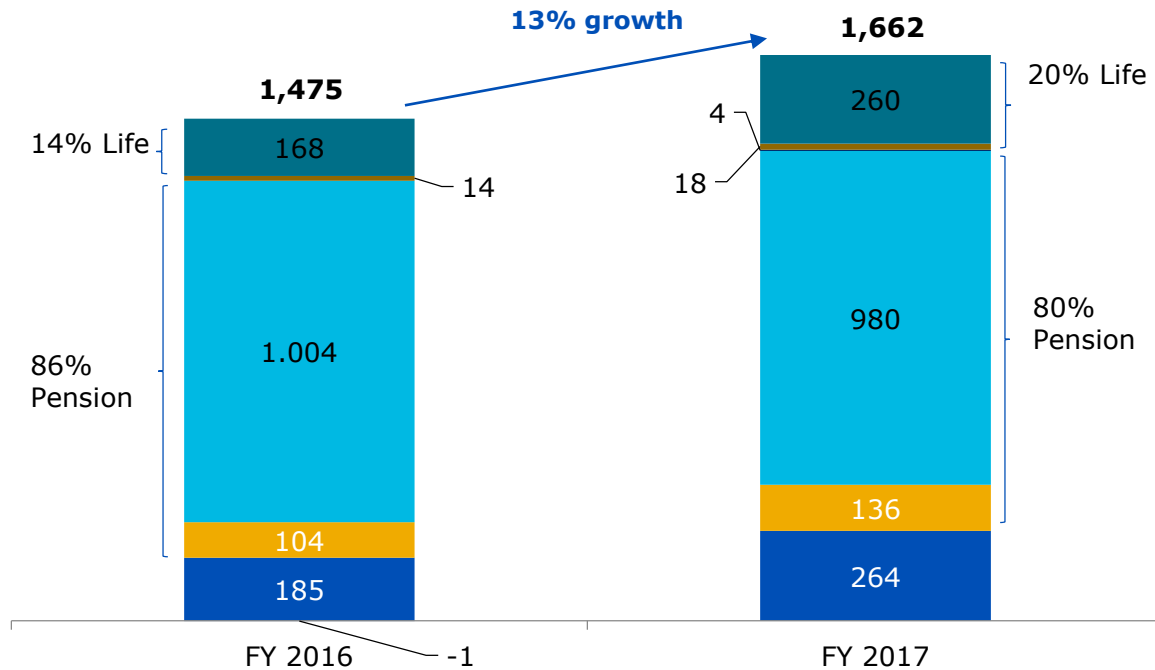


# Proven track record of embedded value growth



# Resilient growth in long-term value

## MCEV (TLm)



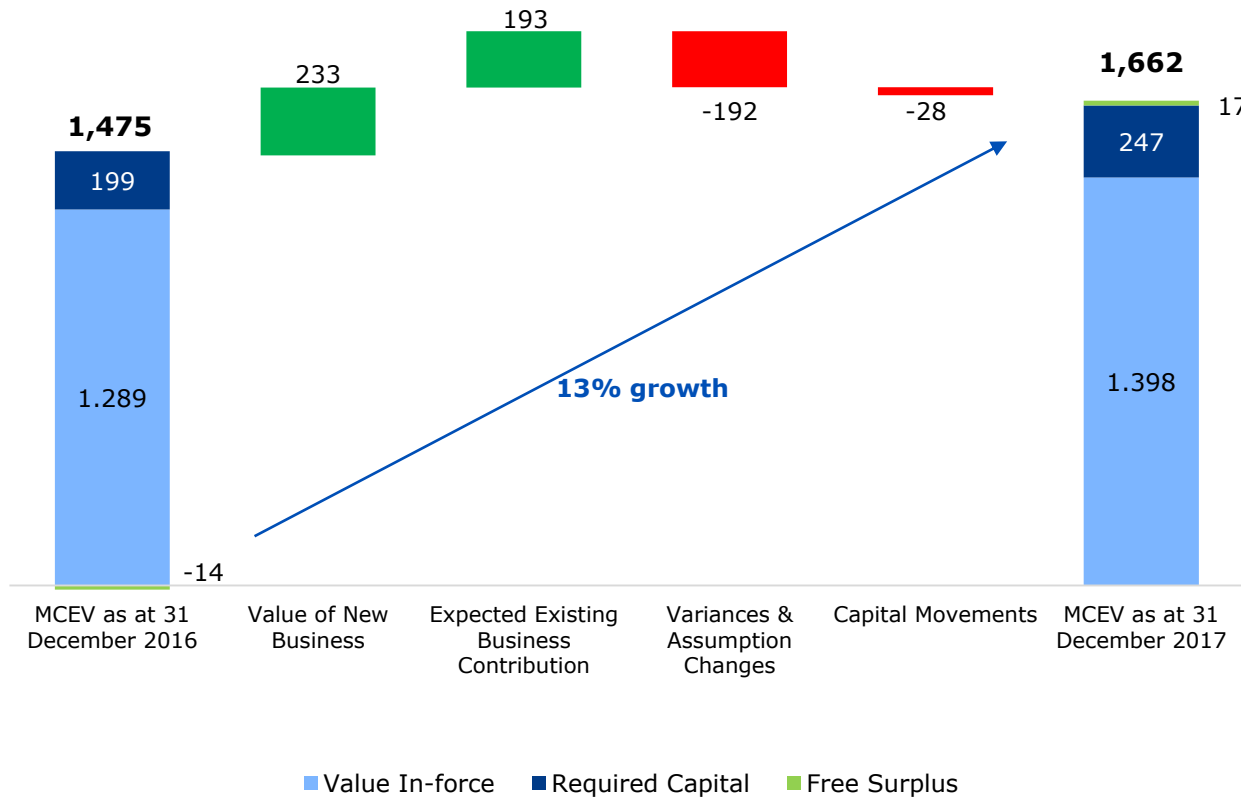
■ Net Worth      ■ VIF Group Pension      ■ VIF Individual Pension  
■ VIF Life Savings      ■ VIF Personal Accident      ■ VIF Life Protection

## Comments

- Value of in-force is the stock of future profits embedded in the MCEV balance sheet
- ... which is the primary driver of long-term value
- Individual pension business is affected by the lapse assumption change where the elevated experience is reflected in the projected profits leading to a lower VIF
- Pension auto-enrolment is an additional driver that has started to contribute to the long-term value generation
- Life protection is building up momentum
- Higher Net Worth as capital is withheld for future growth

# MCEV Analysis of Change

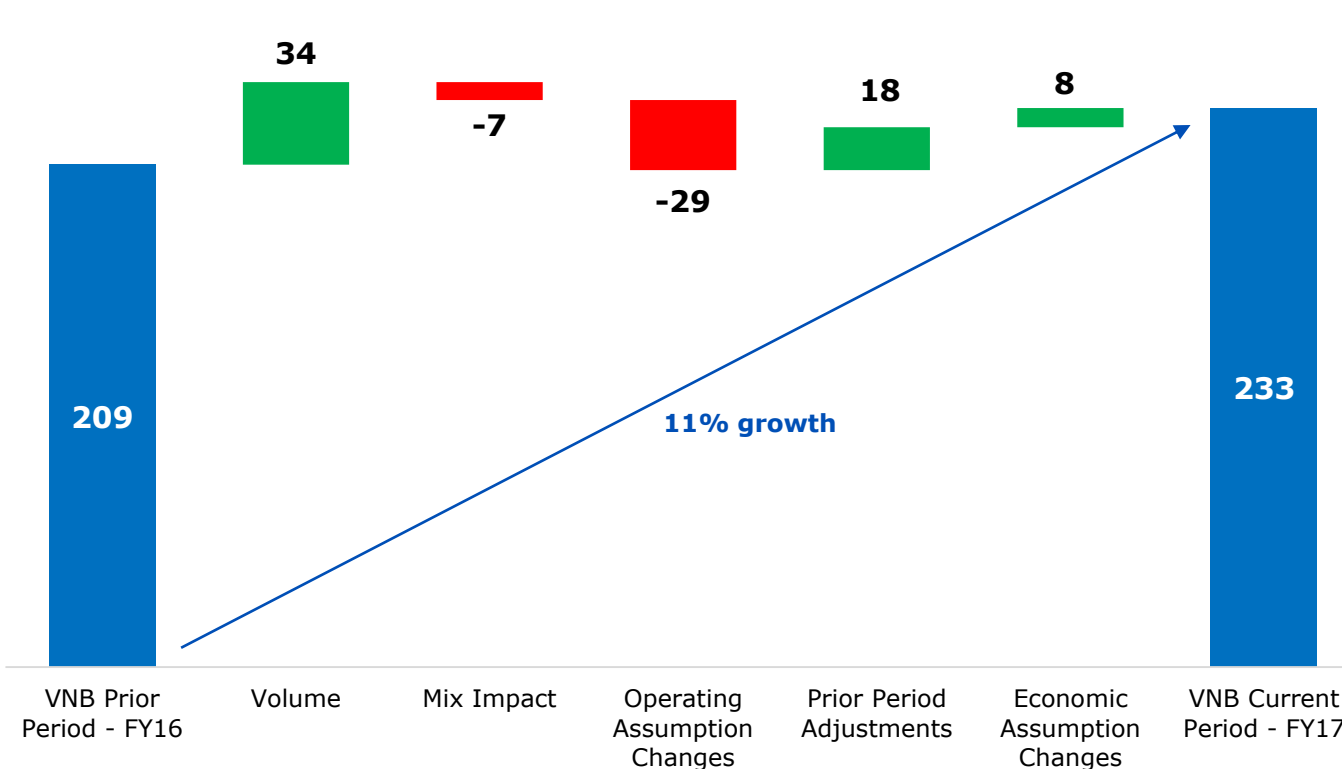
## MCEV Reconciliation (TLm)



- Value of New Business created in the year corresponds to 16% of the opening MCEV, evidence of contribution to growth
- Negative experience variance is primarily related to lapses (-77m TL) and reflection of these as a lapse assumption change (-197m TL) in projected profits for the in-force
- Modelling changes have an impact of +74m TL in Cost of Non-Hedgeable Risks
- Minor negative economic variance due to lower year-on-year USD swap curve thereby reducing the spread income of the Return of Premium life business
- Dividend payment of 21.7m TL in Capital Movements

# VNB growth in a challenging year

## VNB Bridging (TLm)



- Increase in VNB due to strong life protection sales
- Shift in new business mix from credit life to stand-alone life protection where the latter has lower margin
- Operating assumption changes were primarily from lapse and expense assumption changes
- Positive movement in the prior period adjustments (PPA) due to change in CNHR modelling
- USD denominated Return of Premium product contributes to the positive economic variances due to appreciation of the US Dollar against Turkish Lira

# Resilient new business margins

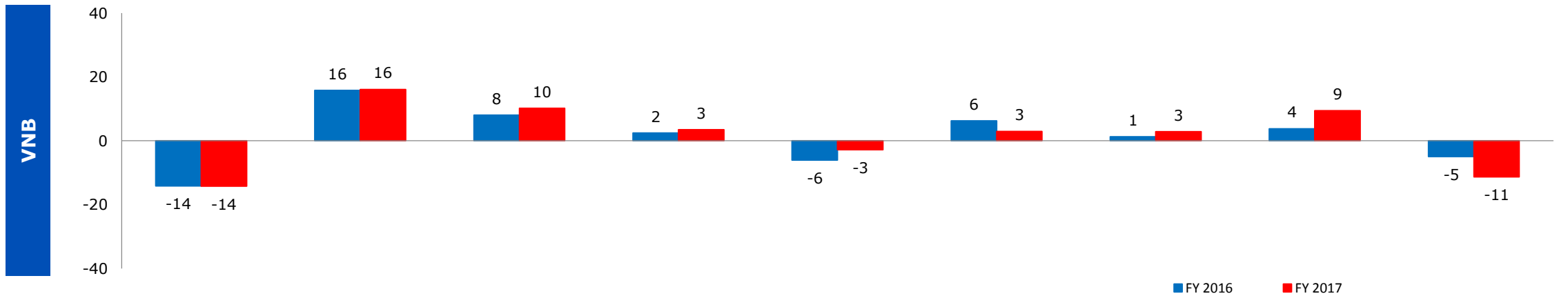
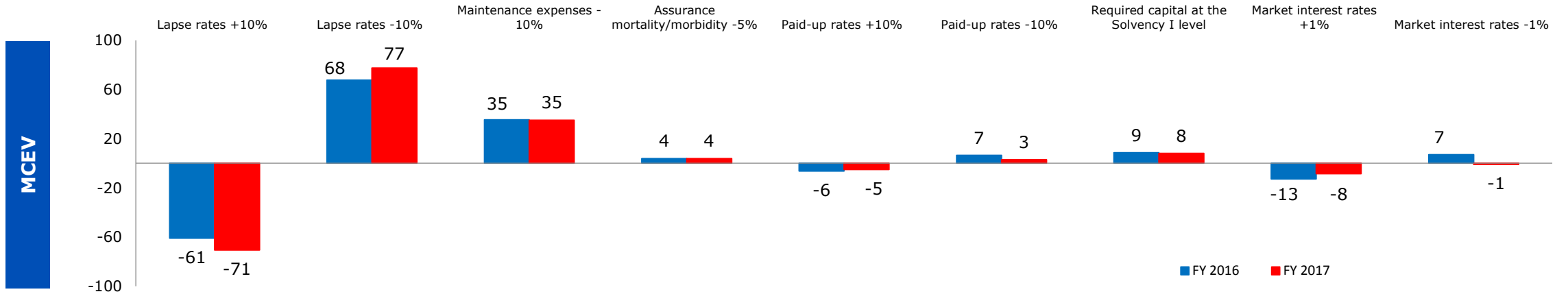
## New business metrics per segment

	Pension		Life Protection		Personal Accident		Total	
	2017 Q1	2018 Q1	2017 Q1	2018 Q1	2017 Q1	2018 Q1	2017 Q1	2018 Q1
<b>PVNB (m TL)</b>	1,329.8	1,181.1	193.2	207.0	19.1	25.2	1,542.1	1,413.4
		-11%		7%		32%		-8%
<b>VNB (m TL)</b>	26.1	16.6	28.6	35.0	2.2	1.5	56.9	53.1
		-36%		22%		-31%		-7%
<b>MCEV New Business Margin (Net tax)</b>	2,0%	1,4%	14,8%	16,9%	11,4%	5,9%	3,7%	3,8%
	2017 Q1	2018 Q1	2017 Q1	2018 Q1	2017 Q1	2018 Q1	2017 Q1	2018 Q1
<b>IRR (%)</b>	21.6%	18.6%	93.9%	110.8%	54.9%	30.8%	32.2%	32.2%
<b>Payback (in years)</b>	6.1	6.1	0.9	0.8	0.9	1.0	4.0	3.3

Source: Company data, unaudited results

# MCEV and VNB Sensitivities

## Sensitivities (TLm)



# Appendix

# Summary of P&L from SFRS Segmental Reporting

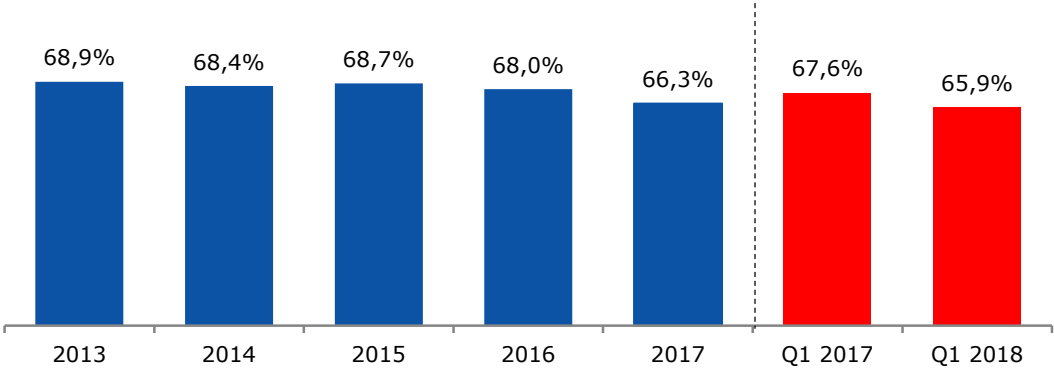
	2013	2014	2015 (restated)	2016	2017	CAGR	Q1 2017	Q1 2018	YoY
Pension Technical Profit	-29,8	-19,5	-16,0	-13,9	11,9	n/a	1,5	17,3	1051%
Life Technical Profit	32,1	39,9	22,1	46,6	57,3	16%	9,3	12,2	31%
Non-Life Technical Profit	-1,2	-1,7	6,4	-3,3	-0,5	n/a	-1,4	-1,8	-24%
<b>Total Technical Profit after G&amp;A Expenses</b>	<b>1,0</b>	<b>18,7</b>	<b>12,4</b>	<b>29,4</b>	<b>68,7</b>	<b>187%</b>	<b>9,4</b>	<b>27,7</b>	<b>196%</b>
Total Investment Income & Other	37,5	39,7	46,9	50,5	57,9	11%	13,5	15,2	13%
Profit Before Taxes	38,5	58,4	59,3	79,9	126,6	35%	22,8	42,9	88%
<b>Profit for the Period (Before Write-Off)</b>	<b>30,7</b>	<b>45,9</b>	<b>46,9</b>	<b>63,2</b>	<b>101,7</b>	<b>35%</b>	<b>18,2</b>	<b>32,8</b>	<b>80%</b>
One-off Asset Write-Off Effect (net of tax)			-29,1						
<b>Profit for the Period (After Write-Off)</b>	<b>30,7</b>	<b>45,9</b>	<b>17,8</b>	<b>63,2</b>	<b>101,7</b>	<b>35%</b>	<b>18,2</b>	<b>32,8</b>	<b>80%</b>

One-off Asset Write-off: An IT project has been started at the end of 2012 in order to standardize all core insurance systems into a single application and integrate this core system with the peripheral systems. Although the project still continues, it has been decided to discontinue the development of the new core insurance application. Instead, current core systems will be modernized with a more agile methodology. Total capitalized costs related with this project was 48.7 Mtl, and TRY 36.3 Mtl of this cost (around 75%) has been written off in accordance with the aforementioned decision.

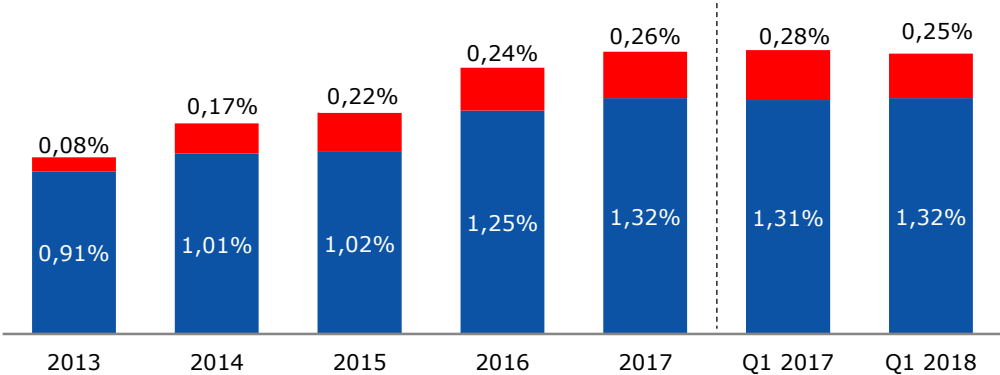


# Pension Retention and Persistency at the Forefront of our Strategy

Collection Rate<sup>(1)</sup> (%)



Total Monthly Exit Rate<sup>(1)</sup> (Lapse (inc. transfer out) + Maturity) (% AUM)



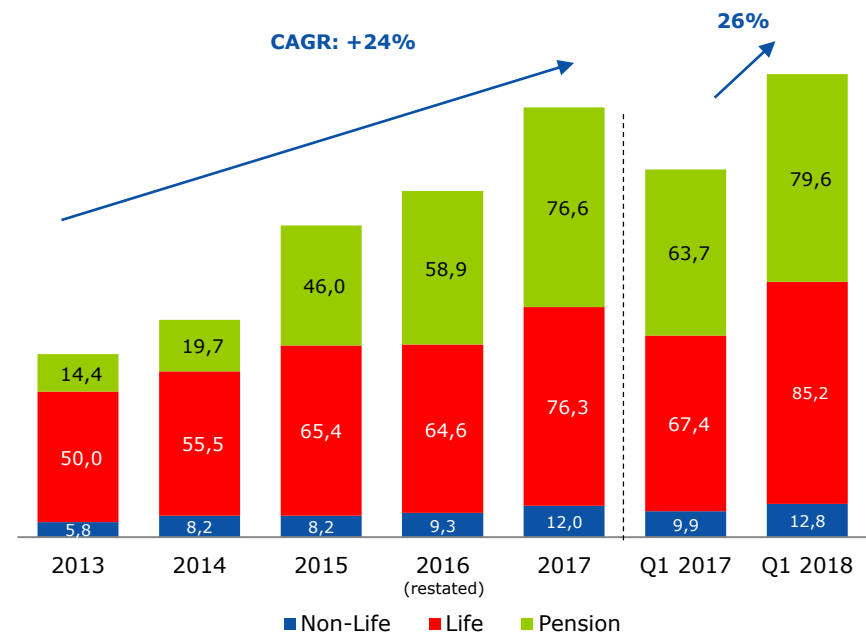
# Capital-Light Business Model with Strong Solvency Position

✓ Comfortable solvency ratios driven by a measured approach to risk and new product introductions, which affords the business scope and flexibility pursuing growth options and / or returning cash to shareholders

## Regulatory Capital Requirement

Calculation of net assets to cover solvency margin	December 31					Q1 2017	Q1 2018
	2013	2014	2015 (restated)	2016	2017		
Total regulatory capital (Statutory Reporting)	166.3	187.4	166.4	199.8	283.2	193.7	261.0
Intangible assets	-	-	-	-	-	-	-
Deferred tax asset	-	-	-	-	-	-	-
<b>A AvivaSA net assets</b>	<b>166.3</b>	<b>187.4</b>	<b>166.4</b>	<b>199.8</b>	<b>283.2</b>	<b>193.7</b>	<b>261.0</b>
<b>B AvivaSA Required Capital</b>	<b>70.3</b>	<b>83.3</b>	<b>119.6</b>	<b>132.8</b>	<b>165.0</b>	<b>141.0</b>	<b>177.6</b>
AvivaSA guarantee fund	23.4	27.8	39.9	44.3	55.0	47.0	59.2
<b>Surplus of net assets in excess of Required Capital</b>	<b>96.0</b>	<b>104.0</b>	<b>46.7</b>	<b>67.0</b>	<b>118.2</b>	<b>52.7</b>	<b>83.4</b>
Surplus of net assets in excess of guarantee fund	142.9	159.6	126.5	155.5	228.2	146.7	201.8

Solvency Ratio						
237%	225%	139%	150%	172%	137%	147%

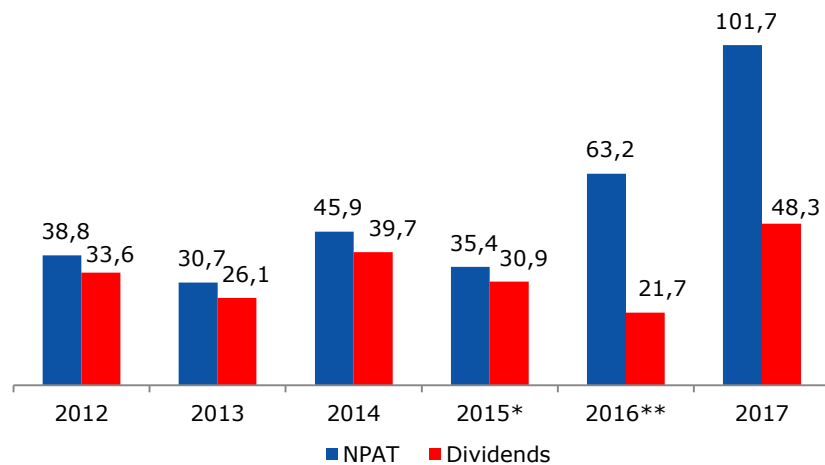


# Flexible Dividend Policy Focused on Growth

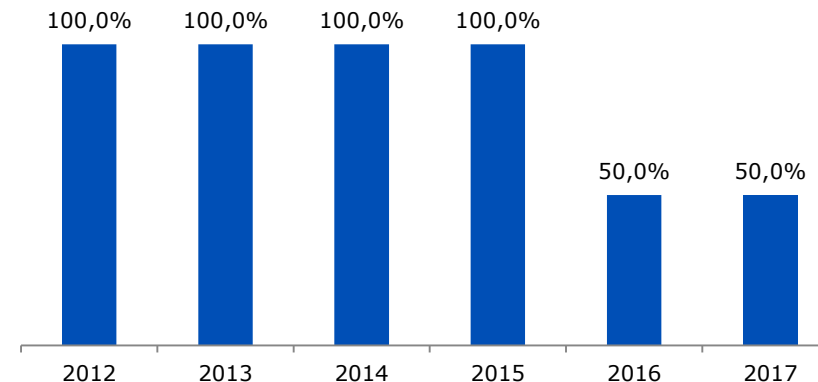
## Dividend Policy

- Objective set amongst core shareholders to aim at distributing ~50% of AvivaSA's Turkish GAAP-based distributable profit
- Current focus however is on increasing the scale of operations and therefore near-term priority is to reinvest in the business and create long term shareholder value

## Dividends Paid (TLm)



## Dividend Payout Ratio (Dividend Paid / Distributable Profit)



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