



Q1 2016
EARNINGS RELEASE

Summary

Growth;

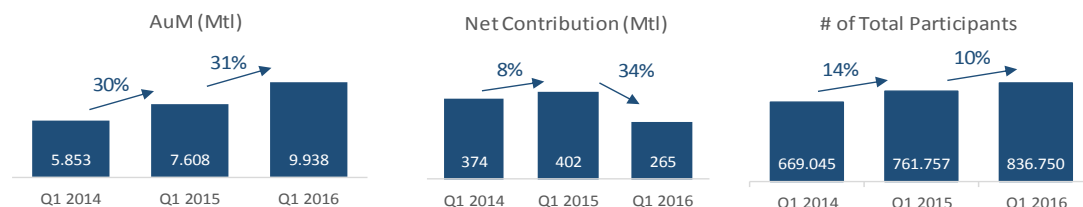
- Pension AuM grew by 31% and reached to 10 billion TL, supporting AvivaSA to maintain the market leadership since June 2015
- Pensions net contribution shrunk by 34% year-on-year due to an increase in lapse rates. This increase in lapse is market-wide and we expect it to be a temporary phenomenon
- Total protection premiums grew by 25% thanks mainly to a 48% increase in non-credit linked premiums whereas credit linked premiums also grew albeit at 6%

Profitability;

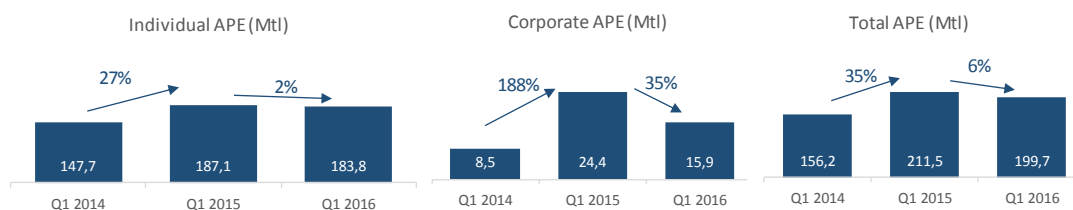
- Total technical income has grown by 13%. This is on the back of significant reduction in pension prices coming into effect at the beginning of the year. IFRS Net Profit is lower than prior year by 5% due to higher G&A expenses.
- Statutory profit is 19.7 Mtl and grew by 17%
- Annualized RoE is 30%

Topline Volumes

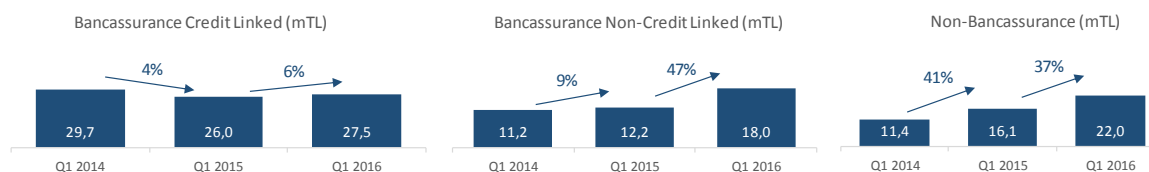
- Underlying assets performed well in the first quarter, which helped AuM growth
- AvivaSA remains to be the market leader in terms of Pensions AuM since June 2015
- Number of participants reached 837k with an increase of 75.0k
- Pension net contributions decreased with respect to prior year due to higher lapse rates



*Source: Pension Monitoring Center 31.03.2016



➤ Total Protection gross written premiums reached 67.5 Mtl; higher (25%) than prior year



- Non-credit linked premiums grew in both bancassurance and non-bancassurance channels by 47% and 37% respectively that helped to increase protection premiums by 25%.

IFRS Segmental Results

IFRS (m TL)	Q1 2015	Q1 2016	Change
Savings	0,6	0,8	30%
Life Protection	25,1	32,3	29%
Personal Accident	6,5	5,1	-22%
Pension	34,3	36,9	8%
Total Technical Income	66,5	75,1	13%
Total General Expenses	-42,6	-51,2	20%
Net Technical Profit	23,9	23,9	0%
Total Investment & Other Income	12,9	10,0	-22%
Total Tax	-7,7	-6,4	-17%
Net Profit	29,1	27,5	-5%
Expense Ratio	9,6%	15,6%	6%

- Total technical profit grew by 13% driven by pension and life protection businesses that grew by 8% and 29% respectively
- Growing pension business in terms of AuM (+29%), leading to an increase in technical profit, demonstrating also the resilience of our business despite significant pension price cuts
 - Life protection technical profit is 29% higher than prior year due to higher non-credit linked sales
 - Personal accident technical profit is lower than prior year due to increase in reserves

- General expenses for the year was 51.2 Mtl increasing by 20%. Expense ratio increased to 15.6% due to higher personnel expenses, IT expenses and lower pension net contributions with respect to prior year. This is partly due to the fact that some expenses that would normally be capitalized have been expensed until our new IT modernization program starts
- Total investment and other income decreased by 22% due to foreign exchange losses on our FX denominated assets held for hedging purposes

Statutory / SFRS Results

SFRS (m TL)	Q1 2015	Q1 2016	Change
Life	10,1	15,6	54%
Non-Life	2,7	0,8	-71%
Pension	-3,0	-1,1	62%
Net Technical Profit	9,8	15,3	56%
Total Investment & Other Income	11,7	9,0	-23%
Tax	-4,7	-4,5	-4%
Net Profit	16,8	19,7	17%

- Net profit for the year was 19.7 Mtl with an increase of 17%
- Total net technical profit increased by 56%
 - Life (including life savings) net technical profit after general expenses increased by 54% due to higher protection volumes
 - Non-life (personal accident) net technical profit after general expenses decreased to 0.8 Mtl mainly due to higher reserves with respect to prior year
 - Pension net technical loss after general expenses decreased to (1.1) Mtl due to growing portfolio.

Bridging from IFRS to Statutory Profit

