

TÜRK TELEKOMÜNİKASYON A.Ş.



**INTERIM ACTIVITY REPORT AS OF 30.06.2020
BASED ON NO:II-14.1 COMMUNIQUÉ OF CAPITAL MARKETS
BOARD**

August 12, 2020

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1. OVERVIEW OF TÜRK TELEKOM

Türk Telekom, with 179 years of history, is the first integrated telecommunications operator in Turkey. In 2015, Türk Telekomünikasyon A.Ş. adopted a “customer-oriented” and integrated structure in order to respond to the rapidly changing communication and technology needs of customers in the most powerful and accurate way, while maintaining the legal entities of TT Mobil İletişim Hizmetleri A.Ş. and TTNET A.Ş. intact and adhering to the rules and regulations to which they are subject. Having a wide service network and product range in the fields of individual and corporate services, Türk Telekom unified its mobile, internet, phone and TV products and services under the single “Türk Telekom” brand as of January 2016.

“Turkey’s Multiplay Provider” Türk Telekom has 15.3 million fixed access lines, 12.2 million broadband, 3.3 million TV and 22.8 million mobile subscribers as of June 30, 2020. Türk Telekom Group Companies provide services in all 81 provinces of Turkey with 33,921 employees with the vision of introducing new technologies to Turkey and accelerating Turkey’s transformation into an information society.

Türk Telekomünikasyon A.Ş., providing PSTN and wholesale broadband services, directly owns 100% of mobile operator TT Mobil İletişim Hizmetleri A.Ş., retail internet services, IPTV, satellite TV, Web TV, Mobile TV, Smart TV services provider TTNET A.Ş., convergence technologies company Argela Yazılım ve Bilişim Teknolojileri A.Ş., IT solution provider Innova Bilişim Çözümleri A.Ş., online education software company Sebit Eğitim ve Bilgi Teknolojileri A.Ş., call center company AssisTT Rehberlik ve Müşteri Hizmetleri A.Ş., project development and corporate venture capital company TT Ventures Proje Geliştirme A.Ş, Electric Supply and Sales Company TTES Elektrik Tedarik Satış A.Ş., wholesale data and capacity service provider Türk Telekom International, provider of combined facilities support activities TT Destek Hizmetleri A.Ş and indirectly owns 100% of subsidiaries of Türk Telekom International, TV Broadcasting and VOD services provider Net Ekran Companies, telecommunications devices sales company TT Satış ve Dağıtım Hizmetleri A.Ş and payment services company TT Ödeme ve Elektronik Para Hizmetleri A.Ş. and counselling services company 11818 Rehberlik ve Müşteri Hizmetleri A.Ş.

2. CORPORATE STRUCTURE

Ownership Structure

| Group | Shareholder | Paid-in Capital Amount (TL) | Share (%) |
|--------------|---|-----------------------------|------------|
| A | LYY Telekomünikasyon A.Ş. | 1,925,000,000.00 | 55 |
| B | Republic of Turkey Ministry of Treasury and Finance | 875,011,884.975 | 25 |
| C | Republic of Turkey Ministry of Treasury and Finance | 0.01 | |
| B | Turkey Wealth Fund | 174,988,115.015 | 5 |
| D | Free Float | 525,000,000.00 | 15 |
| Total | | 3,500,000,000.00 | 100 |

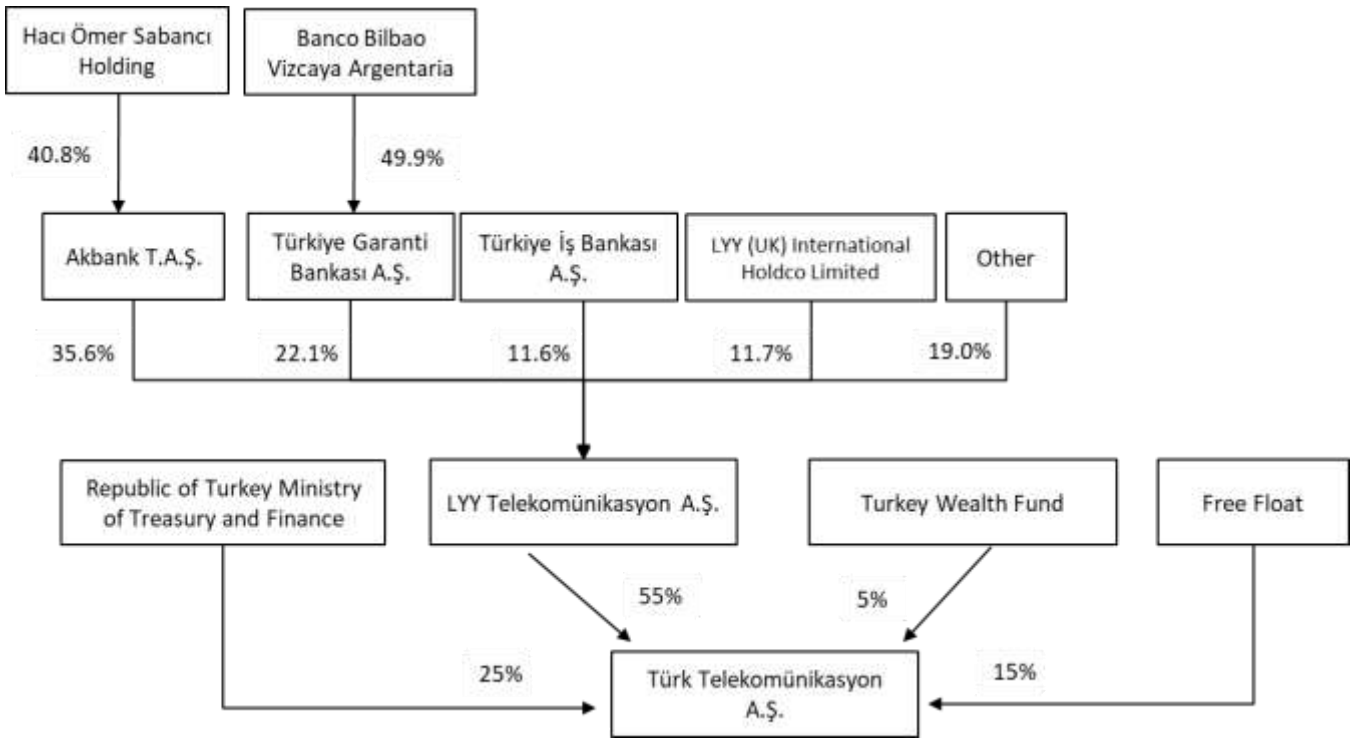
Note: According to the Official Gazette on February 5, 2017, the Council of Ministers decided to transfer the 6.68% stake (5% B Group shares and 1.68% D Group shares) of the Company belonging to the Turkish Treasury to the Turkey Wealth Fund. The transaction was completed in 2017.

The Türk Telekom Shareholders' Agreement and the Articles of Association further state that the Turkish Treasury owns a "golden share" (Class C share). The "golden share" is entitled to nominate a Board Member and has the below rights as per article 6 of the Articles of Association;

"In order to protect Turkey's national interests relating to national security and the economy, the Class C share's positive vote is required for the following matters regardless of the voting result in the Board or General Assembly, otherwise accepted as null and void;

- a) Any proposed amendments to the Articles of Association;
- b) The transfer of any of the Company's registered shares which would result in a change in management control;
- c) The registration of any transfer of the Company's registered shares in the shareholder ledger.

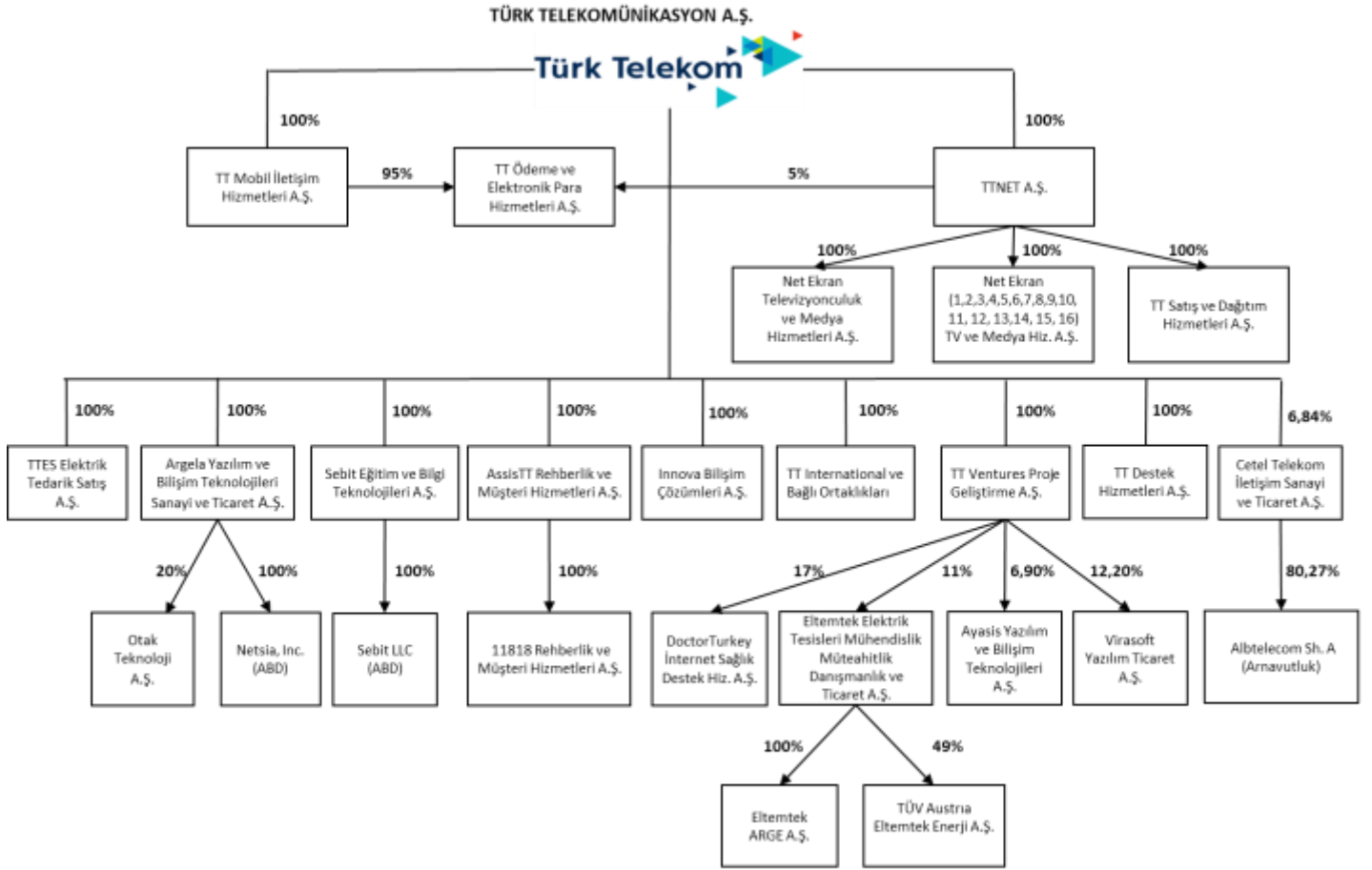
Natural and legal persons owning over 5% of our Company shares, directly or indirectly are stated below:



Note: 1) There are no natural or legal persons whose shareholding exceeds 5% except those shown in the shareholder structure.

2) Turkey Wealth Fund has 1.68% public share ownership.

- Subsidiaries and financial investments:



Note: "Net Ekran 5, 7, 8, 9, 12, 13, 14, 15, 16", which no longer need to operate within the scope of our Company's TV strategy, have been placed into voluntary liquidation.

Management and Organization

Board of Directors

| | |
|---------------------------|--|
| Dr. Ömer Fatih Sayan | Chairman of the Board of Directors and Member of the Board of Directors |
| Eyüp Engin | Vice Chairman of the Board of Directors and Member of the Board of Directors |
| Yiğit Bulut | Independent Member of the Board of Directors |
| Can Yücel | Member of the Board of Directors |
| Selim Dursun | Independent Member of the Board of Directors |
| Dr. Nureddin Nebati | Independent Member of the Board of Directors |
| Dr. Muammer Cüneyt Sezgin | Member of the Board of Directors |
| Aclan Acar | Member of the Board of Directors |
| Ertuğrul Altın | Member of the Board of Directors |

Senior Management

| | |
|--------------------|---|
| Ümit Önal | CEO - General Manager |
| | Marketing and Customer Care Assistant General Manager (Acting) |
| Kaan Aktan | Finance Assistant General Manager |
| Dr. Mehmet Beytur | Support Services and Procurement Management Assistant General Manager |
| İsmail Bütün | Consumer Sales Assistant General Manager |
| Mustafa Eser | Corporate Sales Assistant General Manager |
| Ali Gürsoy | Head of Enterprise Risk and Business Continuity |
| Bariş Karakullukçu | Strategy, Planning and Digital Assistant General Manager |
| Yusuf Kırac | Technology Assistant General Manager |
| Yavuz Türkmen | Head of Internal Audit |
| Mehmet Emre Vural | Human Resources Assistant General Manager |
| Uğur Nabi Yalçın | Legal and Regulation Assistant General Manager |
| Yavuz Yıldırım | Wholesale Assistant General Manager |

3. SIGNIFICANT BOARD RESOLUTIONS

Significant Board Resolutions taken during the period are presented under Material Issues During the Period section.

4. PERSONNEL MOVEMENTS

Consolidated headcount as of the 30.06.2020 and 31.12.2019 are 33,921 and 32,180 respectively.

5. FINANCIAL RISK MANAGEMENT

The Türk Telekom Group is exposed to financial risks such as liquidity risk, currency risk, interest rate risk and counterparty risk.

Within the framework of the strategy to minimize liquidity risk, financing is raised from different regions (The Americas, Europe, the Gulf, Japan, China, and Turkey) and a diversified pool of investor groups (commercial banks, international financial institutions, official export credit agencies and bonds) with long-term maturities. This strategy allows the Group to have access to long-term financing on competitive terms, by eliminating any dependence on a single geographical region and investor group.

With regard to the Eurobonds issued by Türk Telekom, the Group actively monitors the price and yield dynamics of these bonds, which are tradable instruments in the secondary markets, in order to formulate optimum cash management strategies on a total return and cost basis.

As a result of long-term credit terms for investments and diversified funding sources, Türk Telekom carries liabilities in foreign currency. Due to the net liabilities being denominated in foreign currency and the fluctuations in foreign exchange rates, the company may be exposed to currency risk, which may have an impact on its financial statements.

By planning foreign currency cash flow, Türk Telekom can minimize the negative impact of currency risk on its financial statements. With respect to the fluctuations in the value of the TL against hard currencies, the Company has a hedge position of USD 1.706 billion, details of which are provided in the footnotes to its financial statements. In addition, Türk Telekom holds a significant portion of its cash assets in hard currency as a natural hedge against currency risk. Efforts continue to convert the supply contracts into TL to manage the currency risk driven by investment expenses. While 88% of the total value of major supply contracts concluded in 2016 was in foreign currency, only 28% of the total value of the contracts signed as of 2020 Q2 was in foreign currency.

In addition to the aforementioned derivative instruments, for management of the interest rate risk, Türk Telekom entered an interest-rate swap position equivalent to USD 450 million, details of which are provided in the footnotes to the financial statements. Together with the use of fixed interest funds such as bonds, Türk Telekom reduces its exposure to the floating interest rate risk.

With regard to its financial assets, Türk Telekom maintains a position to minimize counterparty risk in accordance with the framework of the limits and diversification policy applied to the other parties. Türk Telekom carries out the hedge transactions regarding financial risks within the framework of the guidance and authorizations set by the Board of Directors.

6. MATERIAL ISSUES DURING THE PERIOD

16 April 2020 dated Regulatory Disclosure – Organizational Changes

Mustafa Eser, who serves as the “Public Sales Director” in our Company, has been appointed as the “Assistant General Manager of Corporate Sales”.

Our Company’s “Assistant General Manager of Consumer Sales” Burak Ersoy has left his position. İsmail Bütün, who serves as “Assistant General Manager of Commercial Operations” in our Group Company TT International, has been appointed as “Assistant General Manager of Consumer Sales” effective as of May 1, 2020.

Mustafa Eser

Mustafa Eser graduated from the Department of Physics of Hacettepe University in 1996. Between 1996 and 1998, he conducted his master’s degree studies at the University of Cologne and Heinrich Heine University in Düsseldorf. Since 1998, he has been taking part in Information and Education sectors as an entrepreneur and a manager. Between 2007 and 2014, he worked at Türksat A.Ş as Director. Between 2014 and 2017, he worked as the Manager responsible from Public Sector Relations and Regulation at Digitürk. Since May 2017, he has served as the Public Sales Director at Türk Telekom. Furthermore, he is the president of the basketball branch of Türk Telekom Sports Club. Mustafa Eser is married and has three children.

İsmail Bütün

Upon graduating from Business Administration Department of Boğaziçi University in 1996, Mr. İsmail Bütün started his Professional career at Çuhadaroğlu Holding Moscow Office. Between 1997 and 2000, Mr. Bütün worked at Enka Group within Foreign Trade department in Moscow as Sales and Business Development Manager. After joining the marketing team of Nestle Turkey in 2000, he worked at Nestle as CPW Turkey Country Manager, Regional Marketing Director for Central Asia based in Uzbekistan, Marketing Director and as Head of National Key Accounts for Nestle Turkey respectively. After 2011, he served at Nestle’s Global Headquarters in Switzerland, first as Business Excellence Manager at the Global Customer and Sales Management Unit and then he led global marketing projects as Marketing Manager at the Beverages (NESCAFE) Strategic Business Unit. Mr. Bütün returned to Turkey in 2015 and was appointed as the General Manager of Nestle Turkey Beverages Group and also as a Board Member of Nestle Turkey.

In January 2016, he joined Turkcell as Senior Vice President of Retail Sales responsible from consumer sales and was also appointed as an Executive Committee Member. Between July 2016 and January 2019, he served as the Chief Marketing Officer and Executive Committee Member. In January 2020, Mr. Bütün joined Türk Telekom International as Chief Commercial Officer.

He completed “New Frontiers” Program’ at MIT (Massachusetts Institute of Technology) in 2017; and “Innovative Marketing for Strategic Advantage’ program at Stanford University in 2018.

17 April 2020 dated Regulatory Disclosure – 2020 1st Quarter Financial Calendar

Our Company's financial reports for 01.01.2020 – 31.03.2020 accounting period are planned to be disclosed to public on 13.05.2020.

13 May 2020 dated Regulatory Disclosure - Guidance Revision for 2020 Consolidated Financial Results

In the first quarter of 2020, we recorded strong financial and operational results.

The Covid-19 outbreak that is declared by the World Health Organization to be pandemic on 11 March 2020 has effects on the global economy and consumer habits. On the positive side, we have observed a strong performance in the fixed segment with the support of increasing the internet demand during this period. However, we prefer a cautious approach, even though the gradual ease of precautions regarding the outbreak is positive in terms of reducing risks. Within this scope, we are slightly revising down our revenue guidance for 2020, incorporating overall risk factors.

We are increasing our EBITDA guidance upwards reflecting the favorable change in product mix in sales along with disciplined opex management.

The capacity to provide high speed will be even more critical in the coming period due to remote working and distance education models. Accordingly, on our country-wide network, we decided to advance some of our fiber investments with fast returns. Also incorporating the FX movements, we have revised our CAPEX guidance upwards.

Accordingly, under current circumstances, guidance for 2020 is as below:

- Consolidated revenue growth (excluding IFRIC 12) to be around 13% over 2019
- Consolidated EBITDA to be at TL 12.4 billion - TL 12.6 billion level
- Consolidated CAPEX to be around TL 6.4 billion

28 May 2020 dated Regulatory Disclosure - Process Cancellation for 2019 Profit Distribution

Pursuant to decision of our Company's Board of Directors dated 30 March 2020, it was announced that 2019 Ordinary General Assembly Meeting to be held on 31 March 2020 was cancelled to be made at a later date, within the framework of the recommendations for the measures to be taken to prevent the spread of the COVID-19 (Coronavirus) pandemic in our country. Since the dividend distribution is subject to the approval of the General Assembly, it is not possible to implement the dividend distribution date included in the Board of Directors’ dividend distribution proposal, which was announced on the Public Disclosure Platform on 03 March 2020. The decision to be taken by our Board of Directors regarding the Annual General Assembly date will be disclosed with the public through the Public Disclosure Platform promptly.

01 June 2020 Regulatory Disclosure - Board Member Change

Mr. Hakan Aran member of the Board of Directors of our Company has resigned from all his duties in our Company.

Pursuant to Article 363 of the Turkish Commercial Code, Mr. Can Yücel, who has been nominated by the Group A shareholder, has been appointed to the board membership position, which became vacant due to Mr. Hakan Aran’s resignation, for the remaining office term of his predecessor.

The aforesaid appointment shall be presented to the approval of the General Assembly of our Company at the first General Assembly Meeting to be held.

Can Yücel

Can Yücel was born in Ankara in 1978 and graduated from Middle East Technical University with a bachelors degree in Economics in 1999. He started his business life as an auditor in T. İş Bankası A.Ş. and in his 20 years of service for İş Bankası, he mainly worked on monitoring, underwriting and project finance in the Corporate Loans Department of the Bank. He also served as a member of Board of Directors in several subsidiaries of İş Bankası and following his duty as the department head in Corporate Loans Underwriting Division, he's currently heading Başkent Corporate Branch in Ankara. Can Yücel is married and he is fluent in English.

02 June 2020 dated Regulatory Disclosure – Long Term Loan Agreement

Türk Telekom plans to fully integrate the universal principles of sustainability into its business model, strategies and corporate decisions with its sustainability approach. Our Company implements many projects and initiatives including energy efficiency projects designed in this direction in close cooperation with its stakeholders.

In this scope, our Company signed a long-term loan agreement with European Bank for Reconstruction and Development (EBRD) in order to finance our Company's capital expenditures within sustainability scope, which includes primarily energy efficiency projects. The amount of the facility is USD 100 million with an all-in cost of "LIBOR + 2.85%". The maturity is 6 years and the principal of the facility will be paid at once at the maturity.

30 June 2020 dated Regulatory Disclosure – Corporate Governance Committee Member Resignation

Sabriye Gözde Çullas, Corporate Governance Committee Member and Investor Relations Director, who works within the scope of the Corporate Governance Communiqué (II-17.1) of Capital Markets Board (CMB), has decided to resign from all her duties in our Company.

7. MATERIAL ISSUES AFTER THE END OF THE PERIOD

03 July 2020 dated Regulatory Disclosure - Board of Directors' Resolution for Profit Distribution

The Board of Directors of Türk Telekomünikasyon A.Ş. (the "Company") has resolved on the following, pursuant to Article 390/4 of the Turkish Commercial Code, to be decided on our Company's Ordinary General Assembly Meeting pertaining to the fiscal year 2019, that;

It was provided pursuant to Temporary Article 13 added to the Turkish Commercial Code No: 6102 with the Law No: 7244 published in the Official Gazette dated 17.04.2020 and numbered 31102 that, the capital companies are allowed to decide to distribute maximum twenty-five percent of their 2019 net profits and the profits of previous year and legal reserves cannot be subject to distribution.

Accordingly, the proposal with regard to the distribution of the year 2019 which was decided by the Company's Board of Directors and announced to the public on 03.03.2020 was required to be updated.

In this respect, it has been resolved that;

The decision of our Company's Board of Directors dated 03.03.2020 and numbered 31 pertaining to the distribution of 2019 year profit, shall be cancelled.

In order to be decided on the Company's Ordinary General Assembly Meeting pertaining to the fiscal year 2019, the following proposal in relation to distribution of the profit generated in 2019 shall be submitted to the Company's General Assembly;

1. The 2018 fiscal year's loss under the Company's legal records, amounting of TL 1,974,932,690.14, shall be deducted from the prior fiscal years' profits which have been allocated from net profits between the fiscal years of 2016 and 2017 and which includes no exemption of income. (TL 1,236,552,902.19 shall be deducted from 2017 year profit, TL 738,379,787.95 shall be deducted from 2016 year profit)

2. The Company's net profit calculated according the independently audited consolidated financial tables prepared in accordance with the provisions of "Capital Markets Board Communique About Financial Reporting in Capital Markets No.II-14.1" is TL 2,406,783,000 and the commercial profit calculated within the scope of the provisions of Turkish Commercial Code and Tax Procedure Law is TL 938,813,353.36, for the fiscal year of 2019.

3. Pursuant to the CMB Communique on Dividends No: II-19.1, the profit after tax amount of TL 2,406,783,000.00 shall be the base amount for dividend distribution.

4. Since the Company already reached the general legal reserve limit in accordance with Article 519 of Turkish Commercial Code, this reserve is not required for 2019;

5. The base for the first dividend shall be TL 2,443,250,085.41 (Pursuant to the Capital Markets Board regulations, this amount is calculated by adding the donation amount in 2019, which is TL 36,467,085.41 to the net distributable profit of 2019, which is TL 2,406,783,000.00.)

6. Accordingly,

a. TL 488,650,017.08 which corresponds to the 20% of TL 2,443,250,085.41 (the first dividend base) shall be distributed to the shareholders as first cash dividend;

b. TL 112,999,982.92 shall be distributed to the shareholders as second cash dividend;

c. The general legal reserves of TL 42,665,000.00 (calculated as 1/10 of the profits to be distributed after 5% of paid in capital is deducted from it pursuant to the CMB regulations.) shall be set aside from the remaining part of the net distributable profit;

d. TL 1,762,468,000.00 which is the remaining of the 2019 year's distributable profit after the cash dividend distribution shall be regarded as prior year's profit and set aside within the Company, in case the amount which is set aside as 2019 fiscal year's profit is subject to redistribution, the withholding tax deductions shall be applicable on such amount.

As a result;

e. A total gross amount of TL 601,650,000.00 which corresponds to approximately 25% of the Company's net distributable profit pertaining to year 2019 shall be distributed from 2019 net year profit, the withholding tax deductions shall be applicable within the scope of relevant regulations on the distribution date.

f. 0.17190 Kuruş (17.19%) gross cash dividend per each share worth for 1 Kuruş nominally shall be distributed to our shareholders and total gross cash dividend distribution amount shall be TL 601,650,000.00.

7. The distribution of the cash dividends to our shareholders shall begin on 28.07.2020.

03 July 2020 dated Regulatory Disclosure - 2019 Ordinary General Assembly Meeting

Our Board of Directors has resolved that our Company's Ordinary General Assembly Meeting for the year 2019 shall be held at the address of Türk Telekomünikasyon A.Ş. Head Quarters The Cultural Center, Turgut Özal Bulvarı 06103 Aydınlikevler, Ankara and by electronic means on 25.07.2020 at 11:00 a.m. and in order to discuss the attached agenda items. Agenda, invitation letter, proxy sample and information note for the 2019 ordinary general assembly meeting are attached.

16 July 2020 dated Regulatory Disclosure – 2020 2nd Quarter Financial Calendar

Our Company's financial reports for 01.04.2020 – 30.06.2020 accounting period are planned to be disclosed to public on 12.08.2020.

25 July 2020 dated Regulatory Disclosure - 2019 Ordinary General Assembly Meeting Result

Ordinary General Assembly Meeting was held. Minutes and List of Attendees shared via following link.

<https://www.kap.org.tr/en/Bildirim/861910>

25 July 2020 dated Regulatory Disclosure - Ordinary General Assembly Decision for Profit Distribution

The matters regarding dividend distribution announced on the Public Disclosure Platform dated 03 July 2020 were discussed and approved at the General Assembly Meeting of our Company held on 25 July 2020. The distribution of the cash dividends to our shareholders shall begin on 28.07.2020.

25 July 2020 dated Regulatory Disclosure - Appointment of Independent Audit Firm

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (KPMG) has been selected as Audit Company on 25.07.2020 dated Ordinary General Assembly for the audit of our Company for the accounting period of 2020.

6 August 2020 dated Regulatory Disclosure - The registration of 2019 Ordinary General Assembly Meeting Results

The resolutions taken at our Company's 2019 Ordinary General Assembly Meeting held on July 25, 2020 have been registered by Ankara Trade Registry Office on August 5, 2020 and published on the Turkish Trade Registry Gazette on August 6, 2020.

6 August 2020 dated Regulatory Disclosure - Registration of Independent Auditor Selection

The general assembly resolution dated July 25, 2020 on the selection of KPMG Bağımsız Denetim ve Serbest Mali Müşavirlik A.Ş. for the audit of the accounts of our Company for the accounting period of 2020 has been registered by Ankara Trade Registry Office on August 5, 2020 and published on the Turkish Trade Registry Gazette on August 6, 2020.

8. SUMMARY FINANCIAL RESULTS

Summary Türk Telekom Consolidated Balance Sheet as of 31.12.2019 and 30.06.2020

| TL millions | 31.12.2019 | 30.06.2020 |
|--|---------------|---------------|
| Cash and Cash Equivalents | 4,946 | 5,183 |
| Tangible Assets ^(a) | 14,727 | 14,389 |
| Intangible Assets | 10,328 | 10,866 |
| Right of Use Assets | 1,366 | 1,416 |
| Other Assets ^(b) | 8,543 | 9,997 |
| Total Assets | 39,909 | 41,852 |
| Share Capital | 3,260 | 3,260 |
| Reserves, Retained Earnings and Other Equity Items | 6,183 | 7,450 |
| Interest Bearing Liabilities ^(c) | 20,783 | 22,218 |
| <i>Bank Borrowings and Bonds</i> | 19,642 | 20,979 |
| <i>Lease Liabilities</i> | 1,141 | 1,238 |
| Other Liabilities ^(d) | 9,683 | 8,924 |
| Total Equity and Liabilities | 39,909 | 41,852 |

(a) Tangible assets include property, building or plant and equipment and investment property

(b) Major items within other assets are trade receivables, due from related parties, inventories, deferred tax asset and other current assets

(c) Includes short-term and long-term borrowings and lease obligations

(d) Major items within other liabilities are deferred tax liability, trade payables, provisions, income tax payable, due to related parties, other current liabilities, provisions for employee termination benefits

IFRS 16 Adoption

Türk Telekom adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. At transition to this standard, lease liabilities were measured at the present value of the remaining lease payments, whereas the right-of-use assets for most leases were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. The previous periods were not restated. Reconciliation of IFRS 16 change on 2019 quarterly financials are available at financial footnotes and IFRS 16 Reconciliation tab of "Summary Financial and Operational Information" file at www.ttinvestorrelations.com.

Summary Türk Telekom Consolidated Income Statement for the periods of 2019 Q2 and 2020 Q2

| TL millions | 2019 Q2 | 2020 Q2 |
|--|--------------|--------------|
| Revenues | 5,760 | 6,969 |
| EBITDA | 2,681 | 3,237 |
| <i>Margin</i> | 46.5% | 46.4% |
| Operating Profit ^(a) | 1,510 | 1,934 |
| <i>Margin</i> | 26.2% | 27.7% |
| Financial Income/(Expense), net^(b) | -999 | -703 |
| FX & Hedging Gain/(Loss), net | -427 | -127 |
| Interest Income/(Expense), net | -464 | -509 |
| Other Financial Income/(Expense), net | -108 | -68 |
| Tax Expense | -77 | -250 |
| Net Income | 435 | 980 |
| <i>Margin</i> | 7.5% | 14.1% |

(a) Operating profit includes revenues, cost of sales, depreciation, amortization and impairment expenses, marketing, sales and distribution expenses, general administrative expenses, research and development expenses, other operating income/(expense), and income/(expense) from investing activities, but excludes financial income/(expense) presented in other operating income/(expense) on CMB financial statements (i.e. FX gain/(loss), interest and rediscount income/(expense) on current accounts excluding bank borrowings).

(b) Net financial income/(expense) includes financial income/(expense) and FX gain/(loss), interest and discount income/(expense) on current accounts excluding bank borrowings which are presented in other operating income/(expense) on CMB financial statements.

9. SUBSEQUENT EVENTS

In Ordinary General Assembly meeting held on 25 July 2020, it has been decided by unanimous vote that TL 601,650,000 total gross cash dividend (0.1719 Kuruş (17.19%) per each share with a nominal value of 1 Kuruş) shall be distributed to shareholders. The cash dividends to shareholders was paid.