01.01.2014 / 30.06.2014
Financial Activity Results

2014 HALF YEAR
Interim Report

RAYSİGORTA
VIENNA INSURANCE GROUP

STATEMENT OF RESPONSIBILITY PURSUANT TO FINANCIAL REPORTS FOR THE PERIOD OF JANUARY 1, 2014 AND JUNE 30, 2014

RESOLUTION OF BOARD OF DIRECTORS ON APPROVAL OF FINANCIAL REPORTS

MEETING DATE : 11 / 08 /2014

MEETING NO. : 1461

RESOLUTION NO. : 6101

We declare that we are responsible for the disclosed of,

the Balance Sheets, Statement of Income, Statement of Cash Flows, Statement of Changes in Shareholders' Equity and Interim Report of Ray Sigorta A.Ş. for the period 01.01.2014 – 30.06.2014 together with the prepared notes, which have been prepared and limited audited by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in accordance with the Capital Markets Board's Communiqué Series II No: 14-1, the Financial Reporting Standards published by Public Oversight Accounting and the insurance legislation,

a) Has been examined,

b) Within the framework of information available in so far as its duties and responsibilities; the financial statements and interim report do not contain any misrepresentation of the facts on major issues, or any omissions that may be construed as misleading as of the date of the disclosure,

c) Within the framework of information available in so far as its duties and responsibilities; The financial statements prepared in accordance with applicable financial reporting standards truthfully reflect the facts about the assets, liabilities, financial condition and profit and loss of the Company and also truthfully reflects, along with major risks and uncertainties that might be occurred, the progress and performance of the Company.

Yours sincerely,

RAY SİGORTA ANONİM ŞİRKETİ
HEAD OFFICE

M. Levent ŞİŞMANOĞLU Board of Directors Member, General Manager	İsmail Hakkı ERGENER Audit Committee Chairman	Reinhard PICHLER Audit Committee Member	Koray ERDOĞAN Deputy General Manager (CFO)

CORPORATE PROFILE

Leaving 56 years behind in the insurance industry, Ray Sigorta generated 190.905.102.- TL premiums in six months of the year 2014 .

As June 30, 2014, Ray Sigorta runs its operations with seven Regional Directorates, one Regional Representative, one call center and 243 employees.

Ray Sigorta has successfully sustained its vision of being a value-creating company in its field by providing services through a network of 1074 agencies, 77 Alternatifbank A.Ş. and 64 Fibabank A.Ş. branches, 65 brokers, 6 leasing companies as well as 902 contracted car services in 71 provinces, and 723 glazing service providers in 76 provinces and 2755 contracted healthcare institutions at the end of June 2014.

Share stocks have been traded in Borsa İstanbul A.Ş. (Istanbul Stock Exchange Market) since 1997. Ray Sigorta A.Ş. have made a goal to contributed to the Turkish capital markets and will continue to obtain the objective.

Ray Sigorta has achieved all of its targets set for the year 2013. We, as Ray Sigorta, set all our strategies considering that our development is driven by a customer-oriented approach, and will continue to apply our productivity- and customer-focused strategy in order to achieve further success in 2014; and we will sustain our efforts to enhance the brand awareness of Ray Sigorta and satisfaction level of our customers.

General Information on Ray Sigorta:
Trade Name: Ray Sigorta Anonim Sirketi
Trade Registry Number: 297257
Central Registration System (MERSIS) Nr. : 3984 - 5318 - 6248 - 4904
Electronic Mail Address info@raysigorta.com.tr
Web Site: www.raysigorta.com.tr
Head Office/Principal Office Address: Cumhuriyet Mahallesi Haydar Aliyev Cad. No.28 Sariyer/Istanbul
Contact: Ray Sigorta A.S. Head Office
Cumhuriyet Mahallesi Haydar Aliyev Caddesi No:28
34457 Sariyer/Istanbul
Phone: 0 212 363 25 00
Fax : 0 212 299 48 49

Regional Headquarters / Branches:

Istanbul Anatolian Headquarter
Sahrayıcedid Mah. Halk Sokak No: 33
Golden Plaza İş Merkezi F Blok Kat: 1
Kozyatağı 34734 Kadıköy / İstanbul
Phone : 0216 411 16 06
Fax : 0216 411 16 19

Istanbul European Side Regional Headquarters
İstanbul Dünya Ticaret Merkezi B-1 Blok
Kat: 9 No: 319 - 320 Yeşilköy / İstanbul
Phone : 0212 465 40 45
Fax : 0212 465 40 75

Ankara (Central Anatolian) Regional Headquarters
Farabi Sokak No: 40/A 06690
Kavaklıdere / Ankara
Phone : 0312 428 50 50
Fax : 0312 428 50 49

İzmir (Aegean) Regional Headquarters
Halit Ziya Bulvarı No: 72 Taner İşhanı A Blok
Kat: 2 35210 İzmir
Phone : 0232 483 72 46
Fax : 0232 489 86 05

Bursa (Marmara) Regional Headquarters
Lefkoşe Cad. A Blok Kat: 3 No: 34 - 36
Nilüfer / Bursa
Phone : 0224 211 28 27
Fax : 0224 211 28 37

Adana (Southeastern Anatolian) Regional Headquarters
Çınarlı Mah. Atatürk Cad. No: 15 İdeal Plaza
Kat: 7 01120 Seyhan / Adana
Phone : 0322 457 06 83
Fax : 0322 454 77 61

Antalya (Mediterranean) Regional Headquarters
Konyaaltı Cad. Antmarin İş Merkezi No: 24
Kat: 6 07050 Konyaaltı / Antalya
Phone : 0242 247 20 25
Fax : 0242 247 39 59

TRNC Branch
Bedrettin Demirel Cad. Arabacıoğlu -7 Apt.
No: 123 / 7 Lefkoşa / KKTC
Phone : 0392 227 03 80
Fax : 0392 227 03 83

Ray Sigorta: From Past to Present

- Established in 1958 by the common initiative of national transportation companies [Turkish Airlines, Turkish Maritime Transportation Company, Turkish State Railways, PTT (Turkish Mail Administration)
- Privatized in 1992 by Dogan Holding.
- Stocks of Ray Sigorta were listed on Istanbul Stock Exchange in 1997.
- TBIH Financial Services Group, a subsidiary of VIG, acquired 74.26% of the company shares in 2007.
- Ray Sigorta added the Vienna Insurance Group to its logo in 2008.
- The shareholding structure of the company in 2009: 84.26% owned by VIG, 10% owned by Dogan Group and 5.74% publicly offered to more than 4000 persons.
- The shareholding structure of the company in 2011: 81.59% owned by TBIH Services Group N.V, 12.67% owned by Vienna Insurance Group (VIG), 5% publicly offered.
- The total premium generation of Ray Sigorta in 2013: TRY 354.298.992.-
- The market share of Ray Sigorta among other elementary insurance companies in 2013: % 1.70.
- Ray Sigorta ranked 16 among the elementary insurance companies in 2013.

OUR VISION:

To be the company that creates value and guides the insurance business.

To rank among the top five companies operating in the non-life insurance industry, by 2015.

OUR MISSION;

To continuously improve its accumulation of knowledge owned, its product infrastructure, its reliable service mentality, its strong technology and human resources with an innovative perspective; and become the preferred company by its customers, business partners, stakeholders and its employees.

Our Agencies and Brokers are the most valuable business partners of our company and they will receive from us the best service in the insurance industry.

SHAREHOLDER STRUCTURE

For the end of June 30, 2014, the shareholder structure which is share ratio over 10% is as follows;

Name of the Partner	Share Ratio	Number of Shares	Value of Shares
TBIH Financial Services Group N.V.(*)	%81,59	13.304.862.688	133.048.627
Vienna Insurance Group AG	%12,67	2.066.352.811	20.663.528
LVP Holding Gmbh (*)	% 0,70	114.573.400	1.145.734

(*) Both TBIH Financial Services Group N.V. and LVP Holding Gmbh are a subsidary of Vienna Insurance Group. Total share of VIG Group in Ray Sigorta A.Ş. is % 94,96.

Capital Increase Certificate No 2191, issued by the Republic of Turkey Prime Ministry Capital Markets Board on 21.12.2011 certifying that our Company's issued capital has been raised by TL 26,000,000 (twenty six million) against cash payment from TL 137,069,856 (one hundred and thirty seven million sixty nine thousand eight hundred and fifty six) to TL 163,069,856 (one hundred and three million sixty nine thousand eight hundred and fifty six) within the upper limit of registered capital, has been published in the Trade Registry Gazette of Turkey No 7973 and dated 30.12.2011 after its registration by Istanbul Trade Register Office on 26.12.2011.

There is no privileged share in Ray Sigorta A.Ş.

The Chairman and Members of Board of Directors, General Manager and Deputy General Managers have no shares in the Company.

ORDINARY GENERAL ASSEMBLY MEETING

The Ordinary General Assembly Meeting of Ray Sigorta A.Ş. was held at 10:00 on March 31, 2014 Monday at the address of "*Cumhuriyet Mahallesi, Haydar Aliyev Cad. No:28 34457 Sarıyer/ İstanbul"*, under the supervision of Mr. Orhan Karabey, the Ministry Commissioner appointed by a letter of assignment, numbered 8497, dated 28/03/2014, of the Istanbul Provincial Directorate of Ministry of Customs and Trade

At this meeting , ordinary agenda was discussed according to the provisions of the Turkish Commercial Code and Capital Market Code.

The proposal of the Board of Directors regarding the net profit of the year 2013 has been put to the vote following the discussion on the proposal; and it has been unanimously resolved that the net profit amount of TRY 8.565.429,- for the year 2013 shall be set off with the accumulated losses.

Except Mehmet Levent Şişmanoğlu, Board Member as of right according to the Insurance Code number 5684, as the terms of office of the Board of Directors members will be expired in 2014, the number and the appointment of the Board of Directors members are discussed. Based on the Board of Directors' proposal and the motion of the shareholders, it has been resolved to fix as 6(six) the number of Board of Directors Members including Mehmet Levent Şişmanoğlu, Board Member as of right according to the Insurance Code number 5684, and to assign Karl Fink, Dr. Martin Simhandl, Dr. Josef Aigner, as an independent

member Dr. İsmail Hakkı Ergener and Reinhard Pichler, who shall be elected to serve for 3(three) years

It has been unanimously resolved that Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş shall be selected as the independent auditor for the audit of 2014 interim and annual financial statements and board of directors report within the frame of the Turkish Commercial Code, the Insurance Legislation, Capital Markets Legislation and other relevant legislation.

Furthermore our company is in the context of Authorised Capital System which was expired by the end of 2013. To expand for the years of 2014-2018, Articles of Association article 7 should be amended. The decision of this amendment is mentioned in parts of " Amendments of Articles of Association " .

AMENDMENTS OF ARTICLES OF ASSOCIATION

Our company is in the context of Authorised Capital System as per the Capital Market Legislation. The Capital Markets Board had granted permission to the upper limit of TRY 200.000.000 for the Authorised Capital of our Company for the years 2009-2013. Our Company filed a new application with the Capital Markets Board to extend the term of the upper limit of TRY 200.000.000, set for our Authorised Capital for the years 2014-2018. The Capital Markets Board granted such permission on January 7, 2014. Upon grant of permissions by the Undersecretariat of Treasury and the Ministry of Customs and Commerce, the matter will be presented to the shareholders at the General Assembly meeting to be held in 2014 .

It has been unanimously resolved in the General Assembly to amend Article 7 and to extend the validity of the registered authorized capital until the end of the year 2018.

The current articles of association of our firm is published in our web site, part of investor relations .

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Ray Sigorta A.Ş. , has adopted the concepts of equity, transparency, accountability and responsibility of the Corporate Governance Principles and aims to comply with these principles in its activities at its most. Within this context , the company complies with all compulsory principles. Moreover, the company continues to work on to comply with all non-compulsory Corparate Governance Principles. Corparate Governance Principles Compliance Report is on our web site www.raysigorta.com.tr .

According to the communique on Corporate Governance, serial II-17.1, published on January 3, 2014, article 11, the Investor Relations Department was still existed. The manager of this department, Erhan Subaşı was a member of Corporate Governance Committee according to

the resolution of Board of Directors dated May 21, 2014. As a result, all conditions which are mentioned in this communique were fullfilled.

We, Ray Sigorta A.Ş., disclosed 42 information and document items during the period of 01.01.2014 - 30.06.2014 .

BOARD OF DIRECTORS

The Members of the Board of Directors of our Company:

Full Name	Position	Date of Appointment	Education	Professional Experience
Dr. Martin Simhandl	Chairman of the Board of Directors / Member of the Corporate Governance Committee and Early Identification of Risk Committee	12.04.2011	Bachelor's Degree / Law	2004-present/ Vienna Insurance Group AG / Member of the Managing Board, CFO 1985- 2004 / Vienna Insurance Group AG / Various Positions
Dr. Ismail Hakki Ergener	Independent Member , Deputy Chairman of the Board of Directors / Member of the Corporate Governance Committee and Early Identification of Risk Committee	18.09.2012	PhD/Economics	2012- 2013 / EurocityBank AG / CEO 2009 – present / SK Danube AG /General Manager 1997-2008 / DenizBank AG/ CEO, 1995 –2007 / Express Trade Bank/ General Manager 1991-1995 / Deutsch Türkische Bank / Credit Marketing Manager 1989-1991 / Turkish Development Bank/ Germany Representative 1987-1989 / Iktisat Bankasi /Branch Marketing Manager 1986 –1987 / Cerrahgil A.S./ Export Manager 1984-1985 / İnterbank / Credit Analyst
Dr. Josef Aigner	Member of the Board of Directors	29.03.2013	Bachelor's Degree/ Chemistry	2007- Present / Vienna Insurance Group AG/ Head of Corporate Business Department 2006-2007 / Wiener Staedtische Versicherung / Head of Corporate BusinessClaims Department 2000-2006 / Wiener Staedtische Versicherung / Assistant to the Managing Board 1999-2000 / Allianz Versicherung / Allianz Risk Service 1995-1999 / Allianz Elementarversicherung / Risk Management Department, Risk Manager

Mehmet Levent Sismanoglu	Member of the Board of Directors and General Manager	Joined on: 07.03.2007 Assigned as General Manager on: 01.08.2010	Bachelor's Degree / Economics	2007– present / Ray Sigorta A.S. 2006 -2007 / Brian Tracy / Sales Organization Consultant and Instructor 2003 -2005 / Genel Sigorta and Genel Yasam Insurance Agency 1997 – 2003 / Garanti Sigorta A.S. / Regional Manager 1996 – 1997 / Arpas Kuyumculuk / Sales Manager 1995 – 1996 / Polisan A.S. / Sales Manager 1994 -1995 / Rotopas A.S. / Product Manager
Reinhard Pichler	Independent Member of the Board of Directors and Member of the Audit Committee	05.07.2013	Bachelor's Degree / Management	2011 – present / OMV POAS / Chief Financial Officer 2005- 2010 / OMV SC PETROM SA, Representative/ Chief Financial Officer 2003 - 2004 / OMV Controlling / Corparate Controlling and Accounting Department / Senior Vice President 2000 - 2002 / OMV Service Network / Executive Director 1996 - 2000 / OMV Controlling / Deputy Head of Corparate Controlling 1991 – 1995 / OMV Controlling / Controller 1990 1991 / OMV IT / IT Department, System Engineer 1989 - 1990 / Ministry of Labor and Social Affairs/ Analyst 1986 – 1988 / NIXDORF Computer GMBH / IT Department / Programmer and Analyst
Gerald Klemensich	Member of the Board of Directors, Member of the Corporate Governance Committee and Early Identification of Risk Committee	11.06.2014	Bachelor's Degree / Business Economics	11/2007 – present / WIENER RE / MEMBER OF THE SUPERVISORY BOARD 01/2003 - 10/2007 / WIENER STAEDTISCHE OSIGURANJE A.D.O. BEOGRAD / MEMBER OF THE SUPERVISORY BOARD 07/2004 – present / VIENNA INSURANCE GROUP / LEAD MANAGER REINSURANCE DIVISION 01/2001 - 06/2004 / WIENER STAEDTISCHE ALLGEMEINE VERSICHERUNG / ASSISTANT MANAGER REINSURANCE DIVISION 09/1998 - 12/2000 / WIENER STAEDTISCHE ALLGEMEINE VERSICHERUNG / MEMBER OF REINSURNCE DIVISION 04/1995 - 08/1998 / WIENER STAEDTISCHE ALLGEMEINE VERSICHERUNG / ASSISTANT OF THE MANAGEMENT BOARD 03/1993 - 08/1994 / EWIG INTERNATİIONAL MARINE CORPORATION USA / MARINE & CARGO SURVEYOR AND LOSS ADJUSTER Before 03/1993 / STUDIO PERITELE PINO REBULLA, ITALY / MARINE & CARGO SURVEYOR AND LOSS ADJUSTER
Karl Fink (*)	Chairman of the Board of Directors / Member of the Corporate Governance Committee and	29.07.2009 Resigned on 11.06.2014	Bachelor's Degree / Management	2012–present / Wiener Staedtische Wechselseitiger Versicherungsverein-Vermögensverwaltung, Vienna Insurance Group AG / Member of the Managing Board 2009 – 2012 / Vienna Insurance Group AG / Member of the Extended Managing Board 2007 – 2009 / Vienna Insurance Group AG / Deputy General Manager

	Early Identification of Risk Committee			2004-2007/ Wiener Staedtische Allgemeine Versicherungs AG / Deputy General Manager 1987 – 2004 /Wiener Staedtische Allgemeine Versicherungs AG / Member of the Managing Board 1979-1987 / Interrisk Internationale Versicherungs Aktiengeselleschaft / Chairman of the Board of Directors 1975-1979 / Wiener Staedtische Wechselseitige Versicherungsanstalt / Industrial Risks 1971-1975 / Marubeni Corporation / Authorized Representative in Berlin

(*) Chairman of Board of Directors Mr. Karl Fink resigned on his membership of Board of Directors and Committees of the Board of Directors on June 11, 2014.

Comparative Premium Revenue for the Period of 01.01.2013-30.06.2013 / 01.01.2014-30.06.2014

1) In the six months of year 2013 and 2014 gross Premium revenue and percantage change are given below. (TL) (Reinsurer's share is not deducted)

	30.06.2014	30.06.2013	Percantage Change
Accident	3,108,217	3,296,031	-5.70%
Health	5,497,696	3,009,686	82.67%
Motor own Damage	38,909,299	45,582,748	-14.64%
Other Vehicles	3,763,681	6,774,557	-44.44%
Marine	6,666,657	6,744,219	-1.15%
Fire and Catastrophic Losses	44,939,606	36,507,392	23.10%
General Losses	38,590,421	30,445,401	26.75%
Third Party Liability	38,598,514	37,253,853	3.61%
General Liability	9,173,663	6,760,349	35.70%
Breach of Trust	82,771	146,537	-43.52%
Financial Losses	1,014,988	818,223	24.05%
Legal Protection	559,588	597,140	-6.29%
TOTAL	**190,905,102**	**177,936,136**	**7.29%**

2) For the same period, Gross Premium Revenue, Reinsurer's Share and Net Premium Revenue (TL) and Percantage Change:

	30.06.2014	30.06.2013	Percantage Change
Gross Premium	190.905.102	177.936.136	7.29%
Reinsurer's Share	109.579.891	83.996.136	30.45%
Net Premium	81.325.211	93.939.568	-13.43%

COMPARATIVE FINANCIAL INDICATORS (TL)

SUMMARY OF FINANCIAL INDICATORS	30.06.2014	2013	2012	2011	2010	2009
Total Assets	387.739.034	381,275,825	322,604,991	305,929,724	264,588,283	239,300,385
Paid-In Capital	163,069,856	163,069,856	163,069,856	163,069,856	137,069,856	97,020,000
Shareholder's Equity	96.578.824	98,394,116	90,198,223	86,461,101	51,511,337	39,822,978
	30.06.2014	**2013**	**2012**	**2011**	**2010**	**2009**
Net Premium	81.325.211	179,958,779	165,391,315	135,874,198	137,288,142	120,963,095
Change in Unearned Primium Reserve-Net	6.347.819	-8,474,380	-15,010,432	-339,686	11,724,675	-9,905,262
Unexpired Risk Reserves Changed-Net	1.619,762	-3,776,756	1,835,991	1,562,397	-3,192,060	1,860,986
Investment Income Transfered From Non-Technical Division	6,615,655	7,541,540	8,324,843	5,772,414	5,043,641	5,522,562
Other Technical Income/Expenditure	-11,922,351	2,748,187	-4,039,179	-1,497,471	-3,370,004	-1,341,061
Net Claims Paid	-46,331,660	-99,200,086	-104,247,366	-102,498,052	-108,014,855	-99,159,517
Change in Outstanding Claims-Net	-8.182,544	-15,474,728	3,643,640	5,350,959	-13,983,801	-5,855,330
Other Technical Provisions	-520,571	-876,910	-398,840	-951,179	-853,035	-584,493
Operating Expenses	-25,982,164	-49,746,766	-45,852,033	-41,408,620	-44,846,984	-44,766,820
Investment Income	10,696,189	15,260,389	10,789,917	13,860,317	11,295,321	11,176,407
Investment Expenditures	-12,440,594	-12,461,872	-14,624,255	-10,239,464	-15,828,682	-14,791,301
Other Expenditures/Income	**-3.040,042**	**-6,931,967**	**-2,076,479**	**-5,145,436**	-3,860,571	-5,674,723
Net Profit/Loss	**-1,815,290**	**8,565,431**	**3,737,122**	**340,377**	**-28,598,213**	**-42,555,457**

Full financial statement report for June 30, 2014 and previous periods are on our web site www.raysigorta.com.tr and Public Disclosurer Platform web site www.kap.gov.tr