# 2019
# FIRST QUARTER
# INTERIM
# REPORT

JANUARY 1, 2019-MARCH 31, 2019
FINANCIAL ACTIVITY
RESULTS

RAY SİGORTA
VIENNA INSURANCE GROUP

**STATEMENT OF RESPONSIBILITY PURSUANT TO FINANCIAL REPORTS FOR THE PERIOD OF JANUARY 1, 2019 AND MARCH 31, 2019**

**RESOLUTION OF BOARD OF DIRECTORS ON APPROVAL OF FINANCIAL REPORTS**

**MEETING DATE : 30 / 04 / 2019**

**MEETING NO. : 1567**

**RESOLUTION NO. : 6304**

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 01.01.2019 – 31.03.2019 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 282.711.973.- TL premiums in three months of the year 2019 .

By the end of March 31, 2019, Ray Sigorta is carrying out its activities with 254 employees in 8 Regional Directorates and a Call Center.

At the same period, Ray Sigorta has offered its services through 1.135 agencies, 50 ABank branches, 71 Fibabank branches,, 84 Brokers and 4 leasing companies. With 1.002 contracted automobile service stations, 496 glass service stations and 2.858 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 |
| Telephone Number | : 0 212 363 25 00 |
| Facsimile Number | : 0 212 299 48 49 |

## Regional Headquarters

**Istanbul Anatolian Headquarter**
Merdivenköy Mah. Nur Sokak No: 1/A No: 94 D: 1004-1005
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**
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 Mah. Atatürk Cad. Sapmaz İş Merkezi No: 48 D: 10-11
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

## 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 2018, total premium production of Ray Sigorta: 906.193.305.-TL
- In 2018, market share of Ray Sigorta among non-life insurance companies: 1,90%.
- In 2018, Ray Sigorta is ranked the 18th among non-life insurance companies.
- In 2018, The Company announced an annual profit of TL 28.391.530.-

# 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 March 31, 2019, 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 10:30 on March 28, 2019 Thursday at the address of "*Cumhuriyet Mahallesi, Haydar Aliyev Cad. No:28 Sarıyer/ İstanbul"*, under the supervision of Mrs. Nuran Devrim, 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 Annual Report and the Financial Statements' Report issued for the year 2018 are approved.

It has been resolved that Presiding Board Members are individually released from their liabilities in relation to 2018 activities and accounts.

The proposal of the Board of Directors regarding the net profit of the year 2018 has been put to the vote following the discussion on the proposal; and it has been unanimously resolved as follows;

a) The amount of TRY 26.531.201.- shall be set-off with the accumulated losses;
b) The amount of TRY 93.016.- shall be transfered to the " Legal Reserves "as a primary reserve.
c) The balance amount of TRY 1.767.313.- which represents the Net Distributable Profit Amount, is an inconsiderable divident for nominal value, therefore, the Net Distributable Profit Amount will not be distributed as a divident, it shall be transfered to the "Retained Earnings".

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 2019 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

Based on the authorization of the Capital Markets Board of Turkey dated 03.01.2019 and numbered E-71 and according to the Ministry of Trade General Directorate's authorization letter dated 21.01.2019 and numbered E-40927149, it is determined that the draft of the amended Articles of Association was approved. In Ordinary General Assembly which was held on March 28, 2019, it has been unanimously resolved to amend Article 7 and extend the validity of the registered authorized capital until the end of the year 2023.

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, you can reach Corporate Governance Compliance Report and Corporte Governance Information Form which have been arranged by our firm for 2018 at the below adresses.

Public Disclosure Plforatform https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1063-ray-sigorta-a-s

Company's official internet site https://www.raysigorta.com.tr/About/General/11585/2018-uyum-raporu

We, Ray Sigorta A.Ş., disclosed 40 information and document items during the period of 01.01.2019 - 31.03.2019 .

## 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**<br>**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 | **Member** |

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**<br>**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 | **Independent Member**<br>**Chairman of the Audit Committee**<br>**Chairman of the Corporate Governance Committee**<br>**Chairman of the Early Identification of Risk Committee** |

He holds degrees in Engineer for Metallurgy.

He has been in professional life since 1990 . He is still the General Manager of Voestalpine Eurostahl GmbH, Istanbul.

| Full Name | Appointed on | Position – Committees |
|---|---|---|
| **Yılmaz KORAP** | 07.08.2018 | **Independent Member**<br>**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 01.01.2019-31.03.2019 / 01.01.2018 - 31.03.2018

1) **In the three months of year 2019 and 2018 gross Premium revenue and percantage change are given below. ( TL ) ( Reinsurer's share is not deducted )**

| | 31.03.2019 | 31.03.2018 | Percantage Change |
|---|---|---|---|
| Accident | 2.147.725 | 1.955.239 | 9,84% |
| Health | 9.662.354 | 9.973.999 | -3,12% |
| Motor own Damage | 44.237.830 | 27.400.066 | 61,45% |
| Other Vehicles | 3.615.614 | 1.983.371 | 82,30% |
| Marine | 11.600.333 | 6.496.609 | 78,56% |
| Fire and Catastrophic Losses | 75.894.994 | 62.632.136 | 21,18% |
| General Losses | 42.980.747 | 44.378.196 | -3,15% |
| Third Party Liability | 75.643.648 | 73.831.830 | 2,45% |
| General Liability | 13.694.488 | 15.030.633 | -8,89% |
| Surety | 188.984 | 293.769 | -35,67% |
| Financial Losses | 2.787.175 | 1.416.271 | 96,80% |
| Legal Protection | 258.081 | 32.747 | 688,11% |
| | | | |
| **TOTAL** | **282.711.973** | **245.424.866** | **15,19%** |

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

| | 31.03.2019 | 31.03.2018 | Percantage Change |
|---|---|---|---|
| **Gross Premium** | 282.711.973 | 245.424.866 | 15.19% |
| **Reinsurer's Share** | 182.295.716 | 163.047.794 | 11.81% |
| **Net Premium** | 100.416.257 | 82.377.072 | 21.90% |

## COMPARATIVE FINANCIAL INDICATORS ( TL )

| SUMMARY OF FINANCIAL INDICATORS | 31.03.2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|
| | | | | | | |
| **Total Assets** | 1.013.065.786 | 926.672.507 | 735.353.658 | 585.045.563 | 450.401.905 | 401.476.112 |
| **Paid-In Capital** | 163.069.856 | 163.069.856 | 163.069.856 | 163.069.856 | 163.069.856 | 163.069.856 |
| **Shareholder's Equity** | 225.890.801 | 212.171.865 | 184.925.667 | 144.491.853 | 94.014.445 | 109.646.602 |
| | **31.03.2019** | **2018** | **2017** | **2016** | **2015** | **2014** |
| **Net Premium** | 100.416.257 | 419.797.619 | 290.890.278 | 260.727.471 | 212.940.008 | 170.060.755 |
| **Investment Income Transfered From Non-Technical Division** | 17.123.128 | 44.721.557 | 29.418.740 | 20.778.791 | 14.147.549 | 12.762.126 |
| **Change in Unearned Primium Reserve-Net** | 2.443.048 | -80.382.615 | -15.288.461 | -27.949.967 | -28.450.173 | -612.686 |
| **Unexpired Risk Reserves Changed-Net** | 476.831 | -2.014.693 | -473.625 | 2.846.131 | -6.782.677 | 1.891.558 |
| **Other Technical Income/Expenditure** | -5.706.969 | -7.780.906 | 1.787.816 | -4.320.585 | 1.282.718 | -11.670.129 |
| **Net Claims Paid** | -74.128.674 | -220.715.817 | -164.297.193 | -141.758.613 | -133.800.519 | -102.805.771 |
| **Change in Outstanding Claims-Net** | 665.597 | -46.677.186 | -54.020.050 | -11.156.655 | -16.624.563 | -10.242.050 |
| **Other Technical Provisions** | -1.525.157 | -4.480.605 | -2.270.839 | -2.295.762 | -1.986.948 | -1.063.998 |
| **Operating Expenses** | --22.855.267 | -79.147.919 | -60.063.143 | -43.102.666 | -52.977.956 | -50.052.986 |
| **Investment Income** | 30.607.029 | 141.996.080 | 58.621.439 | 44.021.442 | 31.380.123 | 21.345.895 |
| **Investment Expenditures** | -26.029.807 | -113.581.449 | -46.795.747 | -35.961.704 | -28.270.104 | -23.633.211 |
| **Other Expenditures/Income** | **-2.812.769** | **-12.910.873** | **-6.355.920** | **-17.382.609** | **-5.671.294** | **-3.602.767** |
| **Corporate Tax Provision and Other Fiscal Liabilities** | -4.813.498 | 10.431.663 | -9.875.432 | -7.086.896 | **0** | **0** |
| **Net Profit/Loss** | **13.859.749** | **28.391.530** | **21.277.863** | **37.358.377** | **-14.813.838** | **2.376.736** |

Full financial statement report for March 31, 2019 and previous periods are on our web site www.raysigorta.com.tr and Public Disclosurer Platform web site www.kap.org.tr