01.01.2016 - 30.09.2016
Financial Activity Results

2016 THIRD QUARTER
Interim Report

RAYSİGORTA
VIENNA INSURANCE GROUP

STATEMENT OF RESPONSIBILITY PURSUANT TO FINANCIAL REPORTS FOR THE PERIOD OF JANUARY 1, 2016 AND SEPTEMBER 30, 2016

RESOLUTION OF BOARD OF DIRECTORS ON APPROVAL OF FINANCIAL REPORTS

MEETING DATE : **31 / 10 / 2016**

MEETING NO. : 1510

RESOLUTION NO. : 6179

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 01.01.2016 – 30.09.2016 together with the prepared notes, which have not been audited, 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

İsmail Hakkı ERGENER	Stefan WALDNER	Koray ERDOĞAN	Derya Öztürk
Audit Committee Chairman	Audit Committee Member	Board of Directors Member, General Manager	Member of the Management Board, CFO

CORPORATE PROFILE

Leaving 58 years behind in the insurance industry, Ray Sigorta generated 423.069.654.- TL premiums in nine months of the year 2016 .

By the end of September 30, 2016, Ray Sigorta is carrying out its activities with 242 employees in 8 Regional Directorates and a Call Center.

At the same period, Ray Sigorta has offered its services through 1.230 agencies, 57 Alternatifbank branches, 69 Fibabank branches, 53 Burgan Bank branches, 78 Brokers and 5 leasing companies with 790 contracted automobile service stations, 461 glass service stations and 2.948 contracted healthcare establishments. Ray Sigorta has successfully maintained its value creating company vision in its industry

Determining all of its corporate strategies knowing that development is dependent upon being customeroriented, Ray Sigorta will continue to apply its efficiency and customer-oriented strategies and its activities aimed at further enhancing its brand awareness and customer satisfaction level with a view to further elevating its successes also in 2016.

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
Registered Electronic Mail Address (KEP)	:	raysigorta@hs03.kep.tr
Address of Registered Offices:		Cumhuriyet Mahallesi Haydar Aliyev Cad. No.28 Sariyer/Istanbul
Communication Address		: Ray Sigorta A.Ş. Head Offices Cumhuriyet Mahallesi, Haydar Aliyev Cad. No. 28, 34457 Sarıyer / Istanbul
Telephone Number		: 0 212 363 25 00
Facsimile Number		: 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 04 75

Ankara Regional Headquarters
Farabi Sokak No: 40/A 06690
Kavaklıdere / Ankara
Phone : 0312 428 50 00
Fax : 0312 428 50 49

Central Anatolian Regional Headquarters
Farabi Sokak No: 40/A 06690
Kavaklıdere / Ankara
Phone : 0312 428 50 00
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

The Turkish Republic of Northern Cyprus branch office has been closed upon acceptance by the governmental authorities of the Turkish Republic of Northern Cyprus of our demand for its transfer to and acquisition by Dağlı Sigorta Ltd. Şti., operating at the same address, together with all of its rights, interests, debts, receivables and portfolio.

Ray Sigorta: From Past to Present

- Is founded as an initiative of national transportation companies (Turkish Airlines, Maritime Lines, State Railways, PTT) in 1958.
- Is privatized by Doğan Holding in 1992.
- Became a listed company in Istanbul Stock Exchange in 1997.
- In 2007, 74.26% of its capital is acquired by TBIH Financial Services Group, an affiliate of VIG.
- In 2008, Ray Sigorta added Vienna Insurance Group to its logo.
- In 2009, 84.26% of its capital shares were owned by VIG, 10% by Doğan Group, and 5.74% by more than 4,000 investors.
- In 2011, 81.59% of its capital shares were owned by TBIH Services Group N.V., 12.67% by Vienna Insurance Group (VIG), and 5.7% as free float.
- In 2015, total premium production of Ray Sigorta: 444.639.200.-TL
- In 2015, market share of Ray Sigorta among non-life insurance companies: 1,63%.
- In 2015, Ray Sigorta is ranked the 17th among non-life insurance companies.

OUR VISION:

To be a value creating company leading and directing the insurance business.

OUR MISSION;

To continuously develop its know-how, product infrastructure, reliable service approach, strong technology and human resources with an innovative and path-breaking perspective in insurance industry, and to be the company chosen and preferred by its customers, business partners, stakeholders and employees with the values created by it.

Our agents and brokers are the most valuable business partners of our company and will surely receive from us the best service in insurance industry.

SHAREHOLDER STRUCTURE

For the end of September 30, 2016 , 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.
5.04% shares are publicly-trade shares and traded in Borsa İstanbul A.Ş.

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) by the resolution of Board of Directors dated March 23,2011.

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, 2016 Thursday 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 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 Law.

The proposal of the Board of Directors regarding the net profit of the year 2015 has been put to the vote following the discussion on the proposal; and it has been unanimously resolved that no profit is distributed because of the loss of TRY 14.813.838.- for the year 2015.

Pursuant to Article 363 of Turkish Commercial Code, the proposal pertaining to the approval of changes on the Board of Directors memberships in year 2015, has been discussed. Based on the Board of Directors' resolution , it has been resolved to accept Mr. Mehmet Levent Şişmanoğlu resignations from his Board of Directors Membership and General Manager of the company, and to assign according to the resolution of Board of Directors, Koray Erdoğan as a General Manager of the firm , who shall be elected as a Board member during his General Manager duty of the company according to the Article 4/1 of the Insurance Law due to August 1 , 2015.

It is unanimously resolved to accept the motion stating that according to the Articles of Association of the Company Article 16, to increase the number of the Board members of the Board of Directors from 6 to 7, and to assign Mr. Karl Fink, a citizen of Austria who shall be elected up to March 31, 2017

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 2016 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.

AMENDMENTS OF ARTICLES OF ASSOCIATION

There was no amendments in this period.

The current articles of association of our firm is published in Public Disclosure Platform https://www.kap.org.tr/en/sirket-bilgileri/ozet/1063-ray-sigorta-anonim-sirketi and in our web site, part of investor relations . (English version)

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 .

We, Ray Sigorta A.Ş., disclosed 43 information and document items during the period of 01.01.2016 - 30.09.2016 .

BOARD OF DIRECTORS

The Members of the Board of Directors of our Company:

Full Name	Appointed on	Position – Committees
Martin SIMHANDL	12.04.2011	**Chairman of the Board of Directors** **Member of Corporate Governance Committee** **Member of Early Identification of Risk Committee**

Holds a degree in Law.

He has held various offices within the organization of Vienna Insurance Group AG between 1985 and 2004. He has been serving as the Member of the Managing Board, CFO of Vienna Insurance Group AG since 2004.

He has no executive duties or responsibilities at the Company.

Full Name	Appointed on	Position – Committees
Karl FINK	31.03.2016	**Deputy Chairman of the Board of Directors**

Holds a degree in Business and Economics.

He worked in Marubeni Corporation as an Authorized Representative in Berlin between 1971 and 1975. He has held various offices within the organization of Vienna Insurance Group AG between 1975 and 2009. He has been served as a Deputy General Manager between 2007 and 2009 and as the Member of the Extending Managing Board in Vienna Insurance Group AG . He has been also a member of Managing Board in Wiener Staedtische Wechselseitiger Versicherungsverein-Vermögensverwaltung since 2004.

He has no executive duties or responsibilities at the Company.

Full Name	Appointed on	Position – Committees
Ismail Hakki ERGENER	**18.09.2012**	**Deputy Chairman of the Board of Directors** **Independent Member** **Chairman of the Audit Committee** **Chairman of the Corporate Governance Committee** **Chairman of the Early Identification of Risk Committee**

Holds a degree in economics.

He has served at various banks in Turkey and Europe since 1984. He has worked at Express Trade Bank between 1995 and 2007, and at Denizbank AG between 1997 and 2008, and at Eurocity Bank AG between 2012 and 2013, as CEO and General Manager. As of 2009, he has been serving as the CEO at SK Danube AG.

Full Name	Appointed on	Position – Committees
Josef AIGNER	29.03.2013	**Member**

Holds a degree in Chemistry.

He has served at the Allianz Insurance Group between 1995 and 1999, and at Vienna Insurance Group AG between 2000-2007. He has been serving as the Head of Corporate Business Department of Vienna Insurance Group AG since 2007.

He has no executive duties or responsibilities at the Company.

Full Name	Appointed on	Position – Committees
Gerald KLEMENSICH	11.06.2014	**Member of the Corporate Governance Committee** **Member of the Early Identification of Risk Committee**

He has served as Shipping Surveyor and Claims Examiner at various insurance companies between 1993 and 1995. He has held various offices within the organization of Vienna Insurance Group AG between 1995 and 2004. Since 2007, he has been serving as a Senior Executive in Reinsurance Department of Vienna Insurance Group AG, and a member of the board of directors of Wiener RE.

He has no executive duties or responsibilities at the Company.

Full Name	Appointed on	Position – Committees
Stefan WALDNER	15.10.2014	**Independent Member** **Member of the Audit Committee**

He holds degrees in Social and Economics Sciences and in International Management.

Between 2000 and 2005, he has served as Investment Banking Analyst and Associate at Merrill Lynch International, London. He has served as a senior executive at OMV Aktiengesellschaft, Vienna between 2005 and 2014. Since 2011, he has been serving as a Member of the Board of Directors of OMV Petrol Ofisi A.S. He has been serving as the CFO and the Member of the Executive Committee of OMV Petrol Ofisi A.S. as of 2014.

Full Name	Appointed on	Position – Committees
Koray ERDOĞAN	01.08.2015	**Member and General Manager**

He holds degrees in International Relations. He holds a master's degree on Administrative Sciences from Carnegie Mellon University.

He has served as Insurance Auditing Specialist in Insurance Auditing Board of the Undersecretariat of Treasury. He appointed as a Deputy Chairman of the Board in 2009. He has started to serve as a Member of Management Board and Director of Financial and Administrative Affairs at Ray Sigorta A.S. in 2011. He has been appointed as the Deputy General in 2014. He has been a lecturer in Hacettepe University, Department of Actuary since 2010.

Comparative Premium Revenue for the Period of 01.01.2016-30.09.2016 / 01.01.2015 - 30.09.2015

1) In the nine months of year 2016 and 2015 gross Premium revenue and percantage change are given below. (TL) (Reinsurer's share is not deducted)

	30.09.2016	**30.09.2015**	**Percantage Change**
Accident	3.959.263	3,222,700	% 22,86
Health	11.029.083	10,048,544	% 9,76
Motor own Damage	58.845.794	69,333,828	-% 15,13
Other Vehicles	6.630.175	5,466,686	% 21,28
Marine	7.760.792	8,352,303	-% 7,08
Fire and Catastrophic Losses	91.113.944	74,942,253	% 21,58
General Losses	88.372.263	58,537,707	% 50,97
Third Party Liability	132.486.956	76,728,541	% 72,67
General Liability	19.078.520	13,871,750	% 37,54
Surety	227.196	194,392	% 16,88
Financial Losses	3.171.602	1.973,121	% 60,74
Legal Protection	394.065	859,869	-% 54,17
TOTAL	**423.069.654**	**323,531,695**	**% 30,77**

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

	30.09.2016	**30.09.2015**	**Percantage Change**
Gross Premium	423.069.654	323.531.695	30.77%
Reinsurer's Share	238.245.712	172.203,836	38.35%
Net Premium	184.823.942	151.327.859	22.13%

COMPARATIVE FINANCIAL INDICATORS (TL)

SUMMARY OF FINANCIAL INDICATORS	30.09.2016	2015	2014	2013	2012	2011
Total Assets	554.386.751	450.401.905	401.476.112	381.275.825	322.604.991	305.929.724
Paid-In Capital	163.069.856	163.069.856	163.069.856	163.069.856	163.069.856	163.069.856
Shareholder's Equity	116.097.310	94.014.445	109.646.602	98.394.116	90.198.223	86.461.101
	30.09.2016	**2015**	**2014**	**2013**	**2012**	**2011**
Net Premium	184.823.942	212.940.008	170.060.755	179.958.779	165.391.315	135.874.198
Investment Income Transfered From Non-Technical Division	15.780.684	14.147.549	12.762.126	7.541.540	8.324.843	5.772.414
Change in Unearned Primium Reserve-Net	-14.846.496	-28.450.173	-612.686	-8.474.380	-15.010.432	-339.686
Unexpired Risk Reserves Changed-Net	8.299.822	-6.782.677	1.891.558	-3.776.756	1.835.991	1.562.397
Other Technical Income/Expenditure	-5.105.622	1.282.718	-11.670.129	2.748.187	-4.039.179	-1.497.471
Net Claims Paid	-103.673.408	-133.800.519	-102.805.771	-99.200.086	-104.247.366	-102.498.052
Change in Outstanding Claims-Net	-14.137.801	-16.624.563	-10.242.050	-15.474.728	3.643.640	5.350.959
Other Technical Provisions	-1.628.856	-1.986.948	-1.063.998	-876.910	-398.840	-951.179
Operating Expenses	-33.385.786	-52.977.956	-50.052.986	-49.746.766	-45.852.033	-41.408.620
Investment Income	26.924.686	31.380.123	21.345.895	15.260.389	10.789.917	13.860.317
Investment Expenditures	-25.324.713	-28.270.104	-23.633.211	-12.461.872	-14.624.255	-10.239.464
Other Expenditures/Income	-11.415.031	**-5.671.294**	**-3.602.767**	**-6.931.967**	**-2.076.479**	**-5.145.436**
Corporate Tax Provision and Other Fiscal Liabilities	-3.643.568	-	-	-	-	-
Net Profit/Loss	**22.667.853**	**-14.813.838**	**2.376.736**	**8.565.431**	**3.737.122**	**340.377**

Full financial statement report for September 30, 2016 and previous periods are on our web site www.raysigorta.com.tr and Public Disclosurer Platform web site www.kap.org.tr/en/