2019
HALF YEAR
INTERIM
REPORT

JANUARY 1, 2019-JUNE 30, 2019
FINANCIAL ACTIVITY
RESULTS

RAY SİGORTA
VIENNA INSURANCE GROUP

STATEMENT OF RESPONSIBILITY PURSUANT TO FINANCIAL REPORTS FOR THE PERIOD OF JANUARY 1, 2019 AND JUNE 30, 2019

RESOLUTION OF BOARD OF DIRECTORS ON APPROVAL OF FINANCIAL REPORTS

MEETING DATE : 08 / 08 / 2019

MEETING NO. : 1573

RESOLUTION NO. : 6313

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 – 30.06.2019 together with the prepared notes, which have been prepared and limited audited by KPMG 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

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 **571.627.439 TL** premiums in Six months of the year 2019.

By the end of June 30, 2019, Ray Sigorta is carrying out its activities with 260 employees in 8 Regional Directorates and a Call Centre.

At the same period, Ray Sigorta has offered its services through 1.158 agencies, 50 ABank branches, 71 Fibabank branches, 85 Brokers and 4 leasing companies. With 994 contracted automobile service stations, 530 glass service stations and 3.103 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
Phone :	0 (212) 363 25 00
Fax :	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 : 0 (216) 411 16 06
Fax : 0 (216) 411 16 19

Istanbul European Side Regional Headquarters
İstanbul Dünya Ticaret Merkezi B-1 Blok
Kat: 9 No: 319 – 320 Yeşilköy / İstanbul
Phone : 0 (212) 465 40 45
Fax : 0 (212) 465 04 75

Central Anatolian Regional Headquarters
Neorama İş Merkezi Beştepe Mah.
Yaşam Cad. Adalet Sokak No: 13/A
4.Kat No: 11
Yenimahalle / Ankara
Phone : 0 (312) 428 50 00
Fax : 0 (312) 428 50 49

İzmir (Aegean) Regional Headquarters
Halit Ziya Bulvarı No: 72 Taner İşhanı A Blok
Kat: 2 35210 İzmir
Phone : 0 (232) 483 72 46
Fax : 0 (232) 489 86 05

Bursa (Marmara) Regional Headquarters
Lefkoşe Cad. A Blok Kat: 3 No: 34 - 36
Nilüfer / Bursa
Phone : 0 (224) 211 28 27
Fax : 0 (224) 211 28 37

Adana (Southeastern Anatolian) Regional Headquarters
Cemalpaşa Mah. Atatürk Cad. Sapmaz İş Merkezi No: 48 D: 10-11
01120 Seyhan/Adana
Phone : 0 (322) 457 06 83
Fax : 0 (322) 454 77 61

Antalya (Mediterranean) Regional Headquarters
Konyaaltı Cad. Antmarin İş Merkezi No: 24
Kat: 6 07050 Konyaaltı / Antalya
Phone : 0 (242) 247 20 25
Fax : 0 (242) 247 39 59

Doğu Anadolu (Eastern Anatolia) Regional Headquarters
İsmetiye Mahallesi, Mina Sokak, Mehmet Ilıca İş Merkezi
No:1 Kat:4 Daire:30-31 44100 Battalgazi / Malatya
Phone : 0 (422) 503 11 40
Fax….. : 0 (422) 503 11 47

RAY SIGORTA: FROM THE 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 June 30, 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 subsidiary 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 transferred 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 dividend for nominal value, therefore, the Net Distributable Profit Amount will not be distributed as a dividend, it shall be transferred 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 Corporate Governance Information Form which have been arranged by our firm for 2018 at the below addresses.

Public Disclosure Platform

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 63 information and document items during the period of 01.01.2019 - 30.06.2019 .

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** **Member of Corporate Governance Committee**

Holds a Phd degree in Law.

He has held various offices within the organization of Generali Insurance at Middle 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 subsidiary 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 and 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	**11.06.201**	**Member**
		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**	**Independent Member** **Chairman of the Audit Committee** **Chairman of Corporate Governance Committee** **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** **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 01.01.2019-30.06.2019 / 01.01.2018 - 30.06.2018

1) In the six months of year 2019 and 2018 gross Premium revenue and percentage change are given below (in TL , Reinsurer's share is not deducted)

	30.06.2019	30.06.2018	Percentage Change
Accident	4.258.207	3.523.444	20,85%
Health	20.211.747	17.250.680	17,16%
Motor own Damage	102.465.206	66.986.265	52,96%
Other Vehicles	5.906.811	4.240.732	39,29%
Marine	24.949.557	15.056.720	65,70%
Fire and Catastrophic Losses	121.761.103	101.265.667	20,24%
General Losses	75.708.284	79.968.646	-5,33%
Third Party Liability	175.408.012	140.884.900	24,50%
General Liability	33.451.298	24.571.030	36,14%
Surety	519.582	556.858	-6,69%
Financial Losses	6.310.979	2.478.214	154,66%
Legal Protection	676.653	129.127	424,02%
TOTAL	**571.627.439**	**456.912.285**	**25,11%**

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

	30.06.2019	30.06.2018	Percentage Change
Gross Premium	**571.627.439**	**456.912.285**	**25.11%**
Reinsurer's Share	**333.822.602**	**277.515.763**	**20.29%**
Net Premium	**237.804.837**	**179.396.522**	**32.56%**

COMPARATIVE FINANCIAL INDICATORS (in TL)

SUMMARY OF FINANCIAL INDICATORS	30.06.2019	2018	2017	2016	2015	2014
Total Assets	1.084.878.638	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	238.454.132	212.171.865	184.925.667	144.491.853	94.014.445	109.646.602
	30.06.2019	2018	2017	2016	2015	2014
Net Premium	237.804.837	419.797.619	290.890.278	260.727.471	212.940.008	170.060.755
Investment Income Transferred From Non-Technical Division	36.554.107	44.721.557	29.418.740	20.778.791	14.147.549	12.762.126
Change in Unearned Premium Reserve-Net	-14.703.940	-80.382.615	-15.288.461	-27.949.967	-28.450.173	-612.686
Unexpired Risk Reserves Changed-Net	418.828	-2.014.693	-473.625	2.846.131	-6.782.677	1.891.558
Other Technical Income/Expenditure	-8.657.075	-7.780.906	1.787.816	-4.320.585	1.282.718	-11.670.129
Net Claims Paid	-143.932.316	-220.715.817	-164.297.193	-141.758.613	-133.800.519	-102.805.771
Change in Outstanding Claims-Net	-18.030.909	-46.677.186	-54.020.050	-11.156.655	-16.624.563	-10.242.050
Other Technical Provisions	-2.955.745	-4.480.605	-2.270.839	-2.295.762	-1.986.948	-1.063.998
Operating Expenses	--51.362.885	-79.147.919	-60.063.143	-43.102.666	-52.977.956	-50.052.986
Investment Income	62.048.978	141.996.080	58.621.439	44.021.442	31.380.123	21.345.895
Investment Expenditures	-54.928.241	-113.581.449	-46.795.747	-35.961.704	-28.270.104	-23.633.211
Other Expenditures/Income	-7.654.213	-12.910.873	-6.355.920	-17.382.609	-5.671.294	-3.602.767
Corporate Tax Provision and Other Fiscal Liabilities	-8.187.412	10.431.663	-9.875.432	-7.086.896	0	0
Net Profit/Loss	26.414.014	28.391.530	21.277.863	37.358.377	-14.813.838	2.376.736

Full financial statement report for June 30, 2019 and previous periods are on our web site www.raysigorta.com.tr and Public Disclosure Platform web site www.kap.org.tr