

TÜRKİYE VARLIK FONU AND ITS SUBSIDIARIES

**Consolidated Financial Statements As at and For the Year
Ended 31 December 2018**

Consolidated financial statements of TWF as of and for the year ended 31 December 2017 includes the consolidated financial statements of two companies (THY and BIST) where the other companies in the portfolio (Ziraat Bankası, Halkbank, Türksat, PTT, Çaykur, Etimaden, Botaş ve Türkiye Petrolleri Anonim Ortaklığı) were not consolidated and accounted as fair value through other comprehensive income financial investments. As of and for the year ended 31 December 2018, consolidated financial statements of TWF included the financial statements of all companies (THY, BIST, Ziraat Bankası, Halk Bankası, Türksat, PTT, BOTAŞ, TPAO, Eti Maden and Çaykur).

TÜRKİYE VARLIK FONU AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2018
(Expressed in millions of Turkish Lira (“TL”) unless otherwise indicated.)

	Audited	Audited
	31 December 2018	31 December 2017
ASSETS		Restated
Current Assets	499.613	24.860
Cash and Cash Equivalents	50.004	17.954
Reserve Balances at Central Bank of the Republic of Turkey	42.578	-
Financial Assets	30.629	813
Trade Receivables	21.630	2.481
-Due from Related Parties	2.047	-
-Due from Third Parties	19.583	2.481
Receivables from Financial Sector Operations	305.760	-
Other Receivables	13.287	1.204
-Due from Related Parties	228	-
-Due from Third Parties	13.059	1.204
Derivative Financial Instruments	3.216	767
Inventories	7.582	728
Prepaid Expenses	4.850	461
Current Tax Asset	471	120
Other Current Assets	18.015	332
Non-current Assets Held for Sale	1.591	-
Non-Current Assets	676.048	189.553
Financial Assets	133.309	123.959
Trade Receivables	488	-
-Due from Third Parties	488	-
Receivables from Financial Sector Operations	342.707	-
Other Receivables	14.359	2.336
-Due from Related Parties	5.172	-
-Due from Third Parties	9.187	2.336
Equity Accounted Investees	7.097	1.257
Investment Properties	4.315	1.979
Property, Plant and Equipment	143.950	49.239
Intangible Assets and Goodwill	16.451	8.888
-Goodwill	65	47
-Other Intangible Assets	16.386	8.841
Prepaid Expenses	5.729	1.888
Deferred Tax Assets	2.740	6
Other Non-Current Assets	4.903	1
Total Assets	1.175.661	214.413

TÜRKİYE VARLIK FONU AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2018
(Expressed in millions of Turkish Lira (“TL”) unless otherwise indicated.)

	Audited 31 December 2018	Audited 31 December 2017 Restated
LIABILITIES		
Short-Term Liabilities	758.494	26.548
Short-term Borrowings	10.392	5.986
Short-term Portion of Long Term Borrowings	6.680	3.707
Trade Payables	16.426	3.581
-Due to Related Parties	1.634	651
-Due to Third Parties	14.792	2.930
Payables from Financial Sector Operations	652.312	-
Other Financial Liabilities	-	907
-Due to Related Parties	-	846
-Due to Third Parties	-	61
Payables Related to Employee Benefits	1.073	771
Other Payables	10.829	333
-Due to Related Parties	274	88
-Due to Third Parties	10.555	245
Derivative Financial Instruments	2.908	481
Deferred Income	6.058	3.832
Current Tax Liabilities	2.015	77
Current Provisions	6.050	330
-Current Provisions for Employee Benefits	1.448	186
-Other Current Provisions	4.602	144
Other Current Liabilities	43.749	6.543
Liabilities Related to Assets Held for Sale	2	-
Non-Current Liabilities	209.900	32.314
Borrowings	58.332	27.684
Trade Payables	262	-
-Due to Third Parties	262	-
Payables from Financial Sector Operations	121.439	-
Other Payables	6.688	314
-Due to Related Parties	2	-
-Due to Third Parties	6.686	314
Deferred Income	1.255	160
Non-Current Provisions	9.306	512
-Non-Current Provisions for Employee Benefits	4.305	512
-Other Non-Current Provisions	5.001	-
Deferred Tax Liabilities	8.147	3.634
Other Non-Current Liabilities	4.471	10
EQUITY	207.267	155.551
Equity Attributable To Equity Holders of the Parent	177.282	144.524
Treasury Shares (-)	(21)	(21)
Common Control Transaction	650	-
Government Contribution	139.939	133.009
Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss	(307)	9.967
-Fair Value Reserve	(515)	9.984
-Actuarial Gain Arising From Employee Benefits	208	(17)
Other Comprehensive Income That Will Be Reclassified to Profit or Loss	12.254	560
-Currency Translation Reserve	15.678	239
-Gain/Loss Hedging	208	321
-Fair Value Reserve	(3.632)	-
Retained Earnings	10.915	(27)
Profit For The Year	13.852	1.036
Non-controlling Interests	29.985	11.027
	1.175.661	214.413

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TÜRKİYE VARLIK FONU AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2018

(Expressed in millions of Turkish Lira (“TL”) unless otherwise indicated.)

	Audited 1 January - 31 December 2018	Audited 1 January - 31 December 2017
CONTINUING OPERATIONS		
Revenue (net)	139.377	33.277
Cost of Sales (-)	(114.276)	(25.113)
Gross Profit from Non-Financial Operations	25.101	8.164
Interest, Premium, Commission and Other Income	107.990	-
Interest, Premium, Commission and Other Expense (-)	(83.243)	-
Gross Profit from Financial Operations	24.747	-
GROSS PROFIT	49.848	8.164
General and Administrative Expenses (-)	(14.379)	(1.186)
Sales, Marketing and Distribution Expenses (-)	(8.496)	(3.158)
Other Income from Operating Activities	63.259	795
Other Expense from Operating Activities (-)	(66.986)	(172)
Share of Profit of Equity Accounted Investees	617	377
OPERATING PROFIT	23.863	4.820
Income from Investing Activities	2.177	579
Expense from Investing Activities (-)	(386)	(5)
BEFORE FINANCE INCOME / (EXPENSES)	25.654	5.394
Finance Income	2.518	204
Finance Expenses (-)	(4.569)	(2.802)
PROFIT BEFORE TAX FROM CONTINUING	23.603	2.796
Tax Income / (Expense)	(6.487)	(561)
Current Tax Expense	(5.655)	(229)
Deferred Tax Income/ (Expense)	(832)	(332)
PROFIT FOR THE YEAR FROM CONTINUING	17.116	2.235
DISCONTINUED OPERATIONS		
Profit for the Year From Discontinued Operations	10	-
PROFIT FOR THE YEAR	17.126	2.235
Attributable to:		
-Non-controlling Interests	3.274	1.199
-Equity Holders of the Parent	13.852	1.036