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THIRD QUARTER

INTERIM

REPORT

01.01.2018 - 30.09.2018
FINANCIAL ACTIVITY RESULTS

RAY SİGORTA
VIENNA INSURANCE GROUP

STATEMENT OF RESPONSIBILITY PURSUANT TO FINANCIAL REPORTS FOR THE PERIOD OF JANUARY 1, 2018 AND SEPTEMBER 30, 2018

RESOLUTION OF BOARD OF DIRECTORS ON APPROVAL OF FINANCIAL REPORTS

MEETING DATE : 30 / 10 / 2018

MEETING NO. : 1557

RESOLUTION NO. : 6281

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 01.01.2018 – 30.09.2018 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

Kemal BOZYİĞİT	Yılmaz KORAP	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 60 years behind in the insurance industry, Ray Sigorta generated 638.582.053.- TL premiums in nine months of the year 2018 .

By the end of September 30, 2018, Ray Sigorta is carrying out its activities with 259 employees in 8 Regional Directorates and a Call Center.

At the same period, Ray Sigorta has offered its services through 1.165 agencies, 56 ABank branches, 85 Fibabank branches 79 Brokers and 4 leasing companies. With 859 contracted automobile service stations, 514 glass service stations and 1.148 contracted healthcare establishments , Ray Sigorta has successfully maintained its value creating company vision in its industry

General Information on Ray Sigorta:

Trade Name:		Ray Sigorta Anonim Sirketi
Trade Registry Number:		297257
Central Registration System (MERSIS) Nr. :		0734 - 0039 - 7980 - 0033
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

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
Yeşilköy Mah. Atatürk Cad. Egs Business Park Blokları
No.12 B/1 Blok No: 323-324 Bakırköy/ İstanbul
Phone : 0212 465 40 45
Fax : 0212 465 04 75

Ankara Regional Headquarters
Neorama İş Merkezi Beştepe Mah.
Yaşam Cad. Adalet Sokak No: 13/A
4.Kat No: 11
Yenimahalle / Ankara
Phone : 0312 428 50 00
Fax : 0312 428 50 49

Central Anatolian Regional Headquarters
Neorama İş Merkezi Beştepe Mah.
Yaşam Cad. Adalet Sokak No: 13/A
4.Kat No: 11
Yenimahalle / 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
Cemalpaşa Mahallesi Atatürk Cad. No : 48
Sapmaz İş Merkezi D: 10-11 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

Ray Sigorta: From Past to Present

- Was founded as an initiative of national transportation companies (Turkish Airlines, Maritime Lines, State Railways, PTT) in 1958.
- Was privatized by Doğan Holding in 1992.
- Became a listed company in Istanbul Stock Exchange in 1997.
- In 2007, 74.26% of its capital was 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 2017, total premium production of Ray Sigorta: 706.217.663.-TL
- In 2017, market share of Ray Sigorta among non-life insurance companies: 1,78%.
- In 2017, Ray Sigorta is ranked the 17th among non-life insurance companies.
- **In 2017, The Company announced an annual profit of TL 21.277.863.-**

OUR VISION:

To be a preferred insurance company in Turkey via sustainable and profitable growth and to be ranked among the first 6 in Turkey and one of the big core companies in VIG

OUR MISSION;

To rank in the top 6 in non-life insurance segment as the best insurance company for its customers, business partners, stakeholders, employees and particularly its distribution channels.

SHAREHOLDER STRUCTURE

For the end of September 30, 2018 , the shareholder structure which is share ratio over 10 % is as follows;

Name of the Partner	Share Ratio	Number of Shares	Value of Shares
ATBIH GmbH(*)	%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 ATBIH GmbH. 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 30, 2018 Friday at the address of "*Cumhuriyet Mahallesi, Haydar Aliyev Cad. No:28 Sarıyer/ İstanbul"*, under the supervision of Mr. Mustafa Çalışkan, 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 2017 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 21.277.863,- for the year 2017 shall be set off with the accumulated losses.

It has been unanimously resolved that KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş shall be selected as the independent auditor for the audit of 2018 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.

Extraordinary Meeting of the General Assembly of Shareholders In This Period:

2018 extraordinary meeting of the General Assembly of Shareholders of our Company has been held at our headquarters on August 7th, 2018. In this meeting , Increasing the number of the Board members of the Board of Directors from 7 to 9 was discussed.

Firstly Mr Yılmaz Korap was elected as an Independent Board Member to serve for end of period of member who was resigned. Because current Independent Member, Mr İsmail Hakkı Ergener was resigned.

Secondly as an increase the number of the Board Directors from 7 to 9, Dr.Peter Thirring and İsmail Hakkı Ergener were elected as members.

AMENDMENTS OF ARTICLES OF ASSOCIATION

There was no amendments in this period.

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 .

We, Ray Sigorta A.Ş., disclosed 55 information and document items during the period of 01.01.2018 - 30.09.2018 .

BOARD OF DIRECTORS

The Members of the Board of Directors of our Company:

Full Name	Appointed on	Position – Committees
Dr. Peter THIRRING	07.08.2018	**Chairman of the Board of Directors** **Member of Corporate Governance Committee**

Holds a Phd degree in Law.

He has held various offices within the organization of Generali Insurance at Mİd and East part of Europe between 2000 and 2015 as a manager, General Manager and member of Board of Directors. In 2016 he was appointed as General Manager of Donna Versicherung AG, a subsidary firm of Vienna Insurance Group He has been serving as the Member of the Managing Board, CFO of Vienna Insurance Group AG since July 2018.

He has no executive duties or responsibilities at the Company.

Full Name	Appointed on	Position – Committees
Dr. Martin SIMHANDL	12.04.2011	Deputy **Chairman of the Board of Directors**
		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
Dr. Ismail Hakki ERGENER	**18.09.2012**	**Member**

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.

He has no executive duties or responsibilities at the Company.

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
Kemal BOZYİĞİT	04.07.2017	In**dependent Member** **Chairman of the Audit Committee** **Chairman of the Corporate Governance Committee** **Chairman of the Early Identification of Risk Committee**

He holds degrees in Engineer for Metallurgy.

Between 1990 and 1992, he has served as project manager at VAI-Voestalpine Industrie Anlagenbau GesmbH. He has held various offices (Project Leader, Key Account Manager, Product Manager, Quality Assurance Manager, Technical Responsibility for the Customer in French, Italy, Japan & Korea) within the organization of Voestalpine Stahl GmbH - Linz between 1992 and 2006. Since 2006, he has been serving as a General Manager at Voestalpine Eurostahl GmbH - İstanbul.

Full Name	Appointed on	Position – Committees
Yılmaz KORAP	07.08.2018	In**dependent Member** **Member of the Audit Committee**

He holds a master's degree on International Management Between 1982 and 2005, he has held as product/sales manager and General Manager at various firms in Turkey. Since 2005 . he has been serving as a General Manager at Arılı Plastik Sanayi A.Ş. in Istanbul.

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 was a lecturer in Hacettepe University, Department of Actuary between 2010 and 2015. In 2017 he elected as a member of Board of Directors for VIG group firms in Ukranie, UIG, Kniazha, Globus ve Kniazha Life.

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Comparative Premium Revenue for the Period of 01.01.2018-30.09.2018 / 01.01.2017 - 30.09.2017

1) **In the nine months of year 2018 and 2017 gross Premium revenue and percantage change are given below. (TL) (Reinsurer's share is not deducted)**

	30.09.2018	**30.09.2017**	**Percantage Change**
Accident	4.722.646	5.111.895	-7,61%
Health	25.619.835	13.522.826	89,46%
Motor own Damage	102.993.338	72.013.345	43,02%
Other Vehicles	5.916.147	4.742.840	24,74%
Marine	19.862.882	14.369.380	38,23%
Fire and Catastrophic Losses	134.376.674	126.803.224	5,97%
General Losses	109.650.386	90.650.580	20,96%
Third Party Liability	196.819.233	144.043.089	36,64%
General Liability	34.190.347	23.512.577	45,41%
Surety	772.901	737.501	4,80%
Financial Losses	3.472.558	5.603.147	-38,02%
Legal Protection	185.105	184.850	0,14%
TOTAL	**638.582.053**	**501.295.254**	**27,39%**

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

	30.09.2018	**30.09.2017**	**Percantage Change**
Gross Premium	**638.582.053**	501.295.254	27,39%
Reinsurer's Share	370.125.265	303.297.244	22,03%
Net Premium	268.456.788	197.998.010	35,59%

COMPARATIVE FINANCIAL INDICATORS (TL)

SUMMARY OF FINANCIAL INDICATORS	30.09.2018	2017	2016	2015	2014	2013
Total Assets	877.128.011	735.353.658	585.045.563	450.401.905	401.476.112	381.275.825
Paid-In Capital	163.069.856	163.069.856	163.069.856	163.069.856	163.069.856	163.069.856
Shareholder's Equity	219.094.152	184.925.667	144.491.853	94.014.445	109.646.602	98.394.116
	30.09.2018	**2017**	**2016**	**2015**	**2014**	**2013**
Net Premium	268.456.788	290.890.278	260.727.471	212.940.008	170.060.755	179.958.779
Investment Income Transfered From Non-Technical Division	26.644.394	29.418.740	20.778.791	14.147.549	12.762.126	7.541.540
Change in Unearned Primium Reserve-Net	-31.198.911	-15.288.461	-27.949.967	-28.450.173	-612.686	-8.474.380
Unexpired Risk Reserves Changed-Net	-1.832.197	-473.625	2.846.131	-6.782.677	1.891.558	-3.776.756
Other Technical Income/Expenditure	-6.051.217	1.787.816	-4.320.585	1.282.718	-11.670.129	2.748.187
Net Claims Paid	-148.440.730	-164.297.193	-141.758.613	-133.800.519	-102.805.771	-99.200.086
Change in Outstanding Claims-Net	-37.289.855	-54.020.050	-11.156.655	-16.624.563	-10.242.050	-15.474.728
Other Technical Provisions	-2.265.150	-2.270.839	-2.295.762	-1.986.948	-1.063.998	-876.910
Operating Expenses	-48.835.513	-60.063.143	-43.102.666	-52.977.956	-50.052.986	-49.746.766
Investment Income	123.308.573	58.621.439	44.021.442	31.380.123	21.345.895	15.260.389
Investment Expenditures	-88.754.958	-46.795.747	-35.961.704	-28.270.104	-23.633.211	-12.461.872
Other Expenditures/Income	**-7.439.028**	**-6.355.920**	**-17.382.609**	**-5.671.294**	**-3.602.767**	**-6.931.967**
Corporate Tax Provision and Other Fiscal Liabilities	-11.334.707	-9.875.432	-7.086.896	**0**	**0**	**0**
Net Profit/Loss	**34.967.489**	**21.277.863**	**37.358.377**	**-14.813.838**	**2.376.736**	**8.565.431**

Full financial statement report for September 30, 2018 and previous periods are on our web site www.raysigorta.com.tr and Public Disclosurer Platform web site www.kap.org.tr