SABANCI

HACI ÖMER SABANCI HOLDİNG A.Ş.

ANNUAL REPORT 2014

We expect the Turkish economy to perform better in 2015 than in the prior year, with growth ticking up to the 3.0-3.5% range while the current account deficit declines to US$ 35 billion, down from US$ 45 billion in 2014.

Sabancı Group is proud to have served as an engine of Turkey's economy for so many years.

With financial services, energy, cement, retail and industry as our primary sectors of operation, Sabancı Group companies continued to be the outstanding leaders in their respective industries in 2014.

"Portfolio diversification into sectors with high growth potential..."

Having a strong reputation in the eyes of shareholders, Sabancı Holding administers corporate social responsibility projects in various fields within the scope of the Corporate Social Responsibility Policy and Principles it has adopted.

THE SABANCI GROUP IN BRIEF

In 2014, the consolidated revenue of Sabancı Holding was TL 27.4 billion with operating profit of TL 5.1 billion. The Sabancı Family is collectively Sabancı Holding's major shareholder with 57.7% of the share capital. Sabancı Holding shares are traded on the Borsa Istanbul with a free float of 40.1%, the largest float percentage among holding companies. Depository receipts are quoted on the SEAQ International and PORTAL.

Sabancı Holding is the parent company of Sabancı Group, Turkey's leading industrial and financial conglomerate. Sabancı Group companies are market leaders in their respective sectors that include financial services, energy, cement, retail and industrials. Listed on the Borsa Istanbul (BIST), Sabancı Holding has controlling interests in 12 companies that are also listed on the BIST.

Sabancı Group companies currently operate in 16 countries and market their products in regions across Europe, the Middle East, Asia, North Africa, North and South America. Having generated significant value and know-how in Turkey, Sabancı Holding has experienced remarkable growth in its core businesses. The Holding's reputation, brand image and strong joint ventures helped further extend its operations into the global market. Sabancı Holding's multinational business partners include such prominent companies as Ageas, Aviva, Bridgestone, Carrefour, Citi, E.ON, Heidelberg Cement and Philip Morris.

In addition to coordination of finance, strategy, business development and human resource functions, Sabancı Holding determines the Group's vision and strategies.

In 2014, the consolidated revenue of Sabancı Holding was TL 27.4 billion (US$ 12.5 billion) with operating profit of TL 5.1 billion (US$ 2.3 billion). The Sabancı Family is collectively Sabancı Holding's major shareholder with 57.7% of the share capital. Sabancı Holding shares are traded on the Borsa Istanbul with a free float of 40.1%, the largest float percentage among holding companies. Depository receipts are quoted on the SEAQ International and PORTAL.

WE ARE EFFECTIVELY UTILIZING OUR ASSETS IN GROWTH SECTORS

In order to maintain strong growth, Sabancı Holding continues to actively manage its company portfolio.

Banking:
- Akbank continued to grow while maintaining high asset quality in 2014.

Energy:
- Enerjisa made significant improvements in service quality and efficiency by taking the five years of experience it has gained in the Başkent region to AYEDAŞ and the Toroslar distribution regions that the company acquired in 2013.
- Enerjisa's hydroelectric power stations with total installed capacity of more than 350 MW were commissioned in 2014. Enerjisa maintained leadership among free electricity producers with the highest level of installed capacity.

Cement:
- In 2014, Afyon Cement, which was acquired by Çimsa, announced a new factory investment with a 1.5 million ton clinker capacity.

Retail and Insurance:
- After the transfer of Carrefoursa's majority shares to Sabancı Holding in July 2013, Sabancı took over the company's management. 2014 was a year of transformation for Carrefoursa: new store formats were developed and more than 200 new stores opened. The infrastructure necessary to achieve rapid growth was built.
- Teknosa maintained market leadership among technology retailers with a market share of 35%.
- Avivasa shares were offered to the public, resulting in a total market capitalization of TL 1.7 billion in November 2014. Avivasa's IPO was the biggest public offering on the BIST in 2014.
- Avivasa increased its private pension fund size by 42% during the year.
- Aksigorta channeled resources to high profit margin products and increased its market share with 12% growth in total premium production.

Industry:
- Brisa plans to build a second factory in the Aksaray Organized Industrial Zone, in order to increase the company's existing production capacity by 30% with a US$ 300 million investment.
- As part of a total US$ 100 million investment in Indonesia, Kordsa Global acquired a cord fabric factory with an 18 kiloton capacity and a third and fourth generation polyester HMLS yarn fabric factory with a 14 kiloton capacity.
- Kordsa Global generated US$ 40 million in turnover from 14 new products developed in its R&D center in Izmit after stepping up the company's R&D projects.
- Additionally, in order to develop more projects that will deliver strategic products in construction and composites, Kordsa Global laid the foundation of the Composite Technologies Excellence Center in 2014, a TL 65 million investment made in collaboration with Sabancı University.

WE TRUST OUR BROAD CUSTOMER BASE

Putting great effort into understanding the needs of customers quickly and accurately, Sabancı Group companies develop products and services that respond to these needs. Establishing solid, long-term customer relationships, the companies of the Sabancı Group reach a broad base of customers.

Company	Customer Base	Distribution Channel
Akbank	Over 13 million customers	Nearly 1,000 branches
Teknosa	101 million visitors annually	291 stores in 81 provinces
Carrefoursa	100 million customers annually	333 hyper and supermarkets
Avivasa	Over 2 million pension and life insurance customers	1,000 financial consultants and branch insurance managers
Aksigorta	3.7 million policies annually	Over 2,000 agents and 69 bancassurance channels
Brisa	3 million customers	1,037 branded sales points
Enerjisa	9 million customers and 20 million end-users in electricity distribution	14 provinces

WE ARE WORKING TOWARDS A SUSTAINABLE FUTURE

Holding:
- Sabancı Holding signed the UN Global Compact in 2007 and the UN Women's Empowerment Principles in 2011, with which it complies in all facets of its operations.

Banking:
- Akbank is the first deposit bank in Turkey to issue a sustainability report.
- The Bank published its fifth Sustainability Report in 2014.

Energy:

- As of year-end 2014, Enerjisa increased the share of renewable energy sources in the company's installed capacity to 53%, up from 46% a year earlier.
- Carbon emission credits obtained through renewable energy plants are provided to the voluntary carbon markets.
- Electricity distribution investments and operations with a focus on efficiency and technology help the energy industry to achieve sustainable growth.
- To date, 190,000 students in 280 schools were reached with informational lectures on the importance of energy efficiency.

Cement:

- Çimsa published a sustainability report that includes the company's 2013 sustainability performance, at GRI G4 Base Level on December 30, 2014.
- With the aim of launching new productivity initiatives in 2015, Akçansa published its third sustainability report in compliance with GRI G4 principles. The company also signed the UN Global Principles Agreement, which provides universal principles with an innovative corporate responsibility approach.
- In 2014, the report results of the Carbon Disclosure Project (CDP) – the world's most prestigious and widespread environmental initiative – demonstrated that Akçansa was one of the leading companies in Turkey with its voluntary participation in the CDP once again, for the fourth consecutive year. This year, Akçansa ranked among the most transparent enterprises with a score of 76.
- With operations that use alternative fuels and raw materials and that play a significant role in the protection of the environment and natural resources, Akçansa is a pioneer in Turkey. In 2014, Akçansa increased the company's alternative fuel utilization ratio by 23%.
- Çimsa Kayseri Factory was presented with an award from the Occupational Health and Safety Performance Awards.

Retail and Insurance:

- Since 2003, Teknosa has helped recycle waste in collaboration with Exitcom, by collecting consumer electronic waste and batteries in waste stations located in Teknosa retail stores or by collecting waste from the homes of consumers free of charge. As part of this initiative, Teknosa has pioneered in recycling many tons of electronic waste and thousands of kilos of batteries to date. In 2014 alone, the company helped recycle more than 11 tons of electronic waste and around 10 tons of batteries.
- In 2014, Carrefoursa disclosed that it had generated 2,849 tons in private brand packaging waste. The obligation to recycle 1,253 tons of this packaging waste was transferred to an authorized organization, ÇEVKO (Environmental Protection and Packaging Waste Recovery and Recycling Trust).
- With the vegetable waste oil collection project it launched under the "Clean Environment, Non-Disabled Life" project, Carrefoursa collected 23 tons of waste oil in 2014.
- In 2014, Aksigorta relocated to a new headquarters facility, which was designed to minimize lighting, heating, cooling, electricity and water consumption. Environmentally friendly products were used throughout the construction and in the decor of the building, which also includes special applications to increase recycling.

Industry:

- Brisa published a second sustainability report at a GRI A level.
- Yünsa was the first textile company in Turkey to report carbon emission measurements under the Carbon Disclosure Project (CDP). The company continues to report its carbon emissions each year pursuant to the CDP.
- Kordsa Global swiftly carried out energy-efficient product initiatives and all the company's new product development projects aim to reduce waste, chemical consumption and harmful emissions.
- In 2014, Kordsa Global signed the United Nations Global Compact Agreement.
- Temsa achieved lower carbon emissions by switching over to high-additive chemicals in its paint processes.

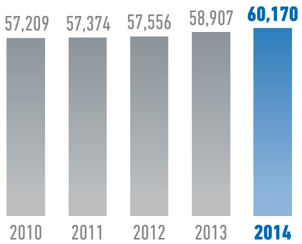
TRAINING PROGRAMS

The annual average training received per employee within Group companies was 40 hours in 2014. Sixty-three high-level executives acted as mentors in the new leader development program.

A DEDICATED TEAM

The average seniority of Group employees was six years in 2014.

SABANCI GROUP NUMBER OF EMPLOYEES



WE PROSPER WITH OUR EXPERIENCED, VALUE-ADDING AND DEDICATED TEAM

LETTER FROM THE CHAIRMAN

We left behind a successful year in which we grew, while also increasing our profitability and attaining our targets in every business we operate. In addition to creating sustainable advantage through differentiation, we have achieved competitive, innovative and sustainable growth.

Güler Sabancı
Chairman and Managing Director

Esteemed shareholders and business partners, Dear employees:

Sabancı Group is proud to have served as an engine of the Turkish economy for so many years. In accordance with our vision of “creating sustainable advantage through differentiation,” we are striving to create value for our stakeholders and for Turkey.

We left behind a successful year in which we grew, while also increasing our profitability and attaining our targets in every business we operate. In addition to creating sustainable advantage through differentiation, we have achieved competitive, innovative and sustainable growth.

As we enter 2015, we first need to conduct a comprehensive analysis of the global economic environment. It is apparent that the wounds of the great recession of 2008 have not yet fully healed across the world. However, growth is forecasted to have picked up slightly from the previous year. Low oil prices are expected to continue in 2015. This will have a major beneficial impact on Japan, the Euro zone and China. Undoubtedly, Turkey will also benefit greatly from low oil prices. However, we need to be cognizant of the repercussions of falling oil prices. The declining incomes of oil-exporting countries correspond to withdrawal of more than US$ 100 billion from the global financial system.

China, which has had a very large and broad impact on global economic growth, has also been slowing down recently. The precipitous drop in oil prices is also due in great part to this deceleration. China’s annual growth rate is declining from 8% to 6-7%. While this may look like a great growth performance in isolation, the effects of this major deceleration compared to the stratospheric growth rates of previous years, especially in the largest economy in the world, are being felt very noticeably.

In response to the economic difficulties being experienced on a global scale, the Turkish economy has been growing by between 2.5% and 3% during the last few years. Unfortunately, this performance is significantly below our need and our potential.

2015 will be a “year of transition” toward a more stable period when no elections are due. To that end, the year of transition promises to be full of opportunities due to continued low oil price forecasts as well as the anticipated steps to finally implement the long-term reforms.

Turkey’s G20 presidency and the B20 meetings to be held in Turkey are of utmost importance both for the country and for the global corporate world. We believe that Turkey will display a major leadership vision in 2015 with the initiative and policies it implements. Sabancı Group will carry out its duties with the conviction that hosting G20/B20 is a great opportunity for promoting Turkey.

Resolving the recent slowdown in EU-Turkey ties and undertaking the necessary initiatives to improve the relations will be among our top agenda items in 2015. Accelerating the process for Turkey’s full membership into the EU will raise Turkey to the position it deserves.

Last but not least, I would like to emphasize that Sabancı Group’s most important “resource” is technological advancement. Innovation, state-of-the-art technology and sustainability have become three inseparable concepts that no company that wishes to succeed and remain on top in global commerce can deviate from. We have to conduct our business under the guidance of these three concepts in order to stand out in the industries we operate. In recent years, we have been witnessing a brand new world where business and social life are utterly dominated by smart phones, practical applications and digital devices. We are learning to keep pace with this new world and to take action quickly in an attempt to meet changing expectations. This is perhaps the most important test for corporations and institutions in today’s world. Passing this test successfully is the only way for us to identify needs correctly, to develop ideas and products that will create value in our lives, to offer new business models and solutions, and to leave behind a habitable planet for the future generations. At this juncture, we also need to highlight the importance of the human factor. Organizations that see human capital as their most valuable asset and place the human factor as their focal point adapt to change more easily and turn all of their business processes into success stories. Sabancı Group is proud to be known for the value it attaches to human capital. I would like to take this opportunity to thank our employees, business partners, customers and shareholders whose hard work and participation contributed to the successful results of the Sabancı Group in 2014.

Respectfully yours,

Güler Sabancı
Chairman and Managing Director

LETTER FROM THE CHIEF EXECUTIVE OFFICER

Sabancı Holding attained its targets in 2014. The Group's consolidated net revenues soared 23% compared to the previous year, to TL 44 billion. Our non-banking consolidated revenues were up 27%, to TL 27 billion. Sabancı Holding posted operating profit of TL 5,086 million while net profit reached TL 2,079 million.

Zafer Kurtul
Board Member and CEO

Esteemed Shareholders,
Valued Partners and Employees,

Turkey grew 2.7% during this past year. While Turkey benefits greatly from ample global liquidity, periods of shrinking financial resources create headwinds due to the vital role of overseas loans in funding our current account deficit. The debates around the timing and severity of the US Central Bank (the Fed)'s transition to less accommodative monetary policy in 2014 led to higher exchange rates, inflation and interest rates in Turkey during the first half of the year. In addition to the global developments, the presidential election and the change in government that topped Turkey's agenda in the first half created a short period of economic uncertainty. Consumer and business confidence experienced major fluctuations. Rising prices and low supply of credit led to lackluster domestic demand. Agricultural production was also weak during 2014 due to drought. Inflation rose from 7.40% in 2013 to 8.17% in 2014.

The current account deficit contracted in the first half of the year due to the positive impact of recovery in developed economies on Turkey's foreign trade. However, this impact weakened in the second half as the Euro zone, Japan and China began to slow down. The current account deficit stands at 5.5% of gross national product as of the end of the year.

The decline in oil and commodity prices that began in the second half of 2014 impacts our outlook for Turkey in 2015 favorably. Lower commodity prices reduce the current account deficit and decreases costs, creating an opportunity for a drop in inflation. In addition, central banks will postpone rate hikes in an environment where global economic growth is slowing and inflation is declining. This will allow Turkey to continue borrowing from international capital markets at a low cost for a longer period of time.

We expect Turkey's economy to perform better in 2015 than in the prior year, with growth ticking up to the 3.0-3.5% range while the current account deficit declines to US$ 35 billion, from US$ 45 billion in 2014. We do not expect new burdens this year that will hold back domestic consumption. In fact, improving loan rates and availability as well as declining unemployment and oil prices will boost domestic consumption. On the other hand, demand for Turkish exports may weaken due to the slowing global economy, fragility in the Euro zone, and the decline in the incomes of oil-producing countries.

The current environment points to the need for Turkey to transition to an export-oriented growth model focusing on high value-added products and services. We have to be innovative in order to be able to compete in the global arena. We have to adopt new technologies from abroad while developing our own technology and brands. Our priority needs to be educating highly-qualified human capital capable of generating and implementing new ideas at developed-country standards. In this regard, we have a very high assessment of the action plans announced by our government with a long-term perspective. We are hopeful that the positive environment in 2015 will be the impetus behind this development thrust. Our wish is that the parliamentary elections to be held this year will demonstrate the democratic maturity of our country and it will steer us toward much-needed reforms and continued stability.

The current environment points to the need for Turkey to transition to an export-oriented growth model focusing on high value-added products and services. We have to be innovative in order to be able to compete in the global arena. We have to adopt new technologies from abroad while developing our own technology and brands.

LETTER FROM THE CHIEF EXECUTIVE OFFICER

As a result of its conviction in the importance of technology utilization and mobility in banking services, Akbank invests an average of US$ 100 million in mobile technologies, IT and infrastructure each year. Akbank Direct Mobile was named the world's best smart phone application at the Global Mobile Awards held in Barcelona and became the first Turkish bank to win this award.

Performance of Sabancı Holding in 2014 and Outlook

Sabancı Holding attained its targets in 2014. The Group's consolidated net revenues soared 23% compared to the previous year, to TL 44 billion. Our non-banking consolidated revenues were up by 27%, to TL 27 billion. Sabancı Holding posted operating profit of TL 5,086 million while net profit reached TL 2,079 million.

Akbank, our flagship subsidiary, increased its assets to TL 218 billion with 12% growth in 2014 while cash and non-cash loans in support of the Turkish economy topped TL 168 billion. A total of TL 94 billion of Akbank's cash loans were SME and corporate loans. As a result of its conviction in the importance of technology utilization and mobility in banking services, Akbank invests an average of US$ 100 million in mobile technologies, IT and infrastructure each year. Akbank Direct Mobile was named the world's best smart phone application at the Global Mobile Awards held in Barcelona and became the first Turkish bank to win this award.

Enerjisa increased its installed capacity to 2,800 MW with the new generation plants that commenced operation in 2014. Enerjisa has invested more than € 3.5 billion in power production to date. We undertook initiatives last year to increase the efficiency of our generation portfolio based on the changing market conditions. Last January we broke ground on the € 322 million, 600 MW Bandırma 2 natural gas-fired power plant that will come online in 2016. The Yamanlı and Doğançay hydroelectric power plants and the Tufanbeyli lignite-fired plant, the Company's ongoing projects, are expected to start production in 2015. The combined investment cost of these projects is € 1.2 billion. The integration effort for the Ayedaş and Toroslar service territories, acquired recently by Enerjisa, continued with efficiency and technology-oriented investments and operations. We will continue to reorganize Enerjisa in order to boost its profitability in 2015.

Carrefoursa had a phenomenal year in retail. The "Glocalization" turnaround action plan, aimed at localizing the brand while maintaining Carrefour's global identity, is targeting a 100% increase in the Company's sales within three years while increasing profitability and breaking into the top three in the sector. Carrefoursa's sales soared more than 20% in 2014 and the Company reported a net profit for the first time since 2008. The recently-launched Mini Market format proved successful as a demonstration of the Group's innovation-based approach. Carrefoursa will continue to invest in 2015 as part of its turnaround story. We will be building out an IT infrastructure, modernizing existing stores and opening 200 new stores for a total investment expenditure of TL 250 million.

The electronics retail industry grew at a slow pace in 2014 due to the overall economic environment, fluctuations in the foreign exchange markets, the effect of measures to reduce the current account deficit, and regulations restricting installment credit card purchases. Teknosa continues to be the market leader in this space. We attained our goal of establishing a presence in all 81 provinces of Turkey. We increased our investment in digital delivery channels pursuant to our multi-channel strategy aimed at offering 24/7 service and a one-stop shop through our store network, online and mobile platforms. Kliksa and Teknosa.com, our internet sales channels, grew to 10% of Teknosa's overall turnover. Kliksa reached 4.5 million online visitors and TL 250 million sales revenue per month. Kliksa will make a TL 15 million technology investment for the Kliksa Marketplace business model.

The insurance industry grew 8% in 2014. Private consumption contracted in 2014 due to declines in home and car consumer loans as well as fluctuations in the currency markets and consumer confidence. The automobile and light commercial vehicle market shrank 10% in 2014. The household balance sheet did not register an increase. These developments created headwinds for the overall insurance sector. After recording healthy increases during the previous year, auto insurance premiums were stagnant this year, which further dampened growth prospects in the sector. Amid this contracting demand environment, Aksigorta shifted focus to its strategic channels and product categories. Aksigorta reported major growth rates in every branch except for auto insurance. The share of non-auto insurance branches in the Company's portfolio reached 94%, a 3 percentage point year-over-year increase.

Avivasa Emeklilik ve Hayat A.Ş. (Avivasa Pension and Life Insurance), one of the leading companies in the Turkish private pension and life insurance sector, went public on November 13, 2014. 19.7% of the Company's shares were floated and the total market capitalization came in at TL 1.7 billion. Avivasa's public offering was the largest IPO during the last year.

Avivasa Emeklilik ve Hayat A.Ş. went public on November 13, 2014. 19.7% of the Company's shares were floated and the total market capitalization came in at TL 1.7 billion. Avivasa's public offering was the largest IPO during the last year.

2014 was an outstanding year for Sabancı Holding's cement companies. In addition to serving the ongoing infrastructure investments and strong domestic demand, we continued our presence in export markets, particularly in white cement and white clinker products. Afyon Çimento, a Çimsa subsidiary, made the decision to rebuild its plant, equipped with state-of-the-art technology, outside of the city center at an investment cost of US$ 165 million. We would like to leverage our cement industry assets to boost the Group's international presence. We continue to undertake initiatives to transform Sabancı Holding into a regional powerhouse in overseas markets.

LETTER FROM THE CHIEF EXECUTIVE OFFICER

The Industrials Group, spanning a wide range of sectors from tyres to woolen fabric, had a successful year in 2014. The economic recovery in the United States and Western Europe boosted the sales of our export-oriented companies. The devaluation of the Turkish lira also helped our cause. Declines in raw material costs increased our operating profit margins.

The Industrials Group, spanning a wide range of sectors from tyres to woolen fabric, had a successful year in 2014. The economic recovery in the United States and Western Europe boosted the sales of our export-oriented companies. The devaluation of the Turkish lira also helped our cause. Declines in raw material costs increased our operating profit margins. Thanks to our innovative and entrepreneurial business approach, we raised our consolidated net profit in our business lines by 44% in 2014 compared to the previous year.

Kordsa Global increased operating profit by 27% in 2014. The Company has opened the 18-kiloton tyre cord fabric factory and the 14-kiloton third and fourth generation polyester HMLS yarn factory in Indonesia, at a total investment cost of US$ 100 million. This facility is Kordsa Global's largest investment outside of Turkey. Kordsa Global continues to pioneer the industry in the technology area with various new products developed in its R&D Center in Izmit. The Company generated US$ 40 million in revenues from 14 new products in 2014 while ranking in the top 10 of the Turkish Patent League. In December, Kordsa Global laid the foundation of the Composite Technologies Center of Excellence in association with Sabancı University at Teknopark Istanbul. The center, which will consist of 10,000 square-meters of indoor area and 3,000 square-meters of laboratory space, will offer postgraduate education, basic research, applied research, product development, production, incubation services and commercialization activities in composite material technologies.

Brisa, the leader of the Turkish tyre replacement market, outperformed the sector during a year when vehicle production in Turkey declined and the tyre replacement market was smaller than a year ago. Striking the right balance between the domestic and overseas markets, the Company increased operating income by 29% on a year-over-year basis. Differentiated in the sector with innovative approaches, Brisa won an award for its innovation approach and corporate entrepreneurial model at the "InnovaLig" innovation awards, organized as part of Turkish Innovation Week activities last year.

Temsa Otobüs and Motorlu Araçlar outperformed their sales targets and recorded successful results in 2014. Temsa Otobüs is maintaining a strong presence in Europe while rapidly gaining market share in the United States. Offering its first products in the United States market under its own brand in 2008, Temsa recorded US$ 50 million in exports to the American market in 2014.

The largest woolen fabric manufacturer and exporter in Turkey and in Europe, Yünsa has over 400 clients across the world and exports to more than 50 countries. As part of the Company's strategy, unveiled in 2012, to grow in the A+ and A premium woolen fabric segment, Yünsa's sales in this market reached 26% of overall sales as measured in meters of fabric.

Our goal in the industry business line for 2015 is to outpace the growth rate of Turkey while increasing our competitiveness in the export markets in every sector we operate. We will continue to grow through new technology investments as well as the new business development of our entrepreneurial teams.

Our goal in the industry business line for 2015 is to outpace the growth rate of Turkey while increasing our competitiveness in the export markets in every sector we operate. We will continue to grow through new technology investments as well as the new business development of our entrepreneurial teams.

In 2015, Sabancı Group will continue to invest, grow and create value in every sector we operate in, particularly in the energy industry. In an effort to differentiate the Sabancı brand in all of our business lines, our focus will be on correctly identifying the needs of our customers and the marketplace, developing ideas and products that will create value for our businesses, and offering new business models and new solutions. Sabancı Group's total combined investment spending during this past year was US$ 1.3 billion; we expect to increase our combined investments to US$ 1.4 billion in 2015.

Sabancı Group, one of the leading institutions of "Corporate Turkey", proudly creates value for the Turkish economy with the hard work of its prized workforce that is expected to top 64,000 employees this year. I would like to thank our employees, customers, business partners and shareholders for their contribution to our successful results.

Respectfully yours,

Zafer Kurtul
Board Member and CEO

BOARD OF DIRECTORS (ELECTED FOR THE PERIOD MAY 2012-MAY 2015)

Güler Sabancı
Chairman and Managing Director

Erol Sabancı
Vice Chairman

Sevil Sabancı Sabancı
Board Member

Serra Sabancı
Board Member

Zafer Kurtul
Board Member and CEO

Mevlüt Aydemir
Board Member

A. Zafer İncecik
Board Member

Işın Çelebi
Board Member

Zekeriya Yıldırım
Board Member

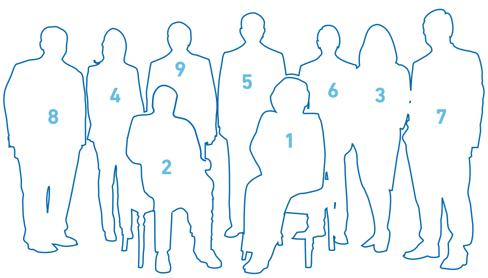
Güler Sabancı
Chairman and Managing Director
Güler Sabancı was born in Adana and graduated from the Business Administration Department of Bosphorus University. She worked in various executive positions in the Tyre and Tyre Reinforcement Materials Group. She currently serves as the Chairman and Managing Director of Sabancı Holding and also the President of the Board of Trustees of Sabancı University, Sabancı Foundation and the Board of Sakıp Sabancı Museum.

Erol Sabancı
Vice Chairman
Erol Sabancı was born in Kayseri in 1938 and graduated from Manchester College of Commerce in the UK. In addition to his position as the Vice Chairman of Sabancı Holding, he is also the Honorary Chairman and Consultant to the Board and a Board member of Akbank where he has been serving since 1967. He is married and has two children.

Sevil Sabancı Sabancı
Board Member
Sevil Sabancı was born in 1973 in Istanbul and graduated from the Business Administration Department of Marmara University. She worked in different managerial positions within the Group and served as a member of the Board from 1997 to 2001. Ms. Sabancı, in addition to her Sabancı Holding Board membership, is a member of the Board of Trustees of Sabancı University and the Board of Sakıp Sabancı Museum. She is also a member of TÜSİAD.

Serra Sabancı
Board Member
Serra Sabancı was born in 1975 in Adana and graduated from the University of Portsmouth. She also graduated from the Department of Economics, Istanbul Bilgi University with honors. She started her career at Temsa. After becoming a Board member of Sabancı Holding, she participated in the Institute of Directors (IOD) seminars and courses on board membership, mergers and acquisitions in London. In addition to her Sabancı Holding Board membership, she is a member of the Board of the Sabancı Foundation and various Sabancı Group companies.

BOARD OF DIRECTORS



Güler Sabancı Chairman and Managing Director **(1)**
Erol Sabancı Vice Chairman **(2)**
Sevil Sabancı Sabancı Board Member **(3)**
Serra Sabancı Board Member **(4)**
Zafer Kurtul Board Member and CEO **(5)**
Mevlüt Aydemir Board Member **(6)**
A. Zafer İncecik Board Member **(7)**
Işın Çelebi Board Member **(8)**
Zekeriya Yıldırım Board Member **(9)**

SABANCI HOLDING MANAGEMENT

Audit Committee
Işın Çelebi
A. Zafer İncecik

Corporate Governance Committee
A. Zafer İncecik
Serra Sabancı
Mevlüt Aydemir

Risk Committee
Zekeriya Yıldırım
Sevil Sabancı Sabancı
Mevlüt Aydemir

CEO, Strategic Business Unit Presidents

Zafer Kurtul (1)
Board Member and CEO

Faruk Bilen (2)
Chief Financial Officer

Ata Köseoğlu (3)
Strategy & Business Development

Neriman Ülsever (4)
Human Resources

Hayri Çulhacı (5)
Bank

Haluk Dinçer (6)
Retail and Insurance

Mehmet Göçmen (7)
Energy

Hakan Gürdal (8)
Cement

Mehmet N. Pekarun (9)
Industrials

Corporate Management
Nedim Bozfakıoğlu (10)
Secretary General

Barış Oran
Head of Finance

Bülent Bozdoğan
Head of Internal Audit

Levent Demirağ
Head of Tax, Accounting and Legal

Ahmet Güzeltuna
Chief Advisor, Labor Relations

Ateş Eremekdar
Director, Sabancı Center Management

Barbaros İneci
Chief Economist

Burcu Tokmak
Business Director, CEO Office

Elif Şen Kanburoğlu
Chief Legal Counsel

Eren Mantaş
Director, Financial Planning, Analysis and Investor Relations

Fezal Okur
Director, Strategy and Business Development

Gökhan Eyigün
Director, Strategy and Business Development

Güven Oktay
Director, Compliance

Kadri Özgüneş
Director, Cement

Meggy Halfon
Director, Human Resources

Murat Yavuz
Director, Industrials

Olcay Gürdal
Security Coordinator

Reha Demiröz
Director, Accounting

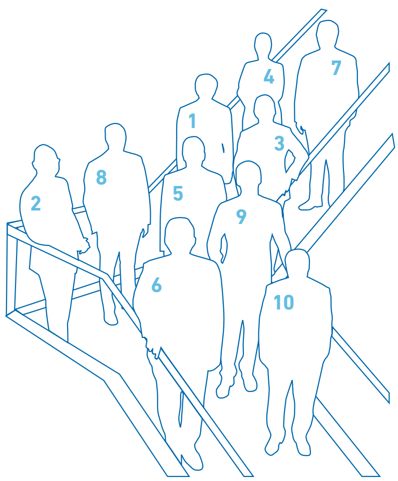
Ruba Unkan
Chief Legal Counsel

Suat Özyaprak
Chief Communications Officer

Şerafettin Karakış
Director, Tax Management

Tülin Şağul
Director, Planning, Reporting and Finance

Volkan Kara
Director, Retail and Insurance



Zafer Kurtul
Board Member and CEO

Zafer Kurtul joined Akbank in 1998 as Executive Vice President and served as CEO between November 2000 and June 2009. In June 2009, Mr. Kurtul was appointed Vice Chairman. Previously, he served in executive positions at Citibank, BNP-Ak-Dresdner Bank and Societe Generale. Mr. Kurtul has an undergraduate degree from Istanbul University, Faculty of Business Administration and an MBA in Finance from the University of Wisconsin-Madison. Accredited as a Chartered Financial Analyst (CFA). Mr. Kurtul was appointed CEO of Sabancı Group as of July 19, 2010.

Mevlüt Aydemir
Board Member

Born in Erzincan in 1948, Mevlüt Aydemir graduated from the Faculty of Economics, Istanbul University. Married and the father of two children, he served as a public accountant with the Ministry of Finance during the years 1972-1981, has held various positions at Sabancı Holding since 1981, and assumed the office of member of the Board of Directors at the companies of the Group. He has been a Director of Sabancı Holding since May 2010.

A. Zafer İncecik
Board Member

Zafer İncecik was born in Izmir in 1942. Having completed his primary and secondary education in Istanbul, Dr. İncecik is an alumnus of St. George's Austrian High School. He started his college education in Vienna and graduated from the Faculty of Electrical Engineering, Istanbul Technical University. He received his doctorate degree from the Vienna University of Technology in the field of semiconductor physics. Dr. İncecik has patents and articles, published during the periods he was in Austria and Germany, and was awarded Grand Medals of Honor by the Austrian and German states. Dr. A. Zafer İncecik is married with two children. He has been a Director of Sabancı Holding since 2010.

Işın Çelebi
Board Member

Assoc. Prof. Işın Çelebi has a metallurgical engineering degree from Middle East Technical University, a postgraduate degree in the same field from İTÜ and a master's degree in Economics from AÜSBF. After working at the State Planning Organization (DPT) and various companies, he was elected as a member of the Turkish Parliament and appointed as a minister. He currently works as a consultant for various major companies. Assoc. Prof. Çelebi has been a Director of Sabancı Holding since May 2012.

Zekeriya Yıldırım
Board Member

Zekeriya Yıldırım was born in 1944. He has a bachelor's degree from İstanbul University in Economics and a master's degree from Vanderbilt University (Nashville, Tennessee). He is the chairman of Yıldırım Consulting. Previously, he worked for the Turkish Central Bank and the Ministry of Finance and acted as a Director at Doğan Holding between 2008 and 2010. Mr. Yıldırım has been a member of the Board of Directors of Tekfen Holding since 2013. He is a member of the TÜSİAD High Advisory Council's Board of Governors. Mr. Yıldırım has been a Director of Sabancı Holding since May 2012.

VISION, MISSION STATEMENT AND MANAGEMENT APPROACH

Vision

CREATING SUSTAINABLE ADVANTAGE THROUGH DIFFERENTIATION

Mission Statement

MANAGING A COMPETITIVE STRATEGIC PORTFOLIO WITH SUSTAINABLE GROWTH POTENTIAL TO CREATE VALUE FOR ALL OF OUR STAKEHOLDERS

Management Approach

Responsibility and Transparency

Upholding our core values of modesty, respect and proximity to people, being socially responsible and managing according to the principles of corporate governance

Innovation

Creating long-lasting advantages such as brand, technology, design, network and IP

Participation

Generating a management approach that promotes participation and collective thinking in the decision-making process

Strategic Approach

Managing the present with excellence and shaping our future to ensure long-term advantages

INVESTOR RELATIONS AND DIVIDEND POLICY

Throughout the year, our Investor Relations Department held a total of 535 face to face meetings at our headquarters in Istanbul, as well as in major international financial centers, including London, Edinburgh, New York, Boston, San Francisco, Chicago, Zurich, Geneva, Frankfurt, Tokyo, Hong Kong, Stockholm, Paris, Vienna, Milan, Warsaw, Copenhagen, South Africa, Dubai and Abu Dhabi.

Investor Relations

Sabancı Holding management has open and frequent communications with its shareholders. The main objectives of Investor Relations activities are to increase Sabancı Holding's value for current shareholders and attract new potential investors. Therefore, Holding management has adopted the principle to share their strategic plans and results in a timely and transparent manner. This is a fundamental principle embodied in Sabancı Holding's corporate structure, with three independent members serving on the Board of Directors.

The investor relations agenda is managed by the Investor Relations Unit within the Finance Division, which handles the daily information flow to the investment community. In 2014, our investor relations team responded to numerous investor and equity research analyst requests by phone, e-mail and postal mail as well as proactively and regularly contacted a comprehensive list of financial institutions with news updates. Throughout the year, our Investor Relations Department held a total of 535 face to face meetings at our headquarters in Istanbul, as well as in major international financial centers, including London, Edinburgh, New York, Boston, San Francisco, Chicago, Zurich, Geneva, Frankfurt, Tokyo, Hong Kong, Stockholm, Paris, Vienna, Milan, Warsaw, Copenhagen, South Africa, Dubai and Abu Dhabi. Consequently, we have achieved an increase in coverage locally and internationally. Additionally, in September, a two day conference, "Sabancı at the City" was organized in London; with the participation of Sabancı Holding and listed Sabancı Group Companies, a total of 76 meetings were held. In 2014, energy, cement and industrials days were organized with the participation of SBU presidents and company CEOs informing analysts on the latest developments in their industries and the strategy of the companies.

SABANCI HOLDING SHAREHOLDER STRUCTURE

Shareholder Name	Nominal Value (TL)	Share in Capital (%)	Voting Right Share (%)
Sakıp Sabancı Holding Anonim Şirketi	287,100,000.56	14.07	14.07
Serra Sabancı	147,160,295.80	7.21	7.21
Suzan Sabancı Dinçer	141,566,960.87	6.94	6.94
Çiğdem Sabancı Bilen	141,566,960.87	6.94	6.94
Others	1,323,009,712.90	64.84	64.84
Total	**2,040,403,931.00**	**100.00**	**100.00**

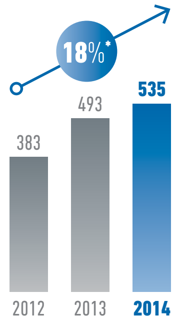
In 2015, the Investor Relations Department will continue to share the strategic agenda with the investor community and targets to maintain its relations with existing and potential shareholders.

We encourage all investors to contact us at investor.relations@sabanci.com for any questions or requests for information.

Dividend Policy

Sabancı Holding's current dividend policy, in accordance with Capital Markets Board principles, is to pay out a minimum of 20% of the distributable income on an annual basis. Based on pending projects and the availability of funds, the Board of Sabancı Holding reserves the right to reevaluate its dividend policy each year.

TOTAL INVESTOR AND ANALYST MEETINGS



* 2012-2014 CAGR

RISK MANAGEMENT

In Sabancı Group companies that operate outside the financial sector, risk management is conducted under the close supervision of the respective company's Board of Directors and Early Risk Detection Committee (which reports to the Board), by the directors and executives charged with this function and activity.

In order to maximize the value created for shareholders and to ensure the sustainability of the Group, Sabancı Group companies manage potential deviations in strategic and financial targets in line with the Group's risk taking approach by using corporate risk management principles.

In the Group subsidiary Akbank, risk management is carried out in conformity with Banking Regulation and Supervision Agency legislation, under the responsibility and supervision of the Bank's Board of Directors. The Board fulfills its oversight responsibility via various committees, such as the Audit Committee, Executive Risk Committee, and Credit Committee. The Bank's risk taking levels are determined by the risk limits that are approved by the Board of Directors. The Bank's executive management is responsible to the Board of Directors to carry out daily activities related to the prescribed risk management processes and risk limits. The Audit Board, Internal Control and Compliance Division and Risk Management Department, which report directly to the Board of Directors, carry out their respective activities in coordination with the execution units. Nationally and internationally accepted risk models and parameters are used to detect, measure, and monitor risks at the Bank. Internal methods and models are continuously developed and enhanced to ensure effective risk management. Under extraordinary circumstances, different scenario assessments are made in order to analyze potential risks the Bank might be exposed to, and emergency plans are prepared. Various techniques to minimize risk are used to limit and to safeguard against the risks Bank is exposed to during the course of its operations.

At the non-financial services companies of Sabancı Group, risks are managed by designated risk management officers under the supervision of company Risk Committees that report to the Board of Directors. Group companies determine potential risks, and list them in order of probability and the size of the loss they might cause. Prioritized risks are monitored by each company's management, Risk Committee and Board of Directors with periodic reporting. Risk management processes that include the measures to be taken, are determined and their implementation and results are monitored. At the Holding level, subsidiary financial, strategic, operational and compliance risks are also overseen and supervised by the relevant Strategic Business Unit and Finance department as well as the Compliance Management division.

Sabancı Group categorizes risks under these major headings:

Compliance Risks: Risks from legal penalties, and reputation loss and material damage that may arise in case of not complying with specified rules such as applicable laws, other legal regulations, code of ethics, company's internal policies and directives, and the like. In order to support the Group subsidiaries to efficiently manage compliance risks within the determined framework, instructional activities are carried out by the Holding's Compliance Management Department.

Financial Risks: Risks that may arise as a result of the Company's financial position and preference. Financial risks include those caused by loans, interest rates, FX rates, cash management, and commodity prices.

Within Sabancı Group, futures contracts are used against foreign currency exchange risk if necessary. Furthermore, in order to prevent any short term volatility that will be caused by FX risk in cash management, using loans in foreign currency for long term investment projects and sectors where it is possible to make foreign currency revenue, or revenue indexed to foreign exchange is preferred. Moreover, our investments are divided into phases and extended over a period of time.

In order to efficiently manage the interest risk of the subsidiaries, interest rates of financial institutions are tracked and Group companies are directed to those institutions that provide the more reasonable rates. Besides bank lending, support is given at the Holding level to make use of corporate bond issuance.

To hedge against commodity price risks, Group companies either develop operational capabilities like dynamic pricing, or take other measures such as using operational or financial derivative instruments.

Strategic Risks: Structural risks may prevent a company from reaching its short, medium or long term goals. Risks arising from planning, business model, business portfolio, corporate governance and market analysis are considered to be strategic risks.

At the Holding level, strategic risks are efficiently managed with a long term dynamic portfolio management approach. The main principle of Sabancı Holding's portfolio management strategy is to focus on sectors where it is possible to create competitive advantage and to use equities in fast growing, highly profitable and sustainable businesses. Activities are carried out at the Holding level to diversify the portfolio according to such criteria as sectors, regions, customer profiles, technology, export, and the like.

Operational Risks: Risks that may arise due to the possibility of loss as a result of company activities and/or possibility of losses stemming from: (i) fault and negligence caused as a result of failures in a company's control systems; (ii) company management and personnel not acting properly in terms of time and circumstances; (iii) managerial faults; (iv) faults and failures in information technology systems.

With the activities of the Audit Group, company processes and systems are controlled in order to determine and eliminate these risks.

Brand/Reputation Management Risks: These include: (i) company losing value as a result of not managing its name and commercial brands efficiently; (ii) decreasing demand in a company's products and services because of damaged reputation caused by various incidents; (iii) company losing customers, profit and competitive strength. With a multi-discipline monitoring and management system, risks in the Group's main assets, namely its brands and reputation, are monitored and managed by taking necessary actions.

Within Sabancı Group, futures contracts are used against foreign currency exchange risk if necessary. Furthermore, in order to prevent any short term volatility that will be caused by FX risk in cash management, we prefer to use loans in foreign currency for long term investment projects and for sectors where it is possible to make foreign currency revenue, or revenue indexed to foreign exchange. Moreover, we divide our investments into phases and extend them over a period of time.

RISK MANAGEMENT

The purpose of the Early Risk Detection Committee is: (i) to evaluate the early detection, determination of necessary measures, and management processes regarding strategic risks, operational risks, financial risks, compliance risks, reputation risks, reporting risks, external environment risks and all other types of risks that can endanger H.Ö. Sabancı Holding A.Ş's existence, development and continuity; and (ii) to inform the Board of Directors about these issues in order to make decisions accordingly.

Reporting Risks: These include: (i) false statements that do not comply with legislative requirements and reporting standards; (ii) not sharing sufficient information in the management reporting; (iii) not measuring and sharing key indicators effectively; (iv) deficiencies in the quality of the reports in terms of timing and detail. Reporting quality is monitored in the audits performed by the Audit Group and independent firms.

External Environment Risks: Risks based on external factors the company cannot control through its operations and management processes, such as natural disasters; political and economic developments in and outside the country; new decisions made by regulatory authorities in sectors where business activities are subject to public regulation; changes made in competition rules. While maximum measures are taken to eliminate risks, insurance coverage is also secured to cover risks under appropriate circumstances.

Hacı Ömer Sabancı Holding A.Ş. Board of Directors established the Early Risk Detection Committee with a resolution made on April 25, 2013 in order to implement the precautionary risk management in publicly traded companies approach stipulated by the Turkish Commercial Code and the Capital Markets Board. The Committee Chairman is the Independent Member of the Board of Directors Mr. Zekeriya Yıldırım; Committee members are Members of the Board of Directors Ms. Sevil Sabancı Sabancı and Mr. Mevlut Aydemir. The purpose of the Committee is: (i) to evaluate the early detection, determination of necessary measures, and management processes regarding strategic risks, operational risks, financial risks, compliance risks, reputation risks, reporting risks, external environment risks and all other types of risks that can jeopardize H.Ö. Sabancı Holding A.Ş's existence, development and continuity; and (ii) to inform the Board of Directors about these issues in order to make decisions accordingly. In line with its purpose, the Committee identifies and evaluates the risks Hacı Ömer Sabancı Holding A.Ş. is exposed to, monitors them via a reporting system and follows up the measures taken to counteract the risks. Furthermore, risks in subsidiaries' business activities that can have impacts on the Holding's consolidated financial statements and strategic targets are also monitored by the Holding's Risk Committee. The Committee convened five times in 2014 and presented its evaluations for the information of the Board of Directors.

AUDIT COMMITTEE

- The Audit Committee supervises the function and effectiveness of Sabancı Holding's accounting system, disclosure of financial information, independent audit, internal controls and internal audit. Selection of the independent auditor, preparation of the audit contract and all the stages of the work of the independent auditor are realized under the supervision of the Audit Committee. The Audit Committee held four meetings in 2014 on the following dates:

- March 7, 2014
- May 12, 2014
- August 15, 2014
- November 10, 2014

HUMAN RESOURCES

The aim of Sabancı Group in human resources management is to develop and execute human resources strategies that create value consistent with the Sabancı vision and business objectives.

Sabancı Group's human resources strategy strives to set world class management standards in this field and to make the Group an exemplary employer that every professional wants to, and is proud to, work for.

To realize this goal, Sabancı Group Human Resources:

- Maintains a high level of selectivity in recruitment and promotion,
- Directs employees to motivating goals,
- Sets high performance standards for employees,
- Holds management and the employees accountable for the results of their work,
- Creates opportunities for employees to realize their potential and use their skills,
- Rewards outstanding performance.

Sabancı Group aims to be an employer for individuals who are:

- Trustworthy,
- Sensitive,
- Ethical,
- Flexible,
- Market-oriented,
- Strategic-minded,
- Innovative,
- Team-oriented.

Human Resources Policies and Principles

The human resources management approach employed within Sabancı Group companies responds to the specific business requirements of each industry. The design and implementation of these practices are devised to support strategic objectives.

Sabancı Holding Human Resources Policies and Principles represent the basic tenets of the Sabancı Group's human resources management applications and priorities. This enhances the flexibility required for the special conditions and needs of widely diversified businesses.

Sabancı Group focuses on executing value-creating human resources strategies.

HUMAN RESOURCES

Forty-five highly talented young employees from Sabancı Group companies have graduated from the "Young Talents of Sabancı" program where they had the opportunity to network and experience managing a company through simulations.

Attracting and Recruiting the Best Talent
The goals of Human Resources Management are to:
- Be the employer of choice for top talent;
- Recruit talented individuals who will help support the Group going forward and adhere to the Sabancı values;
- Meet the future workforce needs of the Group through a global and proactive recruiting perspective.

Investing in Our People
The main responsibilities of Human Resources Management are to:
- Invest in and create an environment with opportunities for the continuous development of our employees and help them realize their potential;
- Continuously track employee performance and support open communication by creating a culture where managers are accountable for employee development;
- Develop and nurture employees to create a high performance global talent pool of future leaders.

In the training programs developed at the Group level, Sabancı University and leading consulting companies are our primary partners.

The objective of Future Forums, one of our programs in this area, is to instill market and customer orientation at the center of every activity in order to support Sabancı Group's sustainable growth initiative, and to trigger the intellectual transformation that will help us think beyond industry and market boundaries. In 2014, which was the fourth year of future forums, four companies participated in this program with 16 employees.

The SALT program, which has been in place for 10 years for the purpose of developing Sabancı Group's leaders, has been attended by 214 managers and executives to date.

Fifteen executives took part in SA-EXE, a simulation-enhanced program organized for the first time this year for Vice Presidents and Directors to invest in our future corporate leaders.

Forty-five highly talented young employees from Sabancı Group companies have graduated from the "Young Talents of Sabancı" program where they had the opportunity to network and experience managing a company through simulations.

Sixty-three Mentors and 63 Mentees have attended the mentorship program, another leadership development initiative of the Group, in 2014. The program has been held for the last six years.

Building Organizational Capability

The priorities of Human Resources Management are to:

- Continuously assess and review organizational capability, people, systems and processes and, if necessary, to restructure in support of the success of the Group;
- Identify and assess high-potential employees and develop their careers based on the future needs of the Group;
- Enhance mobility within the Group through assignments, transfers and rotation for employee and organizational development.

Reward and Recognition

Human Resources Management strives to:

- Offer a competitive compensation package to attract top talent and strengthen the commitment of existing employees;
- Encourage accountability;
- Reward outstanding employee contributions and performance;
- Provide a level of compensation to employees commensurate with their responsibilities and the value added to the organization.

Increasing Employee Motivation and Commitment

The objectives of Human Resources Management are to:

- Promote the development and expansion of an open, participatory and transparent culture that values diversity and creativity;
- Proactively seek and consider employee feedback and expectations while continuously developing approaches that strengthen commitment, motivation and retention;
- Create a safe, healthy business environment that embraces ethical values and balances personal life with career responsibilities.

In addition, the Sabancı Golden Collar Awards initiative aims to communicate to employees the issues that are critical for the Group, and to acknowledge and reward best practices.

The SALT program, which has been in place for 10 years for the purpose of developing Sabancı Group's leaders, has been attended by 214 managers and executives to date.

2014 RESULTS

With financial services, energy, cement, retail and industry as our primary sectors of operation, Sabancı Group companies continued to be the outstanding leaders in their respective industries in 2014.

CONSOLIDATED RESULTS

TOTAL SALES REVENUE
TL MILLION

OPERATING PROFIT
TL MILLION

NET PROFIT
TL MILLION

2014 HIGHLIGHTS

pg.34

Banking

- Akbank was named the “Most Valuable Banking Brand in Turkey” for the third time in a row in “The Banking 500 - 2014” report compiled by Brand Finance.
- Additionally in 2014, Akbank received the “Best Bank in Turkey” award from Euromoney, Global Finance, World Finance and EMEA Finance magazines.
- In 2014, Akbank was presented with the “Excellence in Customer Relationship Management” award from Gartner and Akbank Direct Mobile was named the “World’s Best Smart Phone Application” award at the GSMA - Mobile World Congress.
- Akbank Private Banking garnered the “Best Private Banking Services” award from Euromoney and The Banker magazines.

pg.42

Insurance

- Aksigorta achieved 12% growth in total gross written premiums.
- In November 2014, Avivasa shares were listed on Borsa Istanbul, resulting in a total market capitalization of TL 1.7 billion.
- In 2014, Avivasa’s assets under management increased 42%.

pg.50

Energy

- With the integration of the AYEDAŞ and Toroslar electricity distribution regions that were taken over in 2013, Enerjisa achieved an increase in service quality and improved efficiency.
- After commissioning the first unit in 2013, Kavşakbendi hydroelectric power plant commissioned two additional units with 120 MW installed capacity in 2014, while Arkun hydroelectric power plant, with 245 MW installed capacity, was also operational during the year.

Cement pg.**62**

- Akçansa's domestic sales of cement and clinker reached a record 6 million tons during the year.
- In 2014, Akçansa's port business posted 18% growth.
- Akçansa placed first in the "Sustainable Production" category at the Efficiency Project Awards held by the Ministry of Science, Industry and Technology.
- Akçansa was named the "Most Admired Company" in the sector for the 13th time by Capital Magazine in 2014.
- Çimsa reduced its CO_2 emissions by 23,000 tons in 2014, with the Company's waste heat power plant in Mersin.

Retail pg.**70**

- Teknosa sales totaled TL 3.0 billion with 291 stores and 171 thousand m^2 selling area.
- Teknosa remained the market leader among technology retailers with a 35% market share.
- Carrefoursa's majority shares were transferred to Sabancı Holding in July 2013. Following the share transfer, Sabancı took over the company management. 2014 was a year of transformation for Carrefoursa: new store formats were developed and more than 200 new stores opened. The infrastructure necessary for rapid growth was built.

Industrials pg.**80**

- Brisa maintained its leading position in the sector by increasing the Company's tyre market share in Turkey and posting record sales and net profit for the year. Brisa diversified its products and services to facilitate reaching customers in the e-trade market. Moreover, the Bridgestone Box mobile sales and services point, which the company developed, serves as a model initiative: Brisa received the "Customer Oriented Service Innovation" award for this unique sector innovation. For heavy commercial vehicle customers, Brisa developed a portfolio of products and services that can exactly meet the expectations of commercial fleets for the first time in Turkey. The Company introduced the Mobilfix fleet management service and maintenance network with a 360 degree consultancy approach.
- Yünsa maintained its position as the biggest manufacturer of wool fabrics in Europe, with agencies in more than 20 countries and exports to more than 50 countries. Exports accounted for 50% of the company's total sales. Yünsa remained the market leader by growing 6% compared to the previous year.
- Temsa Otobüs has introduced 11 new products over the last three years. In 2014, the TS45 model (14-meter) vehicle was introduced to the US market. Temsa Otobüs plans to roll out nine new products thanks to its ongoing technology investments in 2015.
- Temsa İş Makinaları, after the spin-off from Temsa Global in 2013, increased its market competitiveness by establishing a partnership with Marubeni Group in May 2014.
- Temsa Motorlu Araçlar leads the market with a 30% share and retained the title of "most preferred pick-up model in Turkey" with the company's L200 model, which is a standout as a robust and durable vehicle in the pick-up segment.

KEY INVESTMENT MESSAGES

Portfolio diversification in sectors with high growth potential...

Banking
Increase in total sector assets in 2014: **15%**
Increase in total sector loans in 2014: **18%**

Insurance
Increase in non-life premiums underwritten in 2014: **8%**
Increase in pension assets under management in 2014: **44%**

Energy
Increase in installed capacity in 2014: **9%**

Cement
Increase in domestic cement demand in 2014 (tons): **3%**

Retail
Increase in electronics retailing market revenues: **17%**
Increase in food retailing market revenues: **14%**

Industrials
Increase in Turkey's exports in 2014: **4%**

Profitable Growth...

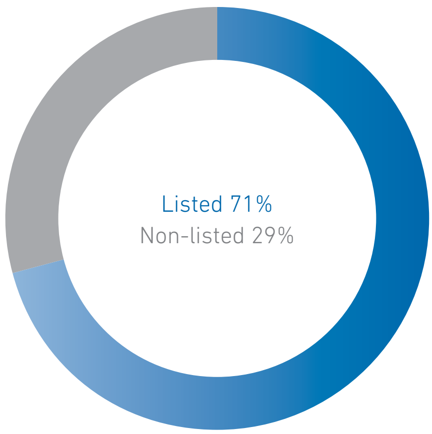
TOTAL ASSETS
TL BILLION

TOTAL REVENUES
TL MILLION

PERCENTAGE OF FREE FLOAT

Banking	
Akbank	**41.2%**
Insurance	
Aksigorta	**28.0%**
Avivasa	**17.2%**
Cement	
Akçansa	**20.6%**
Çimsa	**41.5%**
Retail	
Teknosa	**11.7%**
Carrefoursa	**2.1%**
Industrials	
Kordsa Global	**8.9%**
Brisa	**10.3%**
Sasa	**49.0%**
Yünsa	**30.6%**

NET ASSET VALUE



In order to reach a more balanced portfolio, investments, primarily in energy as well as in cement and industrials, are underway.

Listed, transparent and accountable corporate structure...

The investor relations agenda, in accordance with the Capital Markets Board (CMB)'s Corporate Governance Principles, is managed by the Investor Relations Unit. In 2014, investor relations activities included 535 meetings, approximately 500 phone calls and more than 100 email responses to investors.

Corporate governance...

535 Number of face to face meetings with investors and analysts.

In 2014, Akbank continued to focus on maintaining a high-quality loan portfolio. Due to the effective risk management policies implemented at the Bank, Akbank's non-performing loans ratio is well below the sector average at 1.79%.

Banking

Akbank pg. 36

BANKING

Akbank's extensive branch network 250 50 10 1 0

STRONG FOUNDATIONS

- √ TURKEY'S MOST VALUABLE BANKING BRAND
- √ ONE OF TURKEY'S MOST VALUABLE COMPANIES
- √ LONG-TERM STRATEGIC MANAGEMENT WITH SUCCESSFUL IMPLEMENTATIONS
- √ 990 BRANCHES ACROSS TURKEY AND HIGH-TECH DISTRIBUTION CHANNELS
- √ THE INNOVATIVE POWER OF TURKEY WITH COUNTLESS FIRSTS IN THE SECTOR
- √ STABLE AND EXTENSIVE FUNDING BASE
- √ SUSTAINABLE PROFITABILITY AS WELL AS HIGH RETURN ON EQUITY AND ASSETS
- √ ROBUST CAPITAL STRUCTURE WITH A CAPITAL ADEQUACY RATIO OF 14.9%
- √ SUPERIOR ASSET QUALITY
- √ LOW NON-PERFORMING LOANS RATIO OF 1.7%
- √ HIGH LEVEL OF EFFICIENCY WITH AN OPERATIONAL COSTS/ASSETS RATIO OF 1.8%
- √ POTENTIAL FOR FASTER GROWTH THANKS TO LOW LEVERAGE

Effective Risk Management

In the current market environment where trust has gained utmost importance, Akbank continues to move forward with confidence thanks to its effective risk management practices. Akbank closely monitors economic and financial developments globally, Basel III principles and other international regulatory standards as well as developments in the risk management field; in doing so, the Bank continuously works to improve upon its current practices. As Moody's clearly indicated in the rating agency's reports for the financially volatile years of 2001 and 2006, Akbank has always been able to maintain confidence during uncertain and challenging times thanks to the bank's solid risk management policies. The constant focus on good corporate governance, transparency and accountability helps further reinforce Akbank's leading market position.

Robust Capital Structure

At US$ 10.7 billion, Akbank's free capital is the highest in the Turkish banking industry. While legal requirements in Turkey dictate a minimum capital adequacy ratio of 12%, Akbank has a capital adequacy ratio of 14.9%.

Superior Asset Quality

The primary requisite for effective risk management is maintaining asset quality. From this perspective, Akbank has always pursued a healthy lending strategy favoring growth with a high-quality portfolio over simply rapid growth. While the ratio of non-performing loans in the Turkish banking sector currently hovers around 2.8%, this ratio stands at 1.7% for Akbank. Furthermore, Akbank currently sets aside 184% provisioning against non-performing loans when general loan loss provisions are taken into consideration.

High Growth Potential

A high level of liquidity and low leverage ratio (8.4x) are Akbank's primary strengths that also support the company's sustainable profitable growth.

International Reputation

Thanks to the high-quality services it provides clients as well as an innovative and dynamic structure that operates effectively in the international banking arena, Akbank continued to figure among the leading business partners of correspondent banks in Turkey in 2014. Breaking more new ground with syndication, securitization and overseas bond market transactions in 2014, Akbank continued to pave the way for the sector in foreign borrowing.

1.7%

While the ratio of non-performing loans in the Turkish banking sector currently hovers around 2.8%, this ratio stands at 1.7% for Akbank.

14.9%

While legal requirements in Turkey dictate a minimum capital adequacy ratio of 12%, Akbank has a capital adequacy ratio of 14.9%.

AKBANK

218,697

TOTAL ASSETS
(TL MILLION)

3,379

NET PROFIT
(TL MILLION)

In 2014, Akbank continued to provide increasing support to the Turkish economy and real sector thanks to its robust capital structure, customer-oriented approach and innovative products and services.

Akbank's core business encompasses consumer, commercial, SME, corporate, private and international banking services as well as foreign exchange, money markets and treasury transactions. Non-banking financial services, along with capital market and investment services, are provided by the Bank's subsidiaries. With state-of-the-art information technology and a staff of experienced bankers, Akbank focuses on providing top quality services to a wide range of consumer and corporate customers.

With a strong and extensive domestic distribution network consisting of around 1,000 branches and a workforce of close to 16,500 employees, Akbank operates from its Istanbul Head Office and 23 regional offices throughout Turkey. In addition to branches, the Bank's traditional delivery channel, Akbank also offers banking services to customers through consumer and corporate internet branches as well as its Telephone Banking Center, approximately 4,300 ATMs and more than 360,000 POS terminals, along with other high-tech distribution channels.

As a pioneering leader in the field of digital banking in Turkey, Akbank Direct serves the needs of customers at the most convenient points of contact with the best customer experience. While today's technology goes full throttle and the needs of customers increase rapidly, Akbank Direct serves customer needs without the limitation of time and location and acts as a pioneer in the usage of most innovative technologies in Turkey. As part of Akbank's agreement with Western Union (Western Union Network [France] SAS), Akbank branches, Akbank ATMs and Akbank Direct Internet Banking began performing Western Union money transfers in 2013.

In 2010, Akbank Banking Center commenced service as the highest transaction capacity operations center in Turkey. Equipped with state-of-the-art technology, this complex makes major contributions to Akbank's productivity.

Akbank carries out overseas operations through subsidiaries in Germany (Akbank AG) and Dubai (Akbank Dubai Limited) as well as a branch in Malta.

Following a 20% strategic equity investment in Akbank in January 2007, Citigroup reduced its ownership to 9.9% in May 2012 due to its capital planning efforts for the Basel III regime.

Harvard University Kennedy School of Government (Harvard KSG) documented Akbank's highly successful turnaround story and growth strategy in the aftermath of the 2001 crisis in the form of a case study. Akbank management had implemented "The New Horizons Restructuring Program" after the 2001 Turkish economic crisis, at a time when the Turkish economy and banking industry were desperately searching for ways to leave the crisis behind. The management, changes and growth strategy that the Bank implemented not only put Akbank in a position to grow through the crisis years, but it also made the Bank a lecture topic and a reference case on how to manage and grow through times of economic crisis.

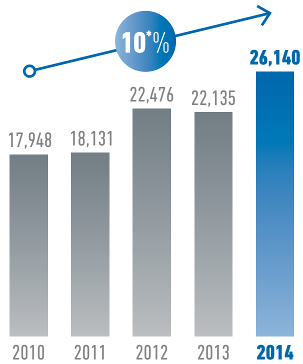
With a robust capital base, reliable deposit structure, ability to raise foreign financing on favorable terms coupled with superior asset quality, Akbank has maintained its leading position in the Turkish banking industry. As of the end of 2014, Akbank reported consolidated net profit of TL 3,379 million (approximately US$ 1,452 million) and total consolidated assets of approximately TL 219 billion (US$ 94 billion). The consolidated capital adequacy ratio of Akbank, standing at 14.9%, is among the highest in the sector.

Continuing its operations with the responsibility to create value for the Turkish economy, Akbank's total loans grew by 15.4% to TL 136 billion in 2014. Owing to its effective risk management policies, the Bank's non-performing loan (NPL) ratio of 1.7% is significantly below the sector average.

Akbank was recognized by Brand Finance as the "Most Valuable Banking Brand in Turkey" for the third consecutive year in "The Global Banking 500-2014" report. In addition, Euromoney, Global Finance, World Finance and EMEA Finance also named Akbank as the Best Bank in Turkey.

Thanks to its successful practices and long term strategic management, Akbank, the innovative power of Turkey, received the "CRM Excellence" award from Gartner while Akbank Direct Mobile was recognized at the Global Mobile Awards with the "World's Best Smartphone App" award in 2014.

SHAREHOLDERS' EQUITY
TL BILLION



* 2010-2014 CAGR

Differentiating itself from competitors with a solid capital structure, Akbank's total shareholders' equity rose to TL 26.1 billion in 2014, up 18% compared to the previous year.

Akbank was recognized by Brand Finance as the "Most Valuable Banking Brand in Turkey" for the third consecutive year in the "Global Banking 500-2014" report.

AKBANK

Established in 1996 to provide brokerage and advisory services in the capital markets, Ak Investment is a wholly-owned subsidiary of Akbank and provides its clients with Investment Banking, Institutional Sales & Trading, International Markets and Research services. The services provided by the Investment Banking Department include equity public offerings, issues of debt securities, mergers and acquisitions, financial advisory and valuation and privatization advisory. The Institutional Sales & Trading Department caters to institutional investors for their dealings in Turkish equity markets. The International Markets Department provides retail and institutional clients with trading opportunities for a wide variety of financial products in global financial markets on a single electronic multi-asset trading platform, TradeAll. The Research Department offers a comprehensive product line which includes both macroeconomic and Borsa Istanbul-focused equity research reports along with event-specific publications in English.

Ak Lease, serves the investment and funding needs of SME, commercial and corporate segment customers operating in industries that contribute to the development of Turkey, with customized leasing solutions.

A wholly-owned subsidiary of Akbank, AK Asset Management was established in 2000 in order to provide capital markets asset management services to institutional and individual investors. AK Asset Management manages 25 mutual funds chartered by Akbank and AK Securities, 15 Capital Protected Investment Funds launched by Akbank, 23 pension investment funds for Avivasa Pension and Life Insurance, 12 pension investment funds for Groupama Pensions, and two Akbank SICAV funds.

AK Asset Management also offers discretionary asset management services for large institutional investors as well as individuals, tailored to their financial expectations and risk profiles. AK Asset Management maintained its leadership in many segments of the asset management market owing to an outstanding performance and innovative product design. The Company established itself as a pioneer in the industry with the gold and precious metals investment fund, BRIC countries mutual fund, capital protected investment funds, composite commodity basket mutual fund, Akbank Franklin Templeton umbrella fund investing in different regions of the globe, and Corporate Bond Fund that are launched by Akbank and managed by AK Asset Management.

As a pioneer in the leasing sector, Ak Lease continued its 26-year steady growth, trust and success-oriented journey in 2014. Ak Lease, a wholly owned subsidiary of Akbank, serves the investment and funding needs of SME, commercial and corporate segment customers, operating in industries that contribute to the development of Turkey, with customized leasing solutions.

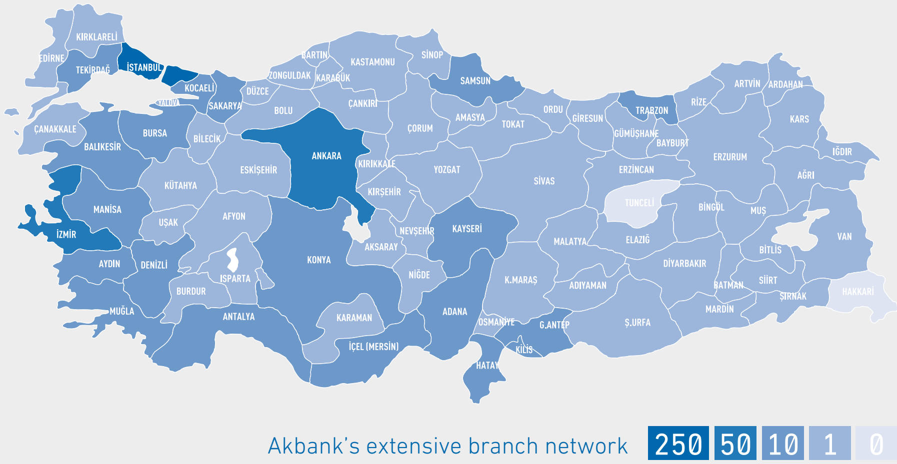
Akbank shares are listed on Borsa Istanbul with a free float ratio of 41.2%. The Bank's Level 1 ADRs are traded on the OTC market in the United States. As of December 31, 2014 Akbank's market capitalization stood at US$ 14.9 billion.

Aksigorta, with a dedicated service center and extensive website, provides 24/7 service in many areas of the insurance business, from submitting and tracking an initial claim to other related services.

Insurance

INSURANCE

Sabancı Group Insurance Companies Network in Turkey: 990 Akbank branches, over 2,000 Aksigorta agencies and 69 brokers, over 1,000 Avivasa financial consultants and branch insurance managers.



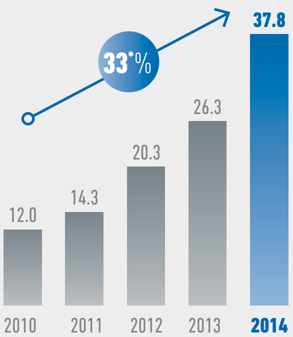
Aksigorta differentiates from competitors with its strong multiple channel distribution structure.

In the EU, total underwritten insurance premiums to GDP amounts to 7.7%, while this ratio is 1.3% in Turkey.

According to Insurance Europe, annual insurance premiums per capita in Europe is € 1,716, while this figure is about € 108 in Turkey.

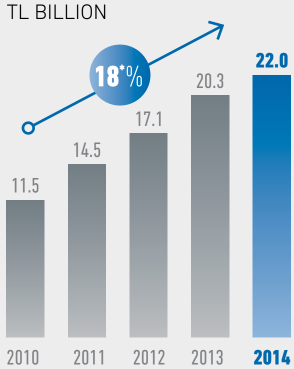
Over the last three years, Turkey's insurance industry has posted average annual growth of 16% in the non-life segment and 38% in the pension segment.

PENSION FUND SIZE IN TURKEY
TL BILLION



* 2010-2014 CAGR

NON-LIFE PREMIUMS WRITTEN IN TURKEY
TL BILLION



* 2010-2014 CAGR

Market Leadership

Avivasa is the second largest life insurance and pension company and Aksigorta is the fourth largest non-life insurance provider in the Turkish market.

High Brand Awareness

Aksigorta ranked 55th in the “Turkey’s Most Valuable 100 Brands” survey conducted by Brand Finance UK for Capital magazine in 2014, demonstrating that the company leads the sector with the highest brand perception.

Multiple and Strong Sales Channels

With Aksigorta’s 2,000+ agents and 69 brokers; Avivasa’s 1,000+ financial consultants and branch insurance managers; extensive corporate sales, agencies, and telesales channels, Sabancı Group insurance companies are consistently improving their service levels.

Akbank, a Strong Strategic Partner

Of all insurance premiums under written in 2014, a total of 23% were written through the bancassurance channel. Aksigorta and Avivasa have exclusivity arrangements with Akbank, thus providing a sharp competitive edge to these market leaders.

Know-How Transfer from European Partners

European partners, Aviva and Ageas, support Aksigorta and Avivasa, respectively, in bancassurance, multi-channel management, actuarial and claims management. Additionally, partner support in the reinsurance market also provides competitive advantages.

AKSigorta

508

SHAREHOLDERS' EQUITY
(TL MILLION)

1.7

PREMIUMS GENERATED
(TL BILLION)

SERVICES NETWORK

990

AKBANK BRANCHES

2,000+

AGENTS

667

WORKFORCE

With sustainable steps, Aksigorta has worked towards a customer-oriented and innovative vision since its establishment in 1960. Continuing to build upon its strong brand recognition and value with the partnership of Ageas and Sabancı Holding in the Company, Aksigorta maintained profitable growth in the insurance business in 2014.

Serving thousands of individual and institutional clients across Turkey through 16 regional directorates, more than 2,000 independent agencies, 990 Akbank branches, 69 brokers and 3,600 contracted institutions, Aksigorta has been offering customized value-added solutions to customers for 55 years in accordance with its corporate values. The Company responds proactively to the needs of the marketplace through a portfolio of differentiated products.

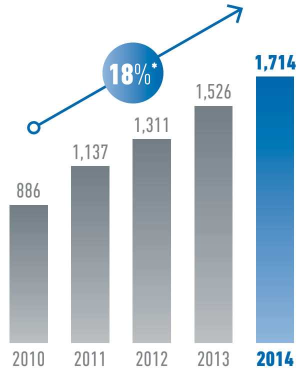
Determined to lead the sector with a contemporary and dynamic brand identity, Aksigorta develops innovative, customer-oriented products and services. It ranks as one of Turkey's leading non-life insurance companies with a robust capital structure and TL 508 million in equity capital; it is also a profitable enterprise with TL 1.7 billion in premium generation. Aksigorta serves individual and institutional clients across Turkey with a comprehensive lineup of products, from health, travel, auto and mandatory earthquake insurance to business insurance and liability insurance.

In business for 55 years thanks to an unwavering commitment to its values, Aksigorta got even stronger in 2011 with the partnership between Sabancı Holding and Ageas, a Belgium-based insurance company with more than 180 years of experience. Aksigorta's business strategy is focused on making an increasing contribution to the growth and development of the insurance industry, broadening public awareness about insurance, reaching all segments of society with its insurance products and services, and becoming the leading insurance company.

Possessing a major presence in the bancassurance segment, an increasingly important channel in the insurance industry, thanks to its affiliation with Akbank, another Group company, Aksigorta plans to use this channel more actively by also leveraging Ageas' vast global experience in this area. As part of this effort, the Company made strategic investments in its field personnel organization and information technology systems infrastructure in 2014.

www.aksigorta.com.tr

TOTAL PREMIUM GENERATION
TL MILLION



* 2010-2014 CAGR

Focusing on customer satisfaction in 2014, Aksigorta made changes in its business conduct and culture in an attempt to offer unprecedented customer experience. As part of culture transformation initiative, the Company updated its vision and mission statements in 2014. Aksigorta's new vision is "To make insurance easy, lean and accessible for everyone" whereas its new mission statement is "To create a unique insurance experience for our customers to support the continuity and ease of life while creating value for all stakeholders."

Aksigorta, through its Service Center and website, provides 24/7 service in many areas of its business, from the submitting and tracking an initial claim to other insurance services. Aksigorta Service Center supports clients with a continuous service approach, starting at the price quote stage and intensifying when there is a claim.

Aksigorta continues to be actively involved in social responsibility initiatives.

Aksigorta offers extensive assistance service for its auto insurance, home insurance, business insurance packages and health insurance products as part of the agreements it entered into with external suppliers in an attempt to maximize service quality and customer satisfaction. In the auto insurance and health insurance segments, the Company renders the highest quality service in the shortest period of time to customers in every corner of Turkey through an affiliate service network.

Aksigorta offers extensive assistance services for its auto insurance, home insurance, business insurance packages and health insurance products, as part of the agreements it entered into with external suppliers, in order to maximize service quality and customer satisfaction.

Aksigorta continues to be actively involved in social responsibility initiatives. In an effort to educate elementary and middle school children on ways to protect themselves and their loved ones from disasters such as earthquake and fire and to create insurance awareness among them, Aksigorta launched Turkey's first Fire and Earthquake Simulation Center (YADEM) in 1996 and then donated this asset to the Şişli Municipality Science Center Foundation in 2006. Acting out of its mission of raising insurance awareness in Turkey, Aksigorta teamed up with the Search and Rescue Association (AKUT) to develop a social responsibility project known as "Life Goes On, Turkey" that aims to educate the public at large regarding the actions to be taken in preparation for and during natural disasters such as earthquakes and floods. In 2014, the fifth year of the project, Aksigorta and AKUT teams visited 55 provinces and 174 districts reaching out to 5.4 million people.

Thanks to investments in IT infrastructure and human resources as well as a focus on profitable channels and segments, Aksigorta differentiated from the competition in 2014. The Company is targeting another year of sustainable profitability in 2015 by continuing to adhere to these strategies.

178

SHAREHOLDERS' EQUITY
(TL MILLION)

7.1

ASSETS UNDER MANAGEMENT
(TL BILLION)

1,001

FINANCIAL CONSULTANTS AND BRANCH INSURANCE MANAGERS

The Avivasa joint venture was formed in 2007 with the merger of AK Emeklilik, a subsidiary of Sabancı Holding, and Aviva Hayat ve Emeklilik, a subsidiary of UK insurance giant Aviva operating in Turkey. It became one of the leading private pension and life insurance companies in Turkey under the name of Avivasa Emeklilik ve Hayat (Avivasa Pension and Life Insurance).

Conducting its operations through the channels of direct sales, bancassurance, institutional projects, agencies, and telesales, Avivasa serves more than 2 million customers in the private pension and life insurance sectors. Avivasa's 1,617-strong workforce includes more than 1,001 financial advisors and branch insurance managers.

In the bancassurance channel, which has gained greater importance in the new dawn of the private pension sector that began as of January 1, 2013, Avivasa is further solidifying its already strong market position thanks to a growing strategic partnership and synergy with Akbank, another Group company. As part of the Company's operations in this channel, Avivasa private pension products are also made available at the branches of Burgan Bank, Odeabank and Abank, all of which are all international players.

www.avivasa.com.tr

In the direct sales channel, Avivasa serves non-banking customers of varying socioeconomic standings through its financial advisors. The agencies channel is another rapidly-growing distribution channel for the Company. The institutional projects channel introduces private pension and life insurance products to Turkey's leading companies while also playing a pioneering role in transferring the trust funds to the Private Pension System. The telesales channel is an efficient way to reach diverse customer segments by offering more affordable products.

Avivasa Pension and Life Insurance shares were listed on Borsa Istanbul on November 13, 2014. Not only did Avivasa become the first pension and life insurance company to go public after the introduction of the Private Pension System in Turkey, but with a total TL 1.7 billion market capitalization, its IPO ranked as the largest in Turkey over the past year.

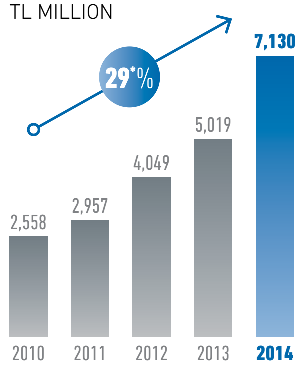
According to Pension Monitoring Center statistics as of January 2, 2015, Avivasa has a 19% market share in pension investment funds with total assets under management (AUM) of TL 7.1 billion including state contributions. These funds are managed by AK Asset Management, a Sabancı Group company which is one of the leading firms in the asset management industry.

The new Private Pension System law that came into effect on January 1, 2013 has accelerated the sector's growth, thanks to the numerous customer-focused amendments introduced in various areas, particularly the state contribution.

According to 2014 figures published by HAYMER and the Insurance Association of Turkey, Avivasa also generated TL 258 million in life and personal accident premiums, corresponding to a market share of 8% in life and accident insurance direct underwriting income among pension and/or life insurance companies.

Avivasa keeps a close watch on the opportunities in the sector and focuses on diversifying its distribution channels while investing in technical infrastructure and customer acquisition initiatives. Thanks to its increasingly well-known and highly recognizable brand name, effective organizational structure, and strong market position, Avivasa Pension and Life Insurance is conveniently situated to seize all opportunities in the most effective manner.

AVIVASA ASSETS UNDER MANAGEMENT
TL MILLION



* 2010-2014 CAGR

Avivasa's total assets under management increased 42% in 2014 compared to the previous year.

With an innovative approach and competitive business model, Enerjisa continued to play a pioneering role in Turkey's growing electricity sector.

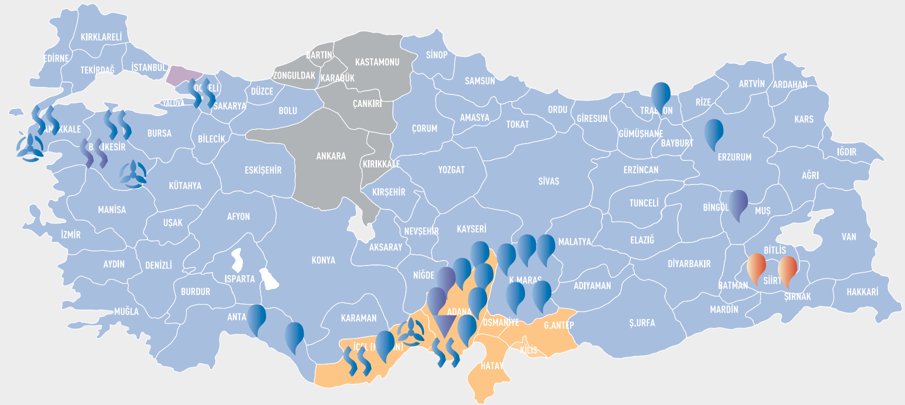
Energy

ENERGY

- Hydro
- Natural gas
- Wind
- Lignite

- Operational
- Under construction
- In Engineering Studies

- Başkent Eletricity Distribution Region
- İstanbul Asian Side Electricity Distribution Region
- Toroslar Eletricity Distribution Region



Enerjisa manages a large portfolio in the generation, distribution and retailing segments of Turkey's growing and developing electricity market.

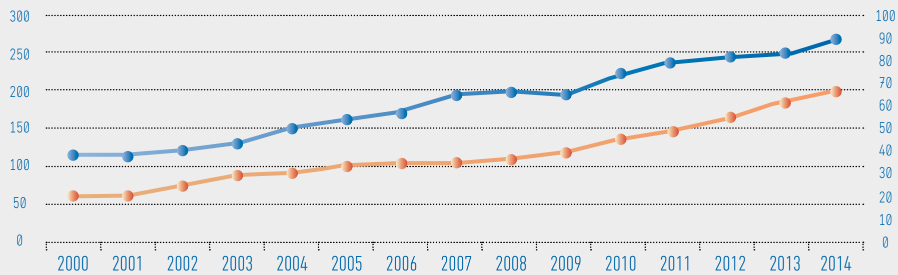
Demand for electric energy in Turkey increases in parallel to the country's increasing population, industrialization and urbanization. Together with the rising efficiency, Turkey's electricity sector expands in a market that is developing through increased competition.

Enerjisa manages a large portfolio in generation, distribution and retailing segment of Turkey's growing and developing electricity market. Enerjisa pursues an efficient and competitive portfolio strategy, much like the world's leading energy companies, in these three areas of operation that integrate well together and create value, with different dynamics from one another.

With a generation portfolio focused on efficiency and sustainability, trading operations focused on creating value, customer and market oriented sales strategies, target being the leading distribution company, innovative approaches and competitive business models, Enerjisa plays a pioneering role in Turkey's growing electricity sector. Enerjisa continuously improves effectiveness, flexibility and efficiency in the company's investments and operations.

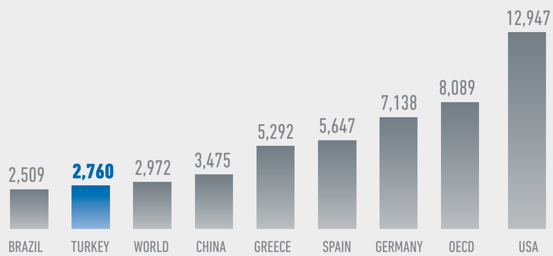
ELECTRICITY DEMAND IN TURKEY AND INSTALLED CAPACITY

- Electricity Demand (billion kW hours) (left axis)
- Installed Capacity (GW) (right axis)



Source: TEİAŞ

ELECTRICITY CONSUMPTION PER CAPITA
(kWh)



Source: International Energy Agency, Key World Energy Statistics 2014 (net consumption values)

A Large Portfolio in the Electricity Value Chain

Enerjisa operates in the generation, distribution, trading, wholesale and retail segments of Turkey's growing and developing electricity sector. Enerjisa manages a large portfolio in these areas of operation which pose different dynamics and also create value on an integrated basis.

Ranked among the country's leading private generation companies with an installed capacity of 2,814 MW at end-2014, Enerjisa captured nearly a 4% market share in electricity generation and over 20% market share in electricity distribution. As the pioneer in electricity distribution with the takeover of the Başkent electricity distribution region in 2009, Enerjisa acquired the Ayedaş and Toroslar electricity distribution regions in 2013. Enerjisa now serves about 9 million distribution customers in 14 provinces, which have a total population of nearly 20 million.

Diversified and Efficient Generation Portfolio

Enerjisa conducts operations with an efficient and competitive portfolio that is diversified in terms of energy resources. Enerjisa achieved significant progress in renewable energy based investments, which are key to improving energy security and reducing Turkey's current account deficit. The share of renewable energy power plants in Enerjisa's total operational capacity climbed to 53% in 2014. Using effective, efficient and environmentally friendly technologies in the company's power generation investments and operations, Enerjisa significantly contributes to the supply security and sustainable growth of Turkey's electricity sector with a flexible portfolio structure that can adapt to changing market conditions.

Pioneering Applications in Electricity Distribution

Enerjisa participated in the first electricity distribution privatization in the sector, with the takeover of the Başkent electricity distribution region in 2009. Enerjisa reached over a 20% market share in distribution with the acquisition of the Istanbul Anatolian Side Electricity Distribution Company (AYEDAŞ) and the Toroslar Electricity Distribution Company in 2013. Başkent Electricity Distribution is the first distribution company to build an information system infrastructure by integrating distribution processes with enterprise resource planning software in Turkey. Başkent Electricity Distribution has been a pioneer in the sector with innovative investments and advanced operations.

Enerjisa continues to invest and upgrade in order to bring the newly acquired distribution companies to higher service standards, similar to what was achieved in the Başkent region, by implementing technology and efficiency focused investments and operations to improve service quality. Enerjisa provides electricity distribution services to some 20 million people in 14 provinces located in three distribution areas, while playing a pioneering role in the sector. The company's targets include achieving service quality levels that will be considered a model in Europe.

Innovation and Differentiation in Electricity Supply

Creating value through innovative applications in electricity sales, Enerjisa differentiates itself within the market with a customer and market oriented business model and sales approach, advanced sales infrastructure that uses state-of-the-art technology, as well as products, services and solutions developed to meet the needs and demands of customers.

The Enerjisa sales team became stronger by ensuring customer satisfaction through innovative solutions. Enerjisa conducts wholesale operations in parallel with emerging commercial opportunities in the electricity market and continues to create value through other activities, such as cross-border electricity sales and development of carbon offset certificates.

Highly Skilled Work Force

Enerjisa strengthens its position as leader and pioneer in the Turkish electricity market by recruiting and retaining highly skilled employees and ensuring their continuous development.

Enerjisa makes significant contributions to sustainability with efficiency-oriented electrical distribution technology investments and operations; efficient and environmentally compatible power plants; and carbon reduction opportunities provided by generation based on renewable energy.

Enerjisa was founded in 1996 as an autoproducer company for supplying the electricity needs of Sabancı Group Companies and became one of the leading players of the growing and developing Turkish electricity market through its large portfolio targeting value creation along the electricity value chain, customer and market oriented business models, efficiency and technology focused generation and distribution investments, and competitive strategies.

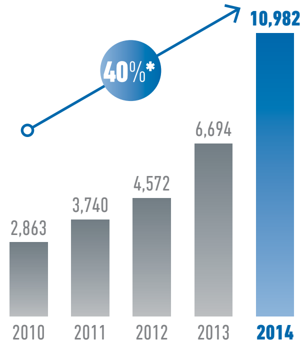
E.ON, one of the world's largest private electricity and natural gas companies, became a 50% shareholder of Enerjisa by acquiring Verbund stakes in 2013.

Enerjisa has raised its installed capacity to 2.814 MW by the end of 2014 after putting into operation two units with 120 MW installed capacity of Kavsakbendi hydropower plant, whose first unit became operational in 2013, and Arkun hydropower plant with 245 MW installed capacity.

Enerjisa has been a pioneer in electricity distribution since the acquisition of Başkent Electricity Distribution Company in 2009, the first distribution privatization tender to occur in the Turkish electricity sector. Enerjisa has reached 9 million distribution customers and over 20% share in total electricity distribution in Turkey through takeovers of the Istanbul Anatolian Side Electricity Distribution Company (AYEDAŞ) and the Toroslar Electricity Distribution Company in 2013 via privatizations tenders. Pursuing technology and efficiency focused investments and customer oriented, pioneering approaches, Enerjisa provides electricity distribution services to a population of nearly 20 million in 14 provinces.

www.enerjisa.com.tr

CONSOLIDATED SALES
TL MILLION



* 2010-2014 CAGR

The efficient and environmentally sound generation capacities, carbon offset opportunities provided by renewable energy power plants, technology and efficiency focused electricity distribution investments and operations of Enerjisa are among its key contributions to sustainability.

The business scope of Enerjisa with a large portfolio in the electricity market has been extended to include natural gas imports, wholesale and trading so it can become a player in the natural gas sector of Turkey.

The business activities for electricity generation, trading, distribution, sales and natural gas are carried out by companies under the parent company, Enerjisa Enerji A.Ş.

The liberalization process of the electricity field in Turkey has reached an important stage and is moving towards the development of a more competitive market with privatizations and market-oriented steps. Enerjisa supports the steps targeted towards a more competitive nature of the energy field in Turkey.

Enerjisa aims at pursuing opportunities in the sector to continue creating value for shareholders, customers, employees, suppliers and the whole of society. Strengthening and sustaining its competitive position in the market by continuously improving processes and systems are among the main objectives of Enerjisa.

Consolidated sales of Enerjisa companies totaled nearly TL 11 billion in 2014.

Enerjisa, with a powerful portfolio covering all links of the electricity value chain, reached TL 11 billion in consolidated sales turnover in 2014, up 64% over the previous year, and strengthened its sustainable financial performance.

ELECTRICITY GENERATION

Enerjisa creates value with a diversified, efficient and competitive generation portfolio. The share of renewable energy sources in the Company's total installed capacity rose to 53% at end-2014.

Enerjisa was established in 1996 to explore new business opportunities in the energy sector and to operate as a reliable and capable supplier of energy. The portfolio of Enerjisa Power Generation reached a total installed capacity of 2,814 MW by the end of 2014. The operating portfolio is composed of natural gas combined cycle power plants in Adana, Çanakkale, Kocaeli, Mersin and Bandırma; hydroelectric power plants in Adana, Antalya, Erzurum, Kahramanmaraş, Mersin and Trabzon; and wind energy power plants in Balıkesir, Çanakkale and Mersin.

The share of renewable energy power plants in the operational capacity of Enerjisa, creating value through its diversified, efficient and competitive generation portfolio, climbed to 53% in 2014.

The Bandırma 2 natural gas power plant, which is under construction, will be the most efficient thermal power plant in Turkey when commissioned. Enerjisa continues its investments in power plants under construction for utilizing the coal and hydro resources of Turkey.

Enerjisa uses efficient and environmentally compatible technologies in power plant investments and operations. Enerjisa provides important contributions to the sustainability of growth and security of supply in the electricity sector in Turkey with a flexible portfolio structure that can be adapted to changing market conditions.

ELECTRICITY TRADING

Enerjisa protects the value of its electricity generation and sales and optimizes its portfolio by operating in the over-the-counter (OTC) market, spot market and balancing market, using different segments of the developing electricity market.

Focusing on the emerging commercial opportunities in the electricity market, Enerjisa performs electricity wholesale activities and also creates value with origination activities, cross border electricity trade operations and developing carbon offset certificates.

Enerjisa protects the value of its electricity generation and sales and optimizes its portfolio by operating in the over-the-counter (OTC) market, spot market and balancing market.

ELECTRICITY SALES

Turkey, as Europe's sixth largest electricity consumption market, has come to an important stage in the liberalization process in line with the objective of opening the market to competition. The eligible consumer limit was set 4,500 kW-hours in 2014, approximately 85% of the total final consumption of consumers who have gained the right to choose their own suppliers. The rest of the liberalization process involving more residential consumers is still in process.

Enerjisa supplies electricity to a region with a population of 20 million and the company has 9 million subscription customers. Enerjisa is the biggest retail electricity sales company with about 20% market share. These figures are higher than the total market value in many countries.

Enerjisa provides electricity supply service to a wide range of customers, from Turkey's largest electricity consuming industries to the individual residential consumers. Besides this, Enerjisa is also the designated supply company for the Başkent electricity distribution region*, İstanbul Anatolian side electricity distribution region* and Toroslar electricity distribution region. Enerjisa carries local supply company features of these regions. Electricity supply service is offered to non-eligible customers and to the consumers buying from the last resort electricity tariff located in the relevant areas.

In 2014, Enerjisa successfully completed the integration of Istanbul Anatolian Side and Toroslar Sales Companies taken over by privatization in 2013.

Enerjisa supplies electricity to a region with a population of 20 million and has 9 million subscription customers.

*The cities covering the provinces: Ankara, Kırıkkale, Çankırı, Kastamonu, Karabük, Bartın, Zonguldak, İstanbul (Asian Side), Adana, Mersin, Gaziantep, Hatay, Osmaniye, Kilis. (Enerjisa realizes electricity sales to final consumers through companies with electricity supply licenses.)

ELECTRICITY SALES

Offering customers innovative and customer-oriented marketing and sales services, Enerjisa develops products, services and solutions according to the needs of the customers with an advanced technology infrastructure.

Above all, Enerjisa strives to improve the living standards of its customers. Enerjisa's operating philosophy includes awareness that electricity is a basic vital component, and concentrates on improving the living standards of customers by making them the focus of the company's work and the Enerjisa brand; besides being the most well-known and reputable, it is also the name of trust and reliability for customers. The awards that were given for the results of surveys conducted by various institutions in 2014 has confirmed this fact.

Offering customers innovative and customer-oriented marketing and sales services, Enerjisa develops products, services and solutions according to the needs of the customers with an advanced technology infrastructure.

The company uses the most advanced information systems in hardware and application infrastructure in the electricity retail sector with the latest investments. Enerjisa's information system infrastructure has received a global SAP HANA Excellence Award.

Enerjisa has a large product portfolio and service channels developed according to the needs of customer groups. The Extensive Customer Services Center network is specially designed for disabled customers in supply areas and supported by major mobile service centers, which are mainly for elderly and disabled customers based in rural areas or who have difficulty in reaching the city centers. The Call Center, with 24/7 service and which receives approximately 2 million calls, has been renovated to provide better service in 2014. A web-based online customer service center, which gives the opportunity to clients to operate from any point they are located, was activated in 2014.

Enerjisa has continued to create value in 2014 for corporate and commercial clients with dedicated energy experts. Enerjisa made customers feel the Enerjisa difference by knocking on the door of customers with telesales and direct sales teams. These teams explained to customers how to benefit from the advantages of the standard and fixed tariffs which were tailored to their individual needs.

Enerjisa measures the performance of all sales services. As a unique Company using an online performance monitoring system in the industry, Enerjisa is capable of making improvements much more effectively with this system.

Enerjisa invests in its employees with the Retail Academy conducted by Sabancı University which was renewed in 2014. This program is a unique example in the industry equipping Enerjisa employees with knowledge and skills to provide better service.

Enerjisa completed the year 2014 as a leader in all these business areas, not only in sales (approximately 37 billion kW-hours in electricity sales and 9.5 million subscription agreements), but also in brand reputation and value, customer satisfaction and preference, operational excellence and employee engagement.

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ELECTRICITY DISTRIBUTION

Enerjisa plays a key role in distribution with operations to improve the quality of services, technology and efficiency-oriented investments and electricity services to about 20 million users in 14 provinces.

Enerjisa performed the first electricity distribution privatization in the sector, with the takeover of Başkent Electricity Distribution Co. Inc. (Başkent EDAŞ) in 2009. With the acquisition of the Istanbul Anatolian Side Electricity Distribution Company (AYEDAŞ) and the Toroslar Electricity Distribution Company in 2013, Enerjisa reached over 20% market share in the Turkish electricity distribution sector.

Enerjisa provides electricity distribution services to around 20 million people in 14 provinces and pursues a pioneering role in electricity distribution with technology and efficiency focused investments and distribution operations targeting improved service quality.

Başkent Electricity Distribution Company

In terms of the size of the distribution grid and the geographic area served, the Başkent Electricity Distribution region is the largest in Turkey; the distribution grid is over 100,000 km and serves electricity access for around 7 million people.

Enerjisa makes technology focused investments and develops innovative applications to improve the quality of service in the Başkent Electricity Distribution Area. The first SCADA automation infrastructure in electricity distribution in Turkey was put into operation in the Başkent Electricity Distribution Area. Furthermore, the modules of the SAP ISU software application oriented towards distribution operations were launched. Thus, Başkent Electricity Distribution became the first distribution company to integrate the distribution processes in Turkey with enterprise resource planning software to establish a holistic infrastructure of information systems. The SAP based "Work Force Management" system was put into place and improved service quality. There are also ongoing studies relating to various advanced automation projects, such as Geographic Information Systems and projects for remote meter reading.

Istanbul Anatolian Side Electricity Distribution Company

Enerjisa won the distribution tender to take over 100% of the shares of Ayedaş Electricity Distribution Company, which distributes electricity on the Anatolian side of Istanbul, in 2013, by offering the highest bid.

Access to electricity is provided to 4 million people on the Anatolian side of Istanbul, with an approximately 20,000 km distribution grid.

Toroslar Electricity Distribution Company

Enerjisa won the distribution tender to take over 100% of the shares of Toroslar EDAŞ, which distributes electricity in Adana, Gaziantep, Hatay, Kilis, Mersin and Osmaniye provinces, in 2013, by offering the highest bid.

Access to electricity is provided to 8 million people with an approximately 80,000 km distribution grid.

Enerjisa aims to provide distribution services in the Ayedaş and Toroslar distribution regions at European standards and will implement SCADA, GIS, AMRS, Workforce Management System, as well as SAP based, new information systems infrastructure.

NATURAL GAS

Enerjisa Natural Gas Wholesale Company was founded in 2004 in order to secure the supply of natural gas and other fuels for existing and future Enerjisa power plants in a reliable and cost effective manner, including fuel supply contracts, medium and long term fuel supply strategies and development of fuel optimization systems. The company provides consulting to other Enerjisa companies for management of relevant risks.

Enerjisa Natural Gas Wholesale Company received a 10-year term import (spot LNG) license in 2010 from the Energy Market Regulatory Authority. Enerjisa Natural Gas Wholesale Company sells natural gas to Enerjisa natural gas power plants and third parties and also focuses on natural gas trading opportunities for its portfolio optimization. Enerjisa aims to realize new opportunities which could emerge with the liberalization of the Turkish natural gas market for contributing to security and competitiveness of natural gas supplies.

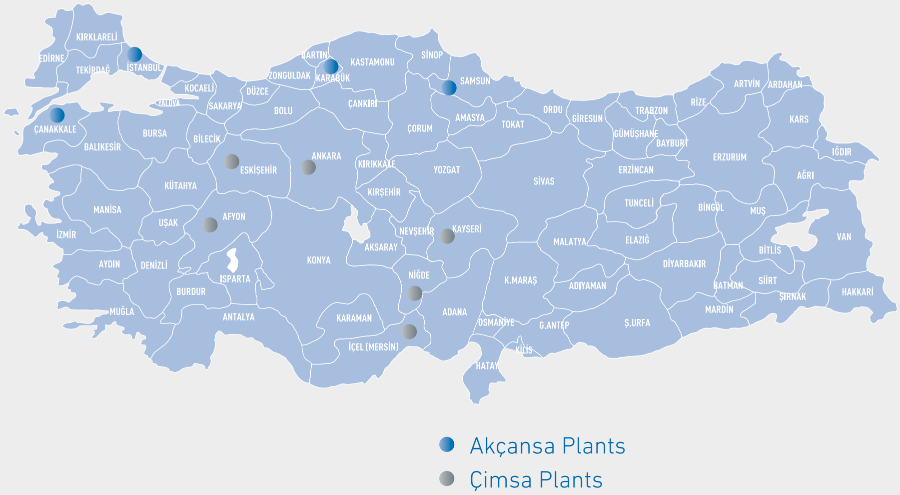
Enerjisa Natural Gas Wholesale Company was granted a 10-year license for import (spot LNG) by the Energy Market Regulatory Authority in 2010.

Akçansa is as one of the solution partners of the 3rd Bosphorus Bridge mega-project. A total of 720,000 m^3 of ready mix concrete casting and construction of bridge piers have been completed.

Çimsa meets the product and service needs of customers on time and completely with a market-oriented approach and extensive distribution network.

Cement

CEMENT



The increasing needs of housing and infrastructure with the young growing population indicate that demand for cement will continue to rise in the coming period.

Cement consumption per capita in developing countries generally increases more than, or in parallel to, GDP per capita.

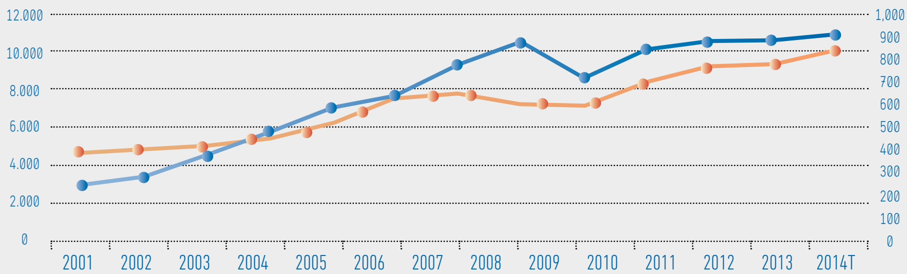
Cement consumption per capita in Turkey increased to 835 kg in 2014, with average annual growth of 7% during the last ten years. The young population, growing number of infrastructure projects and targeted urban transformation in Turkey will continue to increase the demand for cement.

Turkey was one of the largest exporters of cement in 2014 with 10.7 million tons of cement and clinker being exported.

DOMESTIC CEMENT DEMAND INCREASES IN LINE WITH GROWTH IN GDP PER CAPITA

GDP per capita (US$)

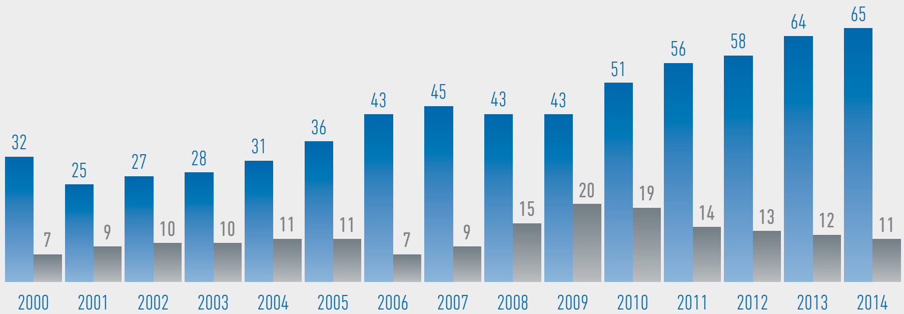
Cement consumption per capita (kg)



DEMAND FOR CEMENT IS STEADILY INCREASING

Domestic consumption (million tons)

Cement and clinker export (million tons)



Market Leadership

Sabancı Group cement companies make up 17% of Turkey's total clinker production capacity and are market leaders in their respective geographic regions.

Sustainability

Akçansa responded as a volunteer to the 2014 studies of the world's most prestigious and widespread environmental initiative, the Carbon Disclosure Project (CDP) as it has in the past four years. Akçansa has become one of the leading companies in this field in Turkey and has taken its place among the most transparent companies with 76 points.

Akçansa has published a Sustainability Report in accordance with the principles of GRI G4 and has signed the UN Global Compact Agreement.

Akçansa increased the alternative fuel consumption ratio about 23% in 2014. Sustainability issues for Çimsa, have gained a special place and importance in the investment program. Çimsa is always conscious of the need to keep at the forefront of sustainability-oriented issues, the environment, occupational health and safety, while maintaining profitablity targets and growing; it targets "a more livable world" as well. Çimsa published a Sustainability Report that covers the performance of year 2013 including approval of a basic level of GRI G4 level at the end of 2014

Çimsa increased the total ratio of alternative fuel to 7.02% by increasing alternative fuel consumption to 42 thousand tons in 2014.

Çimsa held "Information Sharing Meetings" with all blue and white collar workers in factories to share its vision of sustainability with all factory employees.

Çimsa, which organized the first General Stakeholder Meeting in the industry in 2013, came together with local and neighboring stakeholders in Mersin and Eskişehir and carried out collaborative studies on sustainability in 2014.

Wide Network of Operations

Sabancı Group cement companies operate in five geographic regions in Turkey: Marmara, Mediterranean, Interior Anatolia, Black Sea and Aegean. This provides flexibility in operations and the diversification of risks by covering a wider market.

Logistics Advantages

Sabancı Group cement companies are differentiated from their competitors in export potential through their port and terminal facilities. Akçansa has critical advantages through its port facilities at Çanakkale and Ambarlı. Çimsa has eight terminals located abroad creating competitive advantages vis-a-vis competitors.

Differentiated Products

Çimsa, as Turkey's largest and the world's second largest white cement producer, operates as a true global player in exports with its overseas terminals. Çimsa is the first cement company in Turkey with Environmentally Friendly Product Certification, which was given with the evaluation of product features and production processes.

Sabancı Group cement companies offer individual solutions for specific needs with products as well as ready-mix concrete products. Akçansa received awards for its "100+ Concrete" product, in the most environmentally friendly and innovative product categories, from the Istanbul Chamber of Industry.

1,411

TOTAL SALES
(TL MILLION)

250

NET PROFIT
(TL MILLION)

6,500

CLINKER PRODUCTION CAPACITY
(THOUSAND TONS/YEAR)

www.akcansa.com.tr

Formed with the merger of Akçimento and Çanakkale Çimento in 1996, Akçansa is the leading cement producer in Turkey. The Company is a Sabancı Holding and Heidelberg Cement joint venture.

Operating in the Marmara, Aegean and Black Sea regions of Turkey, Akçansa produces cement at its Istanbul, Çanakkale and Ladik plants, and ready-mixed concrete at nearly 40 ready-mixed concrete plants under the "Betonsa" brand. Operating out of the Ayazağa, Bursa and Saray aggregate quarries as "Agregasa," Akçansa operates five cement terminals in Ambarlı, Aliağa, Yarımca, Yalova and Hopa. The Karçimsa cement grinding and packaging plant has been operational since 1998 after the formation of a partnership between Karabük Demir Çelik İşletmeleri (49%) and Akçansa (51%).

Akçansa continues to grow by creating value-driven competition in all the markets in which it operates and keeps the focus on success in line with company's vision of sustainable growth. Akçansa utilizes state-of-the-art technology in its environmentally friendly facilities to meet customer expectations and emphasize service quality.

Akçansa keeps a focus on "people" in all its operations with the target of "zero" accidents; it undersigned a first in Turkey and implemented Occupational Health and Safety Academies in the Büyükçekmece and Çanakkale factories. Thus, besides administering theoretical training of occupational health and safety to the employees, it has also started to provide practice-based trainings. Akçansa aims to train 5,000 people and conduct 80,000 hours of training, including business partners and suppliers. OHS Academy will be constructed in the Ladik factory, and will be put into service in the first half of 2015.

The Company's total production in 2014 met 10% of Turkey's total cement consumption. In 2014, Akçansa's cement and clinker sales were 6 million tons in the domestic market and 1.2 million tons in export markets. Akçansa has achieved turnover of approximately TL 1,411 million in 2014, and significantly reduced the need for working capital despite the increasing revenues.

Betonsa succeeds to differentiate itself from competitors with innovative custom solutions. The total sales of ready-mix concrete realized around 4.4 million m^3 levels with the support of quality human resources and superior strength in special products and big projects.

Specific product customer oriented studies are ongoing towards increasing the share of sales of 7.5%. The Betonsa Technology Center will be revamped in 2015.

The leading building materials company of Turkey, Akçansa included the third bridge across the Bosphorus in Istanbul in its portfolio of significant projects. Akçansa produced special concrete and cement for the longest reinforced concrete bridge in Turkey, which is the widest in the world and second highest in the world. The construction of the bridge started on May 29, 2013. 290,000 m^3 for the 3rd Bosphorus Bridge Project and 430,000 m^3 for North Marmara highway, which comes to totals 720,000 m^3 of, ready concrete pouring and construction of bridge piers have been completed. This project is an outstanding engineering project work which has been completed with targets such as zero accidents in accordance with the Occupational Health and Safety in a short period of 1.5 years.

The cement produced by Akçansa for the third bridge on the Bosphorus with an abutment height of 322 meters is resistant against any kind of physical and chemical action and will allow the concrete to last the project's anticipated 100 year lifespan.

Akçansa aims to increase its profitability by expanding the port operations business with sustainable and cost-effective supply chain management. Akçansa has achieved 18% growth in the port management business in 2014,.

Akçansa has been the leader in Turkey with its efforts in alternative fuel and raw material usage, which have crucial importance for the protection of environment and the natural resources. Akçansa has continued its activities in this field in 2014 and increased the usage of alternative fuel about 23%. Akçansa, which is aiming to undertake new efficiency projects in 2015, has published a third Sustainability Report in accordance with GRI G4 principles. Also, the UN Global Compact was signed which proposes universal principles with an innovative corporate responsibility approach.

Akçansa continues with all efforts it has implemented regarding sustainability. In the report resulting from the Carbon Disclosure Project (CDP), the most reputable environmental initiative in the world, Akçansa has become one of the leading companies in Turkey by voluntarily responding to CDP, as it has for the last four years. Akçansa ranked among the most transparent companies with a score of 76 last year.

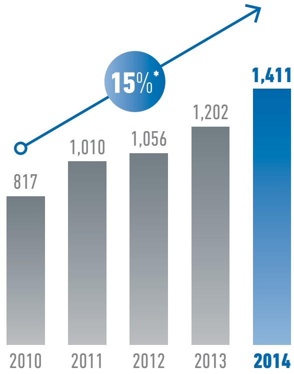
Ascending 14 steps to the ranked 61th in the "Turkey's Top 500 Industrial Enterprises" list prepared by the Istanbul Chamber of Industry, Akçansa was also named "Most Admired Company" in the industry for the 13th time in 2014 by Capital Magazine. Akçansa received awards in the most environmental and innovative product category by the Istanbul Chamber of Industry for its 100 + Concrete product.

Akçansa has developed a number of innovative projects target improving communication and creating value for all stakeholders. Competitions like Concrete Ideas and biodiversity projects for young people are undertaken the goal of becoming the most preferred employer in the industry. "The Project of Neighbor Councils" which take place in the factories, help the company to listen to its neighbors, and include them in decision-making; and the "Project of Ambassadors Council" listens to workers and employees to identify areas of improvement together.

Akçansa placed first in the Golden Collar Awards, organized by Sabancı Holding to honor the most successful companies and their employees, in the "Market Oriented" and "Synergy" categories and won honorable mention in "Value Creator" category.

Akçansa shares are listed on Borsa Istanbul with a free float of 20.6%.

TOTAL SALES REVENUE
TL MILLION



* 2010-2014 CAGR

Akçansa continued a sustainable sales performance in 2014.

The cement Akçansa produced for the 3rd Bosphorus Bridge is resistant to all kinds of physical and chemical impacts and has the ability to make concrete with a project life of 100 years and more.

1,094

TOTAL SALES
(TL MILLION)

199

NET PROFIT
(TL MILLION)

5,500

CLINKER PRODUCTION CAPACITY
(THOUSAND TONS/YEAR)

Starting operations in 1972, Çimsa is an international cement and building materials company that has grown continuously by making a difference in the industry, with more than 40 years of experience, broad product range, innovative employees and a humane and environmentally conscious approach.

Çimsa meets the product and service needs of customers with a market oriented approach and wide distribution network.

Recognized as one of the leading companies in the Turkish industry, Çimsa carries out operations with five integrated plants in Mersin, Eskişehir, Kayseri, Niğde and Afyonkarahisar; one grinding facility in Ankara; Marmara terminal; Malatya Cement Packaging facility; and international cement terminals.

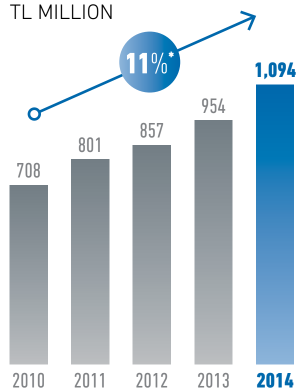
With special products, such as white cement and aluminate cement in addition to gray cement, in its portfolio, Çimsa is one of the two major brands in white cement worldwide. The company leads the Turkish cement and ready-mixed concrete industry with its achievements in innovation.

In today's business world, new opportunities arise with the continuous change in competitive conditions and customer expectations. Çimsa evaluates these for building living areas and required infrastructure needed by the next generation, and assumes responsibility for the future as much as today.

Having adopted a sustainability approach as a key player in the cement industry, which aims to integrate the functions in each stage of the Company, Çimsa, has published the GRI Sustainability Report, which contains the performance record in this regard in 2013, with the approval of G4 level. The report carries Çimsa's sustainability efforts to a specific platform with having the approval of GRI G4 level, and shows that the study is compatible with the most recent sustainability reporting guidelines published by Global Reporting Initiative (GRI), and basic (core) level requirements.

www.cimsa.com.tr

TOTAL SALES REVENUE
TL MILLION



* 2010-2014 CAGR

Çimsa is the first Turkish Company that is participating in the Cement Sustainability Initiative (CSI), which operates under the auspices of the World Sustainable Development Business Council's (WBCSD). An investment of US$ 13.5 million in 2013 for the fields of sustainability and the environment were made by the company a figure that corresponds to 36% of total investment. This case is an important indicator that shows the value Çimsa gives to sustainability and the environment.

Çimsa has increased sales to TL 1,094 million, up 15% compared to the previous year.

Setting its target for the next three years as growing profitably and becoming an international cement and construction materials company leading the industry for a livable future, Çimsa aims to create value for all stakeholders with products and services developed in line with the changing expectations and needs of customers.

Çimsa has strengthened its position as one of the leading companies of the industry with a strong performance in 2014. Çimsa increased its clinker production capacity to 5.5 million tons in 2014 and grew its ready-mixed concrete capacity to 2.4 million m^3. The sales revenue of Çimsa in 2014 was TL 1,094 million, with a TL 274 million share of exports in total sales revenue.

Successfully representing the Turkish cement industry in international markets, Çimsa implements the quality management system, environmental management system and occupational health and safety system.

Çimsa has a presence in more than 60 countries, with subsidiaries and terminals operating in locations such as Trieste (Italy), Seville and Alicante (Spain), Emden (Germany), Constanta (Romania), Novorossiysk (Russia) and Famagusta (TRNC); the company also has the capability to sell its products under its own brand and lead R&D activities. In addition to EC and CE certifications required for introducing cement products to EU country markets, Çimsa also has Kitemark quality certification and takes firm steps towards being more effective and active in international markets.

Çimsa, which takes Turkish cement into international markets and represents the country with success, implements quality management systems, environmental management systems, occupational health and safety management systems.

Çimsa shares are listed on Borsa Istanbul with a free float of 41.5%.

Teknosa has been identified as the first retail technology chain to come to mind among consumers according to market research (DORinsight 2014).

As the first food retailer to introduce hypermarkets to Turkey, Carrefoursa continues to serve consumers with four new market formats.

Retail

RETAIL

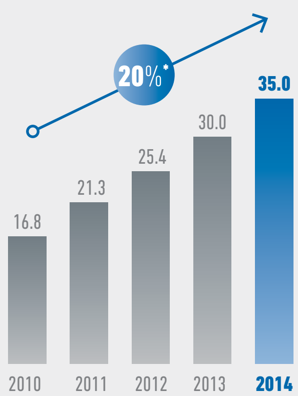
- **Teknosa***
- **Carrefoursa****

* Teknosa stores are present in 81 provinces.
** Carrefoursa stores are present in 40 provinces.

Turkey's retail sector is one of Europe's fastest growing markets.

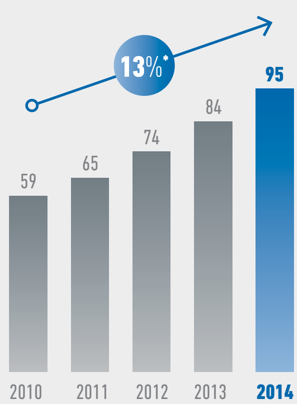
Electronics retailing is a very attractive sector with high growth potential. Turkey's annual technology expenditure per capita is around € 160 while the EU average is about € 280. Having the second largest and the fastest growing population in Europe, half of the population being under 30 years of age and faster GDP growth than Europe all support the growth of the Turkish market.

ELECTRONICS RETAILING TURNOVER IN TURKEY
(TL BILLION)
The electronics retail market grew by 18% and 17% in 2013 and 2014, respectively.



* 2010-2014 CAGR

FAST MOVING CONSUMER GOODS TURNOVER
(TL BILLION)
The fast moving consumer goods market is estimated to total TL 95 billion in 2014.



* 2010-2014 CAGR
Source: Nielsen

Only 38% of Food Retailing is Organized

Turkey's food retailing market is still dominated by local grocery stores and open air markets. On the other hand, organized retailing, with a 38% share, is growing fast and attracting investors.

Strong Brands

Teknosa was identified as the "Top of mind technology products retailer" by DORinsight in 2014. Carrefoursa is the first brand to introduce the Turkish consumer to hypermarkets.

Geographic Coverage

Sabancı retail companies are present in 81 provinces in Turkey with 333 grocery stores and 291 technology stores as of end-2014.

Multi Formats

Sabancı retail companies have a variety of formats in all segments. Teknosa operates Standard, Extra and Exxtra stores with different formats. Carrefoursa operates in total four formats: hypermarket, supermarkets, gourmet and mini.

Strong Position in the Sector

Teknosa is the leading technology retailer in Turkey. Carrefoursa is among the major players in the organized food retailing sector.

291

Sabancı retail companies provide services to consumers with 291 technology stores as of 2014.

333

Sabancı retail companies provide services to consumers with 333 grocery stores as of 2014.

3,016

TOTAL SALES
(TL MILLION)

291

NUMBER OF STORES

171

NET SALES AREA
(1,000 M^2)

Established in 2000 with 100% Sabancı Holding and Sabancı Family capital and guided by its motto of "Technology for Everyone," Teknosa has been the pioneering electronics retailer in Turkey with the highest number of stores. Commencing operations with five stores in 2000, Teknosa currently boasts 291 stores in 81 provinces in Turkey.

Teknosa offers a distinctive and enjoyable shopping experience with a net sales area of approximately 171,000 square meters and a broad product mix. Teknosa stores and teknosa.com were visited by more than 200 million consumers in 2014. Offering the latest technology products to customers with the help of 3,511 employees, Teknosa closed 2014 with sales of TL 3 billion.

On May 17, 2012, the IPO of Teknosa was completed. Teknosa shares are listed on Borsa Istanbul with a free float of 11.7%.

Teknosa continues to invest in Teknosa Academy, which was established in 2005 in order to form a career planning platform and to develop a skilled workforce. The objective of Teknosa Academy is to train the retailers of the future by informing employees of new developments in the retail sector and helping them to improve their skills. In addition to the management training programs, the Academy also supports employees in their professional and personal development. Teknosa continues to hold the distinction of being the first and only educational institution that issues Ministry of National Education (MEB)-accredited vocational training certificates in the sector. It has graduated more than 10,000 trainees since its establishment. Teknosa provides employees with effective and proper career planning opportunities starting from their first day at work.

www.teknosa.com

Conducting its operations in accordance with a customer-oriented scientific retailing approach, Teknosa meets customers' after-sales needs and expectations with services provided by TeknoAsist (Tekno-Assist), which is a unique initiative in the industry. Customer requests are fielded at TeknoAsist service points in the stores, as well as through the 24/7 call center that can be reached by dialing 444 55 99. Teknosa also provides 24/7 services and a wide range of technology products to customers across Turkey through the www.teknosa.com internet store.

TeknoGaranti (Tekno-Warranty), another major service offering of Teknosa for customers, extends the warranty period of products purchased from Teknosa up to five years. Aiming to ensure customer satisfaction by going beyond the manufacturer's warranty period, this service provides many additional benefits such as insurance against accidental damages and theft, unlimited in-home repair service, and immediate replacement.

Teknosa also provides after-sales services on customer premises (whether office or home) via the Teknosa Service Packages for many product groups, including TVs, projectors, computers, home entertainment systems, satellite receivers, security cameras, cellular phones, screen protectors, web packages and commercial programs. The Company also continues to introduce new after-sales service packages based on customer needs.

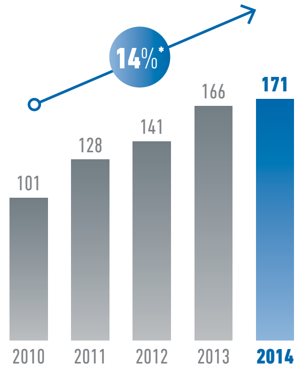
The Orange Card program, one of Teknosa's customer relationship management (CRM) activities, allows the Company to get to know customers more closely and spot their expectations and purchasing habits more precisely. Orange Card, which also offers opportunities to customers based on their shopping habits, reached 4.4 million members as of year-end 2014.

Teknosa has the largest logistics center among retailers in Turkey. The center, where all logistics operations of Teknosa are managed, is located in Gebze and has a 30,000 square-meter indoor area and a 60,000 square-meter total area. An additional 10,000 square meters of warehouse area was also allocated to İklimsa in 2013.

Teknosa is the only electronics retailer in Turkey with the ISO 9001:2008 Quality Management System, ISO 27001:2005 Information Security Management System and the ISO 10002:2004 Customer Complaints Management System certifications.

Founded in parallel with the rising performance of teknosa.com, Sabancı Group's e-commerce company Kliksa recorded approximately 100% sales growth in 2014. Kliksa.com, which offers more than 250,000 products including consumer electronics, mother-baby products, toys, automotive accessories, sports-outdoor, watches, glasses and cosmetics, aims to maintain rapid growth, increase the number of products and categories it offers, and ensure fast delivery of products to customers in 2015.

NET SALES AREA
THOUSAND M²



* 2010-2014 CAGR

Teknosa increases its net sales area by consistently opening new stores.

The Orange Card program, one of Teknosa's customer relationship management (CRM) activities, allows the Company to get to know customers more closely and spot their expectations and purchasing habits more precisely.

Teknosa ranked 33rd among the 500 companies on the "Largest Companies in Turkey" list compiled by Fortune Turkey in 2014 while placing 43rd on the Capital 500 list.

Teknosa ranked 33rd among the 500 companies on the "Largest Companies in Turkey" list prepared by Fortune Turkey in 2014 while placing 43rd on the Capital 500 list. In addition, the Company registered an international accomplishment and was named the "Best Managed Company in Central and Eastern Europe" in the Consumer Products/Retail category by Euromoney Magazine, one of the most prestigious finance publications in the world. Teknosa Academy has received the ASTD (American Society for Training & Development) Best Award. The Academy also won the Golden Award in the Best Use of Blended Learning category at the Brandon Hall Group Excellence Awards 2014 with its "Career Path in Retail" program, becoming the first Turkish company to win an award in this category. Teknosa was awarded the Golden Effie in the Retail category with the "Life is So Beautiful" commercial video at the Effie Turkey Awards as well as the first prize in the Retail Chain and Information Technologies categories in the "Top 500 IT Companies Survey" conducted by Interpromedya. Teknosa has also been named the "Favorite Brand of Consumers at Shopping Centers" in the Electronic Retail category based on the "Number One Brands 2014" survey carried out by the Shopping Center Investors Association and GFK.

Teknosa.com was acknowledged with the "Technology Focused E-commerce Site of the Year" at the Webrazzi Awards, as well as "The Most Admired Technology Website" according to the market research conducted by Marketing Türkiye magazine and DORinsight on the utilization of e-commerce websites.

Acting out of the responsibility of being the leading electronics retailer in Turkey, Teknosa undertakes social responsibility projects in many areas including education, sports, the environment and the arts in order to serve society and enable the mass utilization of technology. Free-of-charge computer training programs have been conducted for women in various provinces across Turkey since 2007 as part of the Technology for Women Project. Technology for Women training programs were held in Adıyaman, Balıkesir, Eskişehir, Mersin, Manisa Soma, Burdur and Gaziantep in 2014. To date, the number of trainees has reached approximately 14,000 women in 55 provinces. It is Teknosa's heartfelt belief that these training programs will encourage women and help them build self-esteem as they incorporate into social life and the labor market.

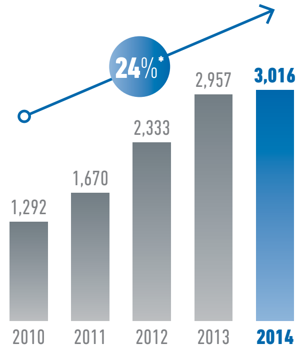
Supporting Turkish sports and athletes since 2007, Teknosa also continues its support for the Turkish National Teams as the Official Technology Sponsor in accordance with the collaboration agreement signed with the Turkish Football Federation.

Teknosa also aims to set an example for other companies in the sector with an environmentally responsible approach and activities. The Company broke new ground in the industry in 2009 by offering recycled bags to customers. Undertaking efforts for the collection and recycling of batteries and electronic waste by way of its stores and state-of-the-art logistics network, the Company collects waste, even picking up these materials from premises when necessary, as part of its environmentally responsible credentials. The Company continued its environmentally-friendly activities in 2014.

In addition to the Teknosa technology retail chain, Teknosa A.Ş. also owns the İklimsa brand that operates in the air-conditioning sector. Positioned as the "Air-Conditioning Center of Turkey", İklimsa offers customers the world's leading air-conditioning brands housed in distinctive showrooms, backed by Sabancı Holding's 29 years of experience in the air-conditioning sector. Its product portfolio includes Mitsubishi Heavy Industries, General, Sharp and Sigma (private label brand) air conditioners. Offering nearly 200 models under four distinct brands, İklimsa serves customers via 189 authorized dealers in 41 provinces and 221 authorized servicing points in 65 provinces across Turkey. The Company also focuses on after-sales services to ensure customer satisfaction and renders outstanding service quality to customers in every corner of Turkey.

In pursuit of its sustainable leadership and increased customer loyalty objectives, Teknosa focuses on providing a seamless customer experience through a multi-channel strategy. The Company will accelerate efforts regarding innovative services and enhancement of its infrastructure, and conduct operations in accordance with its growth targets.

NET SALES
(TL MILLION)



* 2010-2014 CAGR

With multi-sales channels and a rich portfolio of products, Teknosa's net sales continued to increase in 2014.

In pursuit of its sustainable leadership and increased customer loyalty objectives, Teknosa focuses on providing a seamless customer experience through a multi-channel strategy. The Company will accelerate efforts regarding innovative services and enhancement of its infrastructure, and conduct operations in accordance with its growth targets.

Carrefour SA

3,126

TOTAL SALES
(TL MILLION)

333

NUMBER OF STORES

373

NET SALES AREA
(THOUSAND M²)

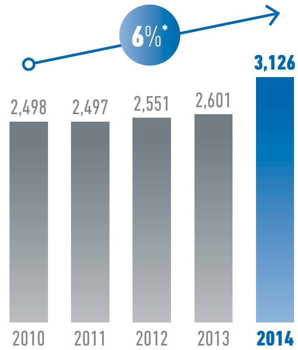
Carrefoursa is a joint venture of Sabancı Holding and Carrefour, the top retailer in Europe and the second largest in the world with over 10,000 stores in 34 countries. Sabancı Holding signed a Share Purchase Agreement with Carrefour in April 2013 to acquire an additional 12% stake in Carrefoursa. Following the closing of the deal in July 2013, Sabancı Holding's shareholding in Carrefoursa reached 50.79% and Sabancı Holding took over the management of Carrefoursa. Sabancı Holding raised its stake in Carrefoursa from 50.79% to 50.93% after a mandatory tender call in October 2013.

The mission of Carrefoursa is to be the address of enjoyable, reliable and value-driven neighborhood shopping for customers.

Starting to execute the new strategy of focusing on profitable growth in 2014, which it determined to be "takeoff year," the Company launched an investment campaign in all areas of operations, from its store concepts and IT infrastructure to supply procurement processes and human resources, in an attempt to become a sincere, lean, agile and modern brand. Today, Carrefoursa serves different customer segments under hypermarket, supermarket, gourmet, mini market and e-tailing concepts.

www.carrefour.com.tr

NET SALES
(TL MILLION)



* 2010-2014 CAGR

With sales areas ranging from 2,000 to 15,000 square meters, Carrefoursa Hypermarkets offer 50,000 product SKUs to customers. Carrefoursa Super markets, which are between 400 and 2,500 square meters, were redesigned to address customer needs and expectations regarding a faster neighborhood shopping experience to complement its extensive product range and reasonable prices. Carrefoursa Gourmet markets, offering unique flavors from Turkish and world cuisines and personalized services, are aimed at providing an innovative shopping experience to customers based on exploration and pleasure. Launched in 2014, Carrefoursa Mini markets offer a comfortable, practical and fun shopping ambiance to customers in stores ranging between 120 and 400 square meters. Carrefoursa, with an online shopping service on carrefoursa.com, also made shopping convenient and enjoyable for customers who are short on time.

Carrefoursa's sales rose to TL 3.1 billion in 2014, up 20% compared to the previous year.

Carrefoursa generated sales revenue of TL 3.1 billion in 2014 from a store network of 27 hypermarkets and 176 supermarkets, 22 gourmet and 108 mini markets spanning total net sales area of 373,000 square meters. Nearly 100 million customers shopped at Carrefoursa stores throughout the year.

Reorganized in 2014 to address diverse expectations and different customer segments, Carrefoursa continues to maintain a "Fresh Foods" focus among its top priorities in order to offer a wide variety of high-quality fresh products to customers at affordable prices with the "From the Field to Your Table," "From the Sea to Your Table" and "From the Oven to Your Table" initiatives.

Carrefoursa continues to maintain a "Fresh Foods" focus among its top priorities in order to offer a wide variety of high-quality fresh products to customers at affordable prices with the "From the Field to Your Table," "From the Sea to Your Table" and "From the Oven to Your Table" initiatives.

The Company, which has a sound financial position, aims to take advantage of all projects that promise growth and value creation potential, focus on sustainability activities, and continue to invest in the business to be the address of enjoyable, reliable and value-driven neighborhood shopping for customers.

Our strategic priorities include: maintaining commercial and operational excellence in our industries of operation; making a difference with our management system; growing fast with new business models developed by our team of entrepreneurs; investing in high added value and high margin businesses.

Industrials

INDUSTRIALS

Turkey Distribution Network of Temsa, Bridgestone and Lassa brands

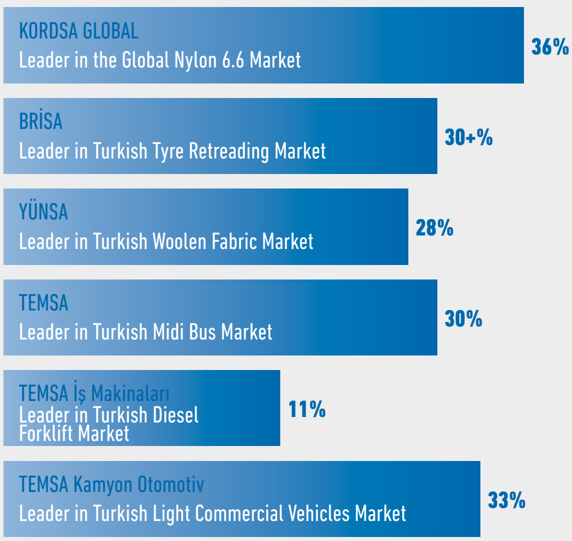
Kordsa Global, Brisa, Sasa, Yünsa and Temsa Factories

Turkey's Innovative and Entrepreneurial Industrials Group

As the Turkish manufacturing industry continued to make progress towards its objective of high value-added manufacturing industrial production, it made significant contribution to the growth of the Turkish economy and exports in 2014. As the market-leading Industrials Group companies, we are proud to have contributed to the growth of the Turkish economy with our overseas sales and the investments we have made in high-value added manufacturing.

Sabancı Holding's Industrials Group companies accelerated their growth rates thanks to new technology investments as well as the new business development of their entrepreneurial teams while maintaining a competitive edge in their core businesses through excellence initiatives and sustaining market leadership.

MANUFACTURING COMPANIES LEADING THEIR RESPECTIVE INDUSTRIES



Innovative and Corporate Entrepreneurs

The market-leading Industrials Group companies continue to differentiate themselves in their sectors with innovative and entrepreneurial capabilities as well as high-tech unique products and entrepreneurial projects. Kordsa Global's gross revenue obtained from the new products developed by its R&D Center increased to nearly US$ 40 million in 2014. It has laid the foundation for the Composite Technologies Center of Excellence in association with Sabancı University in order to unveil new high value-added products in the construction and composite industries in the forthcoming years. In 2014, Brisa received the "Customer Oriented Service Innovation Award" for the pioneering mobile sales and service platform, "Bridgestone Box," in the tyre industry, driven by a corporate entrepreneurial culture. Yünsa penetrated into premium market segments via new product offerings with the assistance of its R&D division's projects and strong design capabilities. In 2014, Temsa increased its market share in the 2+1 segment, offering a distinctive experience to users with the changes made in its Safir VIP model developed in Adana.

Competitive Leaders

Industrials Group companies maintained their market-leading positions in 2014 while also achieving profitable and sustainable growth. Kordsa Global opened an 18-kiloton Tyre Cord Fabric facility and 14-kiloton 3rd and 4th generation polyester HMLS yarn facility in Indonesia with a total investment of US$ 100 million. Kordsa boosted its production capacity and innovation projects, reached a global market share of 36% in the nylon 6.6 market, and maintained a market-leading position in 2014. It maintained a 10% market share and ranked 4th in the global industrial PET-HMLS market. Kordsa Global accelerated activities for introducing strategic products in the construction and composites industries by leveraging its immense experience and advanced technologies in the tyre industry and broke ground for the Composite Technologies Center of Excellence in association with Sabancı University in 2014. In addition to its manufacturing facilities in Izmit that have an annual production capacity of 11 million units, Brisa is currently working on opening second factory in the Organized Industrial Zone in Aksaray with an investment of US$ 300 million. Yünsa, the largest men and women's premium segment woolen fabric manufacturer and exporter in Europe as well as the 5th largest woolen fabric manufacturer and exporter in the world, also maintained its market position in 2014.

In accordance with their sustainable and profitable growth objectives, Industrials Group companies launched a number of new initiatives and projects in four major areas and further reinforced their competitiveness with a vision of operational excellence, commercial excellence, entrepreneurial and innovation excellence, and human resources excellence.

Succeeding Together

Industrials Group companies contribute to the continuous development culture by collaborating on strategic and operational levels through the leadership network platforms. Industrials Group companies share best-in-class practices and models in operations, business development, corporate entrepreneurship, finance, human resources and technology platforms under the leadership of their management teams. The teams conducted successful projects and training programs, particularly on customer segmentation, pricing strategies, quality and corporate entrepreneurship.

Sustainable

Industrials Group Companies continue to invest in environmentally-friendly products and energy efficiency. Brisa reported its sustainability initiatives with an A+ level sustainability report based on the GRI (Global Reporting Initiate) system. In addition to being a signatory to the Global Compact, the Company carries out the "Let the Cranes Fly Forever" campaign in partnership with WWF-Turkey (World Wildlife Fund Turkey). In 2014, Brisa also enrolled in the "Green Office" program. Kordsa was awarded the winning prize in the "Innovative Environment Friendly Product" category of the energy and environment awards given by the Istanbul Chamber of Industry in 2014. In addition, Kordsa manufactured 1.8 kilotons of recycled fiber from the cuttings of the yarn produced in its nylon factory in 2014. Yünsa won the winning prize in Turkey in the Large Scale Companies Process Improvement category of the Efficiency Project Awards in 2014. Holder of ISO 50001 Energy Management System certification, Yünsa continues to implement efficient energy management practices.

GLOBAL CUSTOMERS OF SABANCI GROUP INDUSTRY COMPANIES

Kordsa
USA, Germany, Argentina, Australia, Austria, Belgium, Belarus, United Arab Emirates, Brazil, Czech Republic, China, Indonesia, Estonia, Ethiopia, Finland, France, South Africa, South Korea, Croatia, India, Netherlands, England, Ireland, Spain, Israel, Sweden, Italy, Japan, Canada, Kenya, Colombia, Luxembourg, Hungary, Malaysia, Mexico, Egypt, Pakistan, Peru, Poland, Portugal, Romania, Russia, Serbia, Singapore, Slovenia, Chile, Thailand, Taiwan, Tunisia, Ukraine, Vietnam

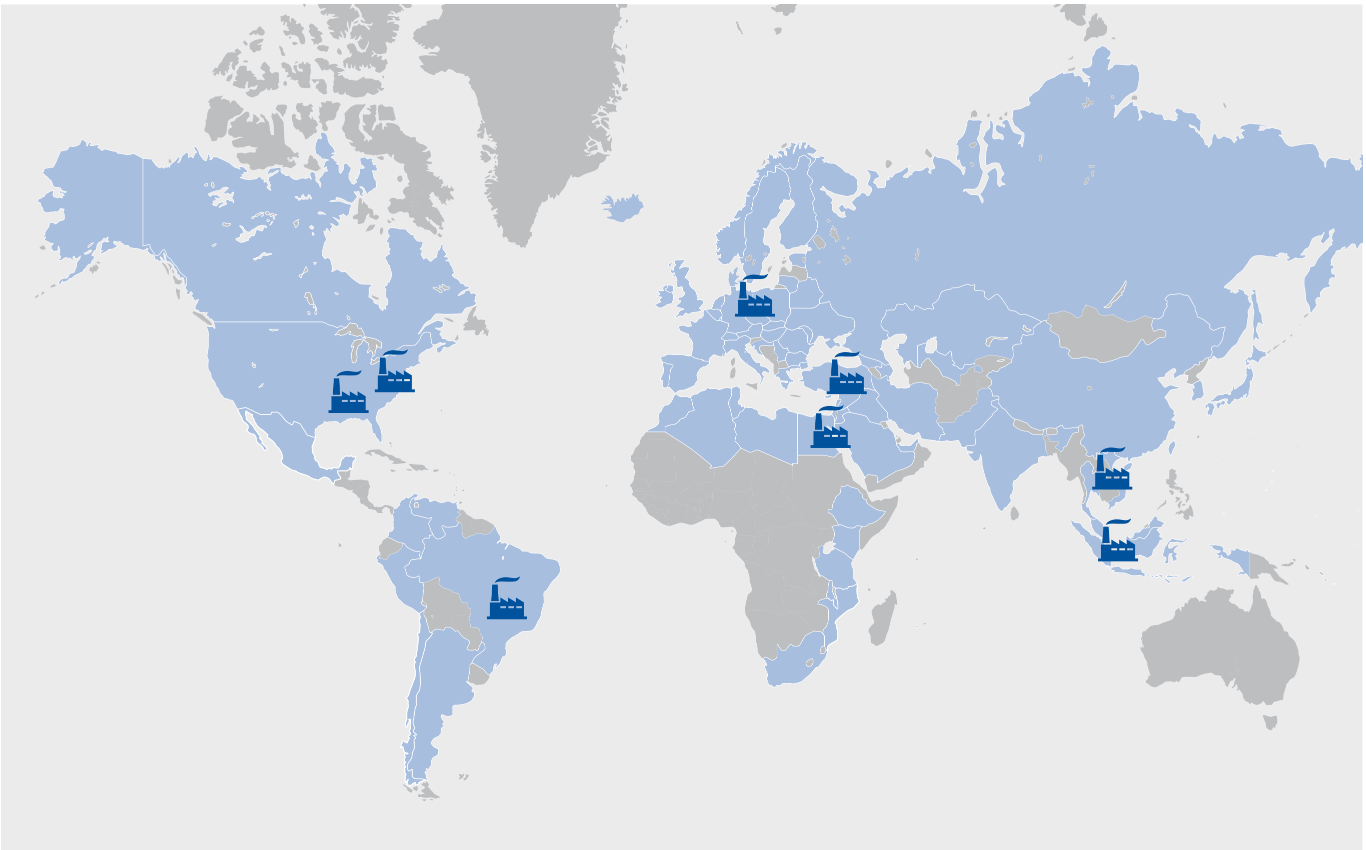
Brisa
Afghanistan, Germany, Albania, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Algeria, China, Denmark, Ecuador, Morocco, Ivory Coast, Finland, France, Georgia, Croatia, Iraq, England, Iran, Spain, Israel, Sweden, Switzerland, Italy, Iceland, Turkish Republic of Northern Cyprus, Kazakhstan, Congo, Korea, Kosovo, Libya, Lithuania, Lebanon, Macedonia, Mauritania, Malta, Egypt, Moldova, Nigeria, Norway, Uzbekistan, Pakistan, Poland, Portugal, Romania, Russia, Serbia, Sierra Leone, Singapore, Syria, Chile, Tunisia, Turkmenistan, Uganda, Ukraine, Uruguay, Jordan, Greece, Venezuela, Cape Verde Islands

Yünsa
USA, Germany, Austria, Bangladesh, United Arab Emirates, Belgium, Bosnia and Herzegovina, Brazil, Czech Republic, China, Denmark, Indonesia, Estonia, Morocco, Ivory Coast, Philippines, Finland, France, South Africa, South Korea, Croatia, India, Netherlands, Hong Kong, England, Iran, Ireland, Scotia, Spain, Israel, Sweden, Switzerland, Italy, Japan, Canada, Lithuania, Hungary, Macedonia, Malta, Mexico, Egypt, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Thailand, Taiwan, Tunisia, Ukraine, Jordan, Vietnam, New Zealand

TEMSA Otobüs
USA, Germany, Austria, Azerbaijan, United Arab Emirates, Belgium, Bulgaria, Czech Republic, Estonia, France, Georgia, Netherlands, Croatia, England, Israel, Sweden, Switzerland, Italy, Kazakhstan, Cyprus, Kyrgyzstan, Latvia, Lithuania, Lebanon, Luxembourg, Malta, Egypt, Macedonia, Norway, Portugal, Russia, Romania, Serbia, Sudan, Slovenia, Slovakia, Saudi Arabia, Syria, Tunisia, Ukraine, Jordan, Greece

TEMSA İş Makinaları
Algeria, Azerbaijan, Belgium, British Virgin Islands, Georgia, Iraq, Libya, Russia, Saudi Arabia, Sierra Leone, Turkmenistan, Ukraine, United Arab Emirates

TEMSA Kamyon Otomotiv
Kazakhstan, Azerbaijan, Georgia, Armenia



Sabancı Industrials Group Manufacturing Facilities

Global Customers of Sabancı Industrial Group Companies

TYRE REINFORCEMENT, COMPOSITE REINFORCEMENT AND CONSTRUCTION REINFORCEMENT MATERIALS

1,702

TOTAL SALES
(TL MILLION)

95

NET PROFIT
(TL MILLION)

Kordsa Global is the global market leader in industrial nylon, polyester and tyre cord manufacturing. It is engaged in the production of heavy denier industrial nylon, tyre cord and single end cord for the leading global tyre manufacturers. Kordsa Global additionally provides reinforcement materials to conveyor belt, V-belt, hose, and fishing net producers as well as other industries where nylon yarn and cord fabric are used.

Kordsa Global is the world leader with 36% market share in heavy denier Nylon 6.6 yarn and tyre cord fabric while it ranks third in the heavy denier polyester market with a 10% share in this segment.

Kordsa Global became a signatory to the United Nations Global Compact in 2014.

The Company continues its operations in Turkey, Egypt, Germany, USA, Brazil, Indonesia and Thailand in nine manufacturing facilities with more than 4,000 employees.

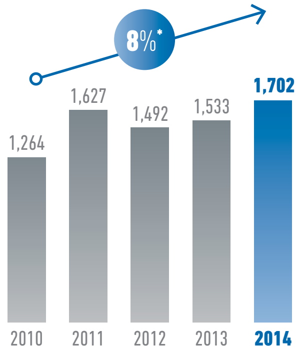
The success story of Kordsa Global began in 1973 with the tyre cord plant investment in İzmit, Turkey. Over the past 42 years, the Company has become a global leader thanks to strategic acquisitions and joint ventures with strong business partners.

The goal is to move forward by generating value-creating technologies while investing in customers, shareholders and employees in new business segments. With its “reinforcing specialist” reputation, while rolling out new products for its auxiliary industries of construction and composite, Kordsa Global will continue to solidify its presence in core business line of tyre industry via high-tech and innovative products in the years ahead.

To this end, to complement existing investments in Indonesia, the Company has opened the 18-kiloton Tyre Cord Fabric Factory and the 14-kiloton third and fourth generation polyester HMLS yarn factory with a total investment cost of US$ 100 million.

www.kordsaglobal.com

NET SALES
(TL MILLION)



* 2010-2014 CAGR

Kordsa Global has redefined the industry with its "reinforcement" positioning and has started to expand its business area into new segments. The Company is growing in construction and composite industries by leveraging its experience and know-how on tyre reinforcement and technology that it has acquired since 1973.

Based on this growth strategy, Kordsa Global has developed a concrete reinforcement fiber under the Kratos brand. As another outcome of this strategy, Kordsa Global has founded the Composite Technologies Center of Excellence in association with Sabancı University.

While continuing to pioneer its industry in the technology area with various new products developed in the R&D Center in Izmit, Kordsa Global also accelerated its pace of growth. The Company took in US$ 40 million from 14 new products in 2014. The target for 2017 is to have US$ 150 million in revenue from 22 new products.

Kordsa Global ranks in the top 10 of the Turkish Patent League. From total patent applications of merely two in 2003, the Company reached 68 patent applications in Turkey and 108 patent applications abroad for a total of 176 patent applications in 2014.

Kordsa Global's R&D Center ranked first in the textiles industry in 2013 and 2014. The Kordsa Technology Center includes pilot dipping, spinning and twisting units, physical and chemical analysis, instrumental analysis, rheology, optical analysis and tyre analysis departments.

Kordsa Global has been named the "Most Admired Textile Company" by Capital Magazine in 2014 and ranked third in the Textiles and Textile Raw Materials category by Turkish Exporters Assembly and Istanbul Textile and Raw Material Exporters' Association. The Company won the first-place prize in the "Innovative Environment Friendly Product" category from Istanbul Chamber of Industry at the Energy and Environment Awards. Granted the most ethical company in Turkey award by ETIKA, Kordsa Global was acknowledged by Per-Yön with an Achievement Award in the "Leadership in Human Resource Management" category as well as by Sabancı Holding's Golden Collar Award.

Kordsa Global has been named the "Most Admired Textile Company" by Capital Magazine in 2014 and ranked third in the Textiles and Textile Raw Materials category by the Turkish Exporters Assembly and Istanbul Textile and Raw Material Exporters' Association.

TYRE

1,693

TOTAL SALES
(TL MILLION)

186

NET PROFIT
(TL MILLION)

1,179

BRANDED SALES POINTS

122

SALES POINTS WITH LASSA BRAND

www.brisa.com.tr

Brisa was originally founded by Sabancı Holding and its partners in 1974 and the Company began tyre manufacturing under the Lassa brand name in 1978. Pursuant to the developments in the global tyre industry, the Company was named Brisa following the partnership between Bridgestone Corporation and Sabancı Holding.

After recording significant growth in the 1990s, Brisa took its place among the leading companies in the Turkish industry. After receiving Turkey's first National Quality Award in 1993, Brisa won the EFQM European Quality Award for its superior performance in pursuing business excellence in 1996.

In 2010, the Company acquired the Turkish operations of Bandag, a US-based tyre treading company from Bandag AG, the European subsidiary of Bridgestone Corporation. This allowed Brisa to expand its service portfolio while offering a cost advantage to the transportation sector. This service also contributes to increasing a tyre's life, which brings with it environmental benefits.

Brisa currently is one of the world's biggest tyre manufacturing facilities under a single roof as well as the seventh largest tyre producer in Europe. Under the Bridgestone and Lassa brands, the Company manufactures around 1,800 models of tyres for cars, light commercial vehicles, buses, trucks, agricultural and industrial machinery at international quality and safety standards. The Company also imports and sells Firestone branded agriculture tyres, Dayton branded passenger tyres and Bridgestone motorcycle tyres.

Striving to provide a balanced product portfolio to vehicle owners between the two brands, Brisa stands out for its performance and safety ratings with the Bridgestone brand and while offering car owners affordability, comfort and durability under the Lassa brand. The Company's brands are widely recognized and admired thanks to their strong market positions in Turkey as well as their initiatives in the international markets. Today, tyres produced under the Lassa brand with Brisa employees' reach vehicle owners in over 60 countries via more than 100 Lassa-labeled sales points. The Company carries out retail sales and after-sales service through a network of more than 1,000 authorized sales points across Turkey. In addition, the Company supplies Lassa and Bridgestone products as original equipment to a large number of car manufacturers including Renault, Toyota, Ford, Fiat, Honda, Hyundai, Mercedes Benz, BMC, Temsa, Isuzu, Otokar, Karsan, Türk Traktör and MAN.

Signing a distributorship agreement with the leading global battery brand Energizer in 2013, Brisa expanded its product range outside of the tyre industry and moved closer to offering vehicle owners total solution packages.

Brisa's core values of customer focus and innovation allows the Company to unveil many difference-making services in the industry that add value to drives. "OtoPratik" stores designed for passenger car and light commercial vehicle customers and "ProPratik" shops geared toward heavy commercial vehicle drivers serve as one-stop-shops for customers to reach various products and services for their needs. The www.lastik.com.tr website allows passenger and light commercial vehicle owners to make an appointment with the store of their choice and have their new tyres installed there. The "Tyre Hotel" service offers storage of summer or winter tyres during the season they are idle under proper conditions and warranty. Unveiled in 2014, "Bridgestone Boxmobile" sales and service point renders products and services for passenger and light commercial vehicles where stores are not available. The Company won the "Customer Oriented Service Innovation Award" with "Bridgestone Box" that was developed and rolled out as a good example of corporate entrepreneurship.

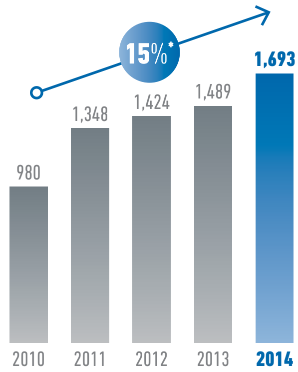
Brisa offers solutions in the heavy commercial vehicle customers segment for both individual users and fleets. Brisa creates economic and environmental value to fleets through its "Profleet" fleet management solutions offering, a collection of products and services that meet the needs of commercial fleets in entirety for the first time in Turkey with a 360 degree consultancy approach. The Company's "Mobilfix" service saves time and money for vehicle owners and ensures their business continuity while providing on-site repair and maintenance service for heavy commercial vehicles.

Embracing sustainability in all aspects of its operations, Brisa disclosed its sustainability activities for the five years ending in 2012 with an A level report, and related activities in 2013 with an A+ level report in accordance with the GRI (Global Reporting Initiative) system, to disseminate to the public at large the Company's commitment to contribute to sustainability for years to come. In addition to being a signatory to the Global Compact, the Company carries out the "Let the Cranes Fly Forever" campaign in partnership with WWF-Turkey (World Wildlife Fund Turkey) in an effort to support biodiversity and prevent cranes from extinction. In 2014, Brisa also enrolled in the "Green Office" program.

Differentiating itself with innovative approaches and leading the Turkish retreading market, Brisa is building a second plant in the Aksaray Province Organized Industrial Zone with an investment cost of US$ 300 million, in addition to its existing facility in İzmit that has an annual production capacity of 11 million units, in order to meet growing tyre demand. The Aksaray plant, where Brisa will be manufacturing tyres for passenger and light commercial vehicles at an annual production capacity of 4.2 million units, is expected to commence production in 2018.

Brisa's net sales rose to TL 1,693 million in 2014. Brisa shares are listed on Borsa Istanbul with a free float ratio of 10.3%.

NET SALES
(TL MILLION)



* 2010-2014 CAGR

Brisa's net sales rose to TL 1.7 billion in 2014, up 14% compared to the previous year.

Differentiating itself with innovative approaches and leading the Turkish retreading market, Brisa is building a second plant in the Aksaray Province Organized Industrial Zone with an investment cost of US$ 300 million, in addition to its existing facility in İzmit that has an annual production capacity of 11 million units, in order to meet growing tyre demand.

AUTOMOTIVE

TEMSA

670

TOTAL SALES
(TL MILLION)

84

NET PROFIT
(TL MILLION)

www.temsa.com.tr

TEMSA OTOBÜS
One of Turkey's leading automotive companies, Temsa manufactures and distributes buses and coaches under its own brand in domestic and international markets.

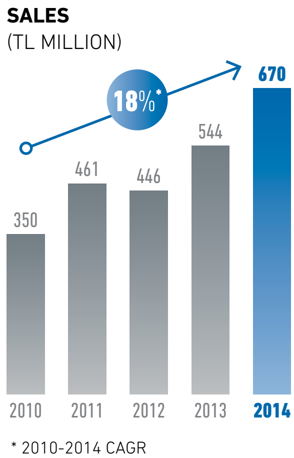
Temsa's manufacturing facility in Adana has a single-shift annual production capacity of 4,000 buses and coaches and 7,500 light trucks, totaling 11,500 vehicles per year.

The Temsa Adana Plant occupies a total area of 555,000 square meters. Temsa has a range of products that help customers navigate through changing environments and adapt their fleet to new passenger requirements and travel trends. Temsa manufactures Safir intercity buses and tourist coaches, Prestij midi-coaches and Avenue city buses designed specifically for urban public transport systems. The facility is also the manufacturing site for the TS 45, TS 35 and TS 30 coaches for the United States market and the Avenue buses, LD coaches and the MD 9 midicoaches for the European market.

Launching nine new products in 2015
Temsa showed that it is a brand that can provide the fastest response to customer needs at launch with innovations and new products in domestic and overseas markets by launching 11 new products in the last three years. This success was not limited to by only launching new products in the market; it is also reflected in the fast expansion of the market in the last two years. Temsa shows the stability of the market planning to launch nine new products in 2015.

Prestige and Market Leadership with Avenue
While the domestic bus market stood at 6,350 units in 2014, Temsa had a market share of 30%, compared to 16% in 2013. All vehicles of Temsa lead in their segment in the local market; the following brands placed first in the stated segment: Prestige in the segment of 27-29 people capacity, Avenue in urban segment, Sapphire VIP in the VIP segment.

Safir (Sapphire) VIP
Temsa made a difference to users with the changes made in the Sapphire VIP vehicle in 2+1 segment. Sapphire VIP has received intensive orders in the first months of 2015 with the benefits to the business because of providing the ability to make more profit with the increased seat capacity in the 2+1 segment.



Temsa increases its sales volume with a strong product portfolio.

Exporting to 64 different Countries

Temsa vehicles, designed and manufactured with in-house know-how, are sold to the world's leading automotive markets as well as to the Turkish market. Temsa exports its products to 64 countries. In France alone, nearly 4,000 Temsa brand buses and coaches are on the road. Additionally, Temsa's other major markets in Europe include Germany, Italy, Austria, Sweden, Lithuania and the Benelux countries. Thanks to an expanding product range, Temsa is also rapidly increasing its market share in the United States.

Temsa's strategy is to develop the right products in response to customers' changing needs, introduce a modular approach to production and deliver a well-designed line of buses of the highest quality level.

Temsa puts great emphasis on quality, reliability and longevity of its products. Because of the company's passion for quality and value, Temsa ensures that it sources parts from the world's leading manufacturers, making Temsa the bus expert that can give the customer far more – for less.

Fairs

Temsa introduced its products at fair events held in the local market and overseas in 2014. Temsa has signed a major success at the point of launch of new products to export markets with three important fairs in 2014.

The first presentation of the TS45 was made at Nashville Fair held by ABA (American Bus Association) on January 11, 2014.

The second Presentation of the TS45 was made at UMA (United Motorcoach Association) Fair held in Los Angeles on February16-20, 2014.

The introduction of the LD 12, HD12, LF 12 and MD9 was made at the 65th International IAA Hannover Commercial Vehicles Exhibition between September 25 and October 02, 2014.

AUTOMOTIVE

TEMSA
MOTORLU ARAÇLAR
PAZARLAMA VE DAĞITIM A.Ş.

380

TOTAL SALES
(TL MILLION)

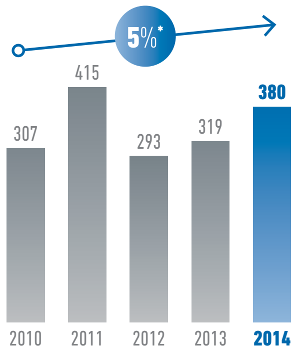
24

NET PROFIT
(TL MILLION)

TEMSA MOTORLU ARAÇLAR
Temsa Motorlu Araçlar carries out the sales and marketing, maintenance and repair, and spare parts functions for Mitsubishi Motors passenger and commercial vehicles, Mitsubishi Fuso Canter light trucks and Carrier Transicold transport refrigeration units with a network of 34 authorized dealers and 60 authorized service centers in Turkey. Mitsubishi Motors passenger cars group consists of Space Star, Attrage, Lancer, ASX, Outlander and Pajero while Mitsubishi L200 pickup and Mitsubishi Fuso Canter are in the commercial vehicles and light trucks segments, respectively. The Company also provides containers for the refrigerated transport segment after becoming a Carrier Transicold distributor in 2009.

Despite the contraction in the market, Temsa Motorlu Araçlar had a successful performance and increased sales by 19% in 2014. Standing out with its power and durability in the pick-up segment, L200 continued to be the most preferred pick-up model in Turkey this year. With total sales of 4,200 units, corresponding to a record-breaking market share of 32.8%, the Company reached its highest market share in 15 years. In addition, "Turkish truckers' best friend" Canter also attained its sales targets in 2014 with the addition of the 8.5-ton truck to the portfolio. Canter's market share in the 6.5 & 10 ton segment rose from 22% to 27.1%.

NET SALES
(TL MILLION)



* 2010-2014 CAGR

Temsa Motorlu Araçlar extended its presence in the light commercial vehicle market into the passenger car segment with the launch of the B-Class sedan Mitsubishi Attrage toward the end of the year. Aiming to increase its market share in the passenger vehicle segment with the addition of Attrage to the product lineup, Temsa Motorlu Araçlar intends to maintain market leadership in the pick-up segment with Mitsubishi L200 while capturing the top spot in the light truck market with Fuso Canter in 2015. In the second half of 2015, the Company will also unveil the diesel engine models for the Mitsubishi L200 and ASX, which are completely renovated and drastically improved.

With a portfolio of products diversified in line with customer needs and expectations, Temsa steps ahead of the competition.

CONSTRUCTION MACHINERY

TEMSA İŞ MAKİNALARI

403

TOTAL SALES
(TL MILLION)

8

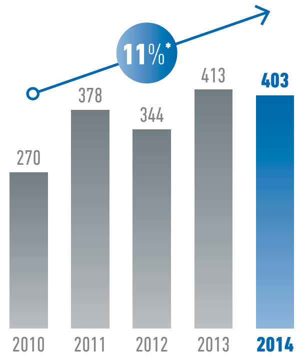
NET PROFIT
(TL MILLION)

TEMSA İŞ MAKİNALARI
Temsa İş Makinaları is the distributor of worldwide leading brands Komatsu, Dieci and OMG.

Komatsu, for whom the Company been serving as the distributor since 1983, is the world leader in large construction equipment manufacturing and technology. Temsa İş Makinaları offers various Komatsu products such as crawler and wheeled excavators, wheel loaders, bulldozers, graders, rigid dump trucks, forklifts, and backhoe loaders in Turkey, Azerbaijan and Georgia. Temsa İş Makinaları also entered into a distributorship agreement with Komatsu Mining Group in 2014.

www.temsaismakinalari.com

NET SALES
(TL MILLION)



* 2010-2014 CAGR

Temsa İş Makinaları addresses the full range of needs of customers via sales and after-sales services of the brands it represents as well as rentals and pre-owned sales. All of these services are provided to customers in a broad range of industries including construction, mining, manufacturing, steel, ceramics, timber and energy. The Company offers outstanding service to clients through its Head Office in Istanbul, sales staff in 13 provinces, Technical Centers in Istanbul and Ankara, and 41 authorized service centers across Turkey.

Temsa İş Makineleri was established on March 29, 2013 as a spin-off from Temsa Global to focus on its business and maintain effective management in line with Sabancı Group's profitable growth strategy. In May 2014, subsidiaries of Sabancı and Marubeni Groups have established a partnership in Temsa İş Makinaları with shareholding of 51% and 49%, respectively. Temsa İş Makinaları has been operating as a Turkish-Japanese joint venture since that date.

In May 2014, subsidiaries of Sabancı and Marubeni Groups have established a partnership in Temsa İş Makinaları.

TEXTILES

1,210

TOTAL SALES
(TL MILLION)

71

NET PROFIT
(TL MILLION)

Sasa is Europe's leading manufacturer of polyester staple fibers, filament yarns, polyester-based polymers, intermediates and specialty products.

Since its establishment in the polyester sector in 1966, the Company has been a pioneer in its field while attaining rapid growth thanks to continuous investments.

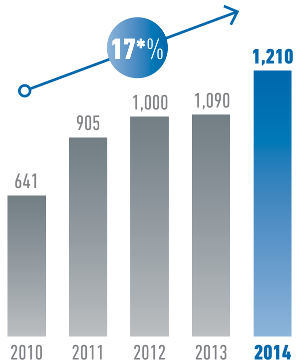
With technology licensed by Dynamit Nobel, ICI and DuPont, Sasa has a robust technical infrastructure with its high-capacity manufacturing facilities, approximately 1,100 highly-qualified employees and an R&D Center that was established in 2002. Sasa's production plant is located in Adana, Turkey. The main operations are situated on an area of approximately of 850,000 square meters.

Provided with electricity through a directly connected facility, Sasa also has a DMT, its own raw material, production plant. Established in 1977 with an annual capacity of 60,000 tons, the DMT plant currently has a capacity of 280,000 tons per year after multiple rounds of investments that were undertaken to meet the increased demand. The majority of the DMT is used internally, with the remainder sold in solid form.

In accordance with its capacity expansion strategies, Sasa has been running all production facilities, textile products as well as specialty polymers and chemicals, at full capacity since the first quarter of 2010. Of the investment projects launched by the Company in order to meet the increased market demand for its products due to Sasa's marketing efforts, textile fibers and specialty polymers production facilities commenced operation.

www.sasa.com.tr

NET SALES
TL MILLION



* 2010-2014 CAGR

These new investments enabled Sasa to increase production capacities of specialty products, such as phthalate-free plasticizers (phthalate is a chemical that was banned in both Europe and the United States), film grade polymers, PBT resin and fibers for textiles and non-woven hygienic products, and to enable production of bio-degradable PBAT resin (Advanite Natura). Sasa's total polymer production capacity, including PTA-based production, stands at 350,000 tons per year.

Sasa's advanced R&D facilities continue to develop products and processes for the fibers and polymers/chemicals businesses, maintaining the Company's competitive power. Sasa created a competitive edge for itself thanks to the products it developed through close cooperation with customers.

Sasa conducts its operations with the vision of "positioning itself in existing and new businesses to create the maximum value" in accordance with the mission of "investing in human resource and production facilities to ensure profitable and sustainable growth."

Sasa's net sales topped TL 1.2 billion in 2014. The Company ranked 66th in "Turkey's 500 Largest Industrial Enterprises" survey conducted by the Istanbul Chamber of Industry while being ranked as the largest industrial enterprise in Adana.

Sasa's net sales topped TL 1.2 billion in 2014, up 11% compared to the previous year.

Sasa conducts operations with the vision of "positioning itself in existing and new businesses to create the maximum value" in accordance with the mission of "investing in human resource and production facilities to ensure profitable and sustainable growth."

TEXTILES

319

TOTAL SALES
(TL MILLION)

32

NET PROFIT
(TL MILLION)

4,500

CAPACITY
(STAPLE CAPACITY OF KAMGRAN)

14,500

(KM)
(CAPACITY OF WORSTED WOOL)

Combining technology and the artistic expression of esthetics in its fabrics production, Yünsa strives for global leadership in the worsted wool fabric market; it is the largest manufacturer of worsted wool in Turkey as well as in Europe. Yünsa stands out with its vision, high product quality, market position and production flexibility; it is also Turkey's leading worsted wool fabric exporter.

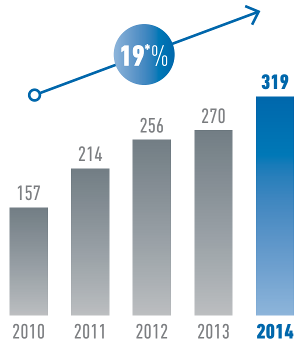
Founded in 1973, the Company began production in 1976. The Company started producing men's woolen fabrics and carpet in 1980; established a design office in Çerkezköy in 1989; and went public in 1990. Yünsa added women's apparel to its portfolio in 1998 and opened a second design office in Biella, Italy in 2002. Yünsa began to launch overseas offices in 2007: in the United Kingdom, in the USA and in Germany, respectively. The Company was admitted into the Turquality program in 2009. Yünsa continued its investments and established an R&D Center in 2010. Conducting operations with the vision of becoming the global market leader in woolen fabrics, Yünsa holds the distinction of being the largest producer of woolen fabric in Turkey and in Europe.

In addition to its role as a trend setter in menswear as the woolen fabric market leader, Yünsa pioneers the ascent of Turkish woolen fabrics in the international arena with a strong women's fabric product lineup while enjoying its reputation as a global player thanks to its design prowess and quality.

In addition to 100% wool products, Yünsa's product range also includes cotton, linen, cashmere, silk, lycra, polyester and viscose blended fabrics. The Company has an extensive product portfolio in men and women's apparel, uniforms and upholstery including various fabric blends and finishing applications. Yünsa maintains a strong market position in the textile industry thanks to its close relations with customers, reliability, product and service quality, ability to respond to customer demands quickly, and premium designs.

→ *www.yunsa.com.tr*

NET SALES
TL MILLION



* 2010-2014 CAGR

Yünsa works with numerous global customers through its strong international connections, and exports to more than 50 countries. The Company has sales offices in the United Kingdom and Germany, design offices in Italy and Turkey, as well as 20 dealers across the globe.

Yünsa not only strengthens its position in the industry and increases profitability as it becomes a global leader, but also undertakes major initiatives and continues to invest in sustainable growth. To this end, the Company focused on research and development activities at the R&D Center that opened in 2010. Yünsa is also a participant in the Turquality project, a government-sponsored program that supports companies in building global brands. In 2013, Yünsa adopted the ISO 50001 Energy Management System, proving the Company's efficient energy management. Yünsa has also adopted the ISO 9001 Quality Management System and ISO 14001 Environmental Management System and Yünsa products were certified by the Hohenstein Institute in Germany with the Eko-Tex 100 certification as non-hazardous to health and the environment. In 2014, Yünsa obtained the first place in the Large Business Process Improvement Category at the Productivity Project Awards that is organized by the Ministry of Science, Industry and Technology.

Yünsa attained 18% growth in sales in 2014. Yünsa's sales in 2014 rose to TL 319 million with exports making up TL 169 million of sales. Yünsa shares are listed on Borsa Istanbul with a free float of 30.6%.

Yünsa attained 18% sales growth in 2014.

Exporting to more than 50 countries, the Company has sales offices in the United Kingdom and Germany, design offices in Italy and Turkey, as well as 20 dealers across the globe.

OTHER

TOBACCO

Philsa
Philsa was established in 1991 as a joint venture owned 75% by Philip Morris International (PMI) and 25% by Sabancı Holding. Starting operations in late 1992, the manufacturing facility in the Torbalı district of Izmir has built a reputation as a world-class factory thanks to a specialized staff and a investments in state-of-the-art technology. Total investments in this plant reached US$ 680 million as of year-end 2014. Philsa manufactures 179 different products for the Turkish market and overseas markets.

Philip Morrissa
Established in 1994 as a joint venture owned 75% by Philip Morris International (PMI) and 25% by Sabancı Holding, PMSA undertakes the countrywide sales and distribution of PMI's cigarette brands in Turkey. The Company's distribution network reaches nearly 140,000 sales points in 81 provinces. Considering its nearly 80 distributors and the sales staff of these distributors, PMSA has one of the largest sales networks in Turkey with approximately 2,000 sales personnel in the field. In 2014, PMSA captured a 44.0%* share of the legal cigarette market.

* Source: Nielsen Retail Audit

INFORMATION TECHNOLOGY

Bimsa
Bimsa integrates state-of-the-art technology into the business processes of companies and accompanies them on their move to digitalization.

Founded in 1975, Bimsa is one of the most deep-rooted and experienced system information systems and technology firms in Turkey with 40 years of experience in the industry. Bimsa strives to meet all information technology needs of companies of varying sizes in numerous industries, including applications, business advisory, company-specific implementations, operations, technical services, hardware and software, and to provide the most suitable solutions at the highest quality.

Business lines and solutions
Bimsa develops and customizes applications on multiple hardware and software platforms in production, finance, human resources, supply chain management, customer relationship management, product life cycle management, business intelligence, portal management, and decision support systems through its experienced specialist staff. Products and services developed using the state-of-the-art information technologies creates a competitive edge for the Company's clients in e-business solutions, application development, SAP consulting, mobile applications, document management, service-oriented architecture technologies, server operation and hosting.

Software as a service (SaaS)
As it integrates the gains from technology into the business processes of companies, Bimsa generates benefits that create time and cost advantage as well as a competitive edge for customers. The Company offers Edoksis, an e-invoice, e-archive and e-account integration platform developed by Bimsa's Turkish engineers; Pratis, an electronic purchasing platform; and HR-Web, a human resources and payroll management

platform via cloud-based technologies. Thanks to their ease of use and quick integration capability, these programs successfully integrate new technology into the business processes of companies.

Data center services

Serving the leading companies in Turkey through its institutional data center services, Bimsa has two dedicated data centers compliant with Tier 3 standards in Istanbul and in Kocaeli that were reconfigured in accordance with state-of-the-art technology. These data centers, featuring reliable, continuous and backup infrastructure components and 24/7 uninterrupted operations capability, where companies can securely host their business-critical applications and data, offer hosting and application operation services.

As it integrates the gains from technology into the business processes of companies, Bimsa generates benefits that create time and cost advantage as well as a competitive edge for customers.

Professional services

Bimsa, which is among the pioneers in business intelligence consulting services with vast experience in many different industries, offers solutions that create a difference with its established methods and know-how that it has gained through projects completed since 2000. The first "SAP Consultancy Support Center" of Turkey, Bimsa has been conducting business in this field since 1995. It provides application consultancy in areas like Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Product Lifecycle Management (PLM), Business Intelligence (BI), Enterprise Performance Management (EPM) and Supply Chain Management (SCM) for many companies from various industries. The Company expands its client portfolio in these segments every day.

Certifications

Committed to customer satisfaction and continuous improvement in corporate processes, Bimsa has reaffirmed its quality in information technology services, as well as its commitment to customers, by obtaining the ISO 22301 Business Continuity and ISO 27001 Information Security Management System certifications. In addition, Bimsa was accredited as "Group 1 Consulting Company" in the Turquality program, a government-supported branding initiative.

Bimsa has reaffirmed its quality in information technology services, as well as its commitment to customers by obtaining ISO 22301 Business Continuity and ISO 27001 Information Security Management System certifications.

Bimsa in 2014

Bimsa is focused on meeting the current and future needs of customers in business technologies with the mission of "being the reliable business partner in business solutions". In May 2014, Bimsa took a giant step towards becoming the critical technology business partner of retail companies by becoming a part of the Retail and Insurance Strategic Business Unit. With an increase in staff, Bimsa both maintained organic growth and rapidly increased the number of companies and segments served. Thanks in part to the changes in its organization structure and management, Bimsa registered 55% growth in sales and 100% increase in net profits in 2014.

TOURISM

Tursa/AEO

Tursa is the owner of Adana Hiltonsa, Mersin Hiltonsa and Hilton Parksa; it owns a majority stake in Ankara Enternasyonal Otelcilik, the owner of Ankara Hiltonsa. Sabancı Group entered the tourism industry many years ago with the Erciyas Hotel in Adana. Gaining traction in the form of a founding partnership with the inauguration of the Ankara Hiltonsa Hotel in 1988, the Group's tourism business expanded further with the Hilton Parksa and Mersin Hiltonsa hotels in 1990 and reached its current state with the opening of the Adana Hiltonsa in early 2001. As of year-end 2014, the Hiltonsa chain of hotels has a total capacity of 926 rooms: 315 rooms at Ankara Hiltonsa, 308 at Adana Hiltonsa, 186 at Mersin Hiltonsa and 117 at Hilton Parksa. All hotels of the Group are managed by the Hilton Group.

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Sabancı Group shares of the proceeds from its industrial and economic prowess broadly, to support social projects and the arts through the Sabancı Foundation. This arrangement has made it one of the largest family-established foundations in Turkey.

Foundation

FOUNDATION

■ Provinces in which Sabancı Foundation operates

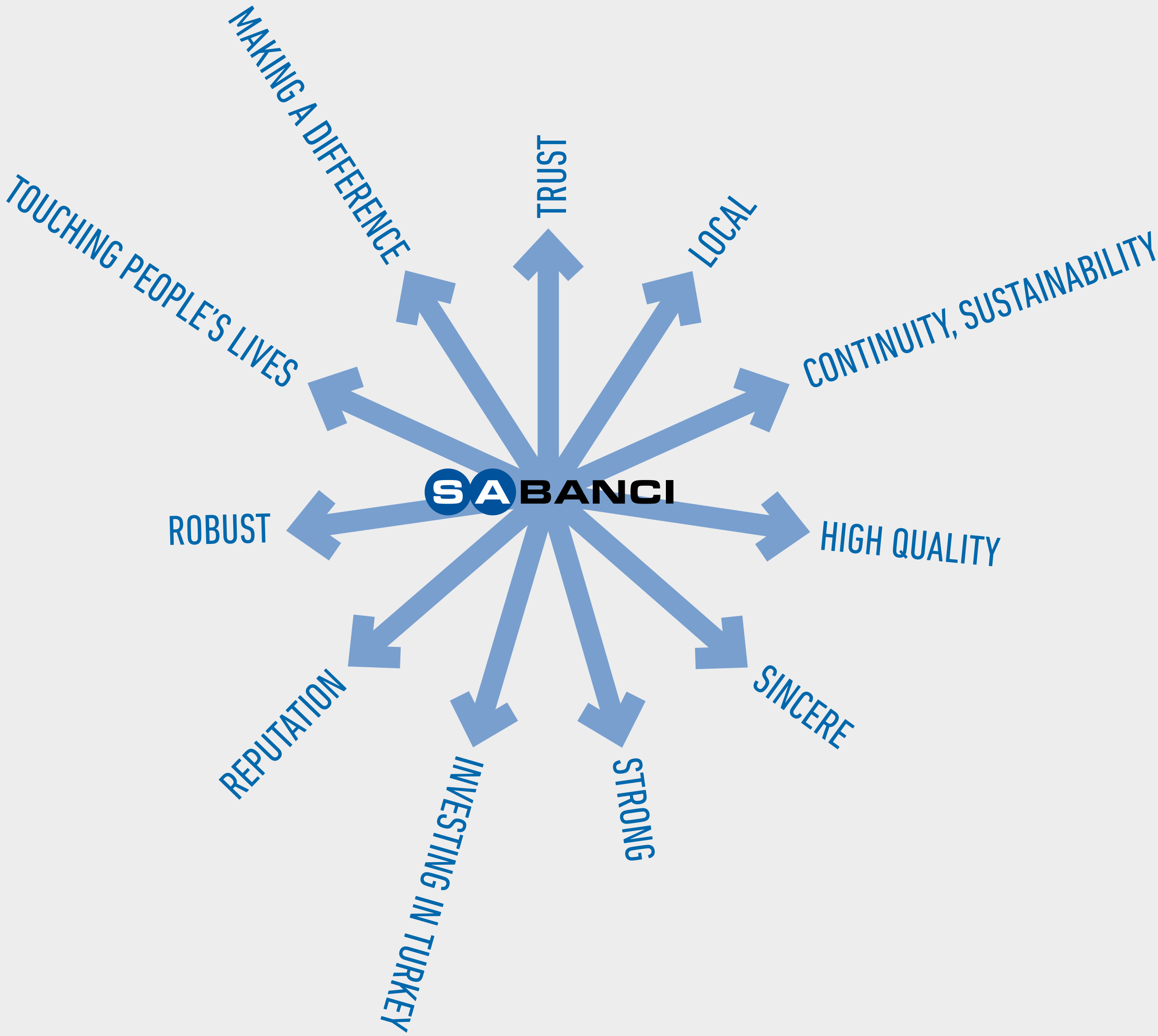
Embracing the late Hacı Ömer Sabancı's life philosophy of "sharing what we have gained from this land with its people," the Sabancı family established the Hacı Ömer Sabancı Foundation in 1974 in order to organize all their philanthropic activities under one organization.

As a result of Sabancı Group's sharing of the proceeds from its industrial and economic prowess broadly by supporting social projects and arts through the Sabancı Foundation, it has become one of the largest foundations established by a family in Turkey.

HIGHLIGHTS OF SABANCI FOUNDATION'S ACTIVITIES

121 INSTITUTIONS

1	UNIVERSITY
38	EDUCATIONAL INSTITUTIONS
20	DORMITORIES
16	TEACHER'S CENTERS
16	CULTURAL CENTERS
16	SOCIAL FACILITIES
5	HEALTHCARE FACILITIES
5	SPORTS FACILITIES
4	LIBRARIES
72	PROVINCES BENEFITING FROM GRANT PROGRAM


MAKING A DIFFERENCE
TRUST
LOCAL
TOUCHING PEOPLE'S LIVES
CONTINUITY, SUSTAINABILITY
SABANCI
ROBUST
HIGH QUALITY
REPUTATION
SINCERE
INVESTING IN TURKEY
STRONG

SABANCI UNIVERSITY

The main differentiator of Sabancı University is its unique educational system.

Sabancı Group established a "world university" under Sabancı Foundation's stewardship in 1994. Instead of choosing a university as a template or replicating existing examples and institutions, a novel and unique university was designed during its founding. It opened its doors to students in 1999 and has since set an example for many other universities.

The main differentiator of Sabancı University is its unique educational system. Academic programs at Sabancı University are innovative and interdisciplinary. The conventional system of departments sometimes hinders an interdisciplinary approach and causes restricted specialization in any given field prematurely. For this reason, Sabancı University is not organized into academic departments.

The educational system of the University is based on the Common Foundations Development Year, which all students must complete regardless of their subsequent program choices. During this year, students develop a foundation of knowledge, critical reasoning and an interdisciplinary approach. In the second phase of Foundations Development, students are free to choose the introductory courses of their preferred diploma program from among 13 different programs.

In October 2012, for the first time in Turkey, the Ministry of Science, Industry and Technology produced a University Entrepreneurship and Innovation Index. Sabancı University ranked first among the most entrepreneurial and innovative universities in Turkey. In 2013, Sabancı University was named the most entrepreneurial and innovative foundation university in the country. In the 2014 ranking, Sabancı was once again designated Turkey's Most Entrepreneurial and Innovative Foundation University. The University Entrepreneurship and Innovation Index consists of five components: scientific and technological research competence; intellectual property pool; cooperation and interaction; culture of entrepreneurship and innovation; economic contribution and commercialization.

→ *www.sabanciuniv.edu*

In October 2014, Sabancı University entered the Times Higher Education (THE) rankings in 182nd position, the highest initial entry rank assigned to a Turkish university, and was the only private Turkish university to place among the top 200 universities in the world.

The Times Higher Education BRICS & Emerging Economies Rankings assesses research-oriented successful universities based on 13 parameters in five categories: teaching, research, citation, industry income and internationalism. Geopolitical positions and economic standings of their home countries also affect the ratings of the universities while assessing their performance regarding their core missions.

Sabancı University attained the highest initial entry rank assigned to a Turkish university in this ranking.

Sabancı University also entered the Times Higher Education (THE) BRICS & Emerging Economies Rankings in the 15th position.

Faculties

Education at Sabancı University is organized under three faculties: Faculty of Engineering and Natural Sciences (FENS), Faculty of Arts and Social Sciences (FASS), and the Sabancı School of Management (SOM). All faculties offer undergraduate, graduate and postgraduate programs.

The Faculty of Engineering and Natural Sciences offers undergraduate programs in Computer Science & Engineering, Molecular Biology, Genetics and Bioengineering, Materials Science and Nanoengineering, Mechatronics Engineering, Electronics Engineering, and Manufacturing Systems/Industrial Engineering; and graduate programs in Energy Technologies and Management, Nanotechnology, Information Technology, Biological Sciences and Bioengineering, Electronics Engineering, Computer Science and Engineering, Mechatronics Engineering, Industrial Engineering, Materials Science and Engineering, Physics, and Mathematics.

Programs under the Faculty of Arts and Social Sciences include Economics, Visual Arts & Communication Design, Cultural Studies, International Studies and Social and Political Science, and Psychology at the undergraduate level as well as graduate programs in Economics, Visual Arts and Visual Communication Design, Public Policy Analysis, Political Science, Conflict Analysis and Resolution, Cultural Studies, History, Turkish Studies, European Studies, and International Studies.

Programs under the Faculty of Arts and Social Sciences include Economics, Visual Arts & Communication Design, Cultural Studies, International Studies, Psychology, Social and Political Science at the undergraduate level.

The Sabancı School of Management offers undergraduate, graduate and postgraduate degrees in Management as well as Executive Programs at the graduate level in Management and Finance. Starting in the 2011-2012 academic year, the Sabancı School of Management launched its MBA program as well as the MIT Sloan MSMS dual degree program. Sabancı School of Management and MIT-Zaragoza Logistics Center offer a dual degree option where candidates can earn a Sabancı MBA degree and a Zaragoza Master of Engineering degree (ZLOG) in Logistics and Supply Chain Management in two years. Sabancı University is the only cooperation partner of MIT Sloan in Southeast Europe and the Middle East. Sabancı University School of Management is also accredited by AACSB International as proof of its high global standards. Sabancı University School of Management ranked 42nd in Executive MBA Programs and 77th in the department category in the Financial Times 2012 ranking

SABANCI UNIVERSITY

Some 88% of Sabancı University graduates were either employed or admitted to graduate school within one year of graduation.

for Europe's best management schools. Sabancı University School of Management's Executive MBA program was included in Financial Times' global ranking of "Top Executive MBA Programs" 2014. This is the first time Sabancı University School of Management was ranked among the top 100 universities in the world in Executive MBA programs, another impressive achievement for the School of Management. The MBA Program for Young Professionals, an academic program of the School of Management for younger professionals, will admit students for the fall semester of the 2015-2016 academic year.

The Executive Development Unit (EDU) offers executive development programs for the corporate world. The Brand Practice Platform, founded by Sabancı University and the Foundation for Advertising, was established to support the development of the brand economy in our country. The Brand Practice Graduate Program, the first and the most important product of this platform, admitted its first students in 2014.

Alumni

A total of 7,433 diplomas, 4,985 of which are from undergraduate programs and 2,448 from graduate programs, have been awarded by Sabancı University since 2000. Some 78% of graduates entered the workforce while 16% opted to advance their education at the graduate and postgraduate levels; meanwhile, 88% of Sabancı University graduates were either employed or admitted to graduate school within one year of graduation.

The universities Sabancı University graduates chose as their destinations for graduate school include Carnegie Mellon University, University of California, Politecnico di Milano, Boston University, Harvard University, Brown University, Stanford University and University of Massachusetts.

Akbank, Unilever, Accenture, Turkcell, Procter & Gamble, Ford, Garanti Bank, Yapı Kredi and Deloitte & Touche are among the companies Sabancı University alumni went on to work for.

Sabancı University Nanotechnology Research and Application Center
Established by Sabancı University with the support of the Sabancı Foundation and the State Planning Organization, the Nanotechnology Research and Application Center (SU-NUM) is the first interdisciplinary nanotechnology center in Turkey. SU-NUM commenced operations in June 2011 and conducts applied interdisciplinary nanotechnology research that is being adopted rapidly by industry in the fields of physics, electronics, mechatronics, materials science, chemistry and biology. SU-NUM aims to improve the university's international competitiveness in the intellectual property area and to contribute to its progress in cutting edge research.

A Campus That Lives and Breathes
The Sabancı University campus is capable of meeting all day-to-day needs of its students. It is equipped with all necessary amenities and facilities including a performing arts center, gym, health center, a supermarket, movie theater and outdoor athletic facilities. Sabancı University has the highest student housing capacity relative to student population in Turkey.

The Sabancı University campus is capable of meeting all day-to-day needs of its students.

SABANCI UNIVERSITY SAKIP SABANCI MUSEUM (SSM)

Sakıp Sabancı Museum Collection of the Arts of the Book and Calligraphy offers a comprehensive overview of 500 years of Ottoman calligraphy, with rare Korans, kıtas, albums, panels, hilyes, edicts, endowments deeds and menşurs.

The Sakıp Sabancı Museum (SSM) is located on the estate known as Atlı Köşk (Horse Mansion). The estate was bought by Hacı Ömer Sabancı in 1950 and served as the family's summer vacation home before becoming the permanent residence of Sakıp Sabancı and housing his extensive calligraphy and painting collections. The mansion was bequeathed to Sabancı University to become a museum. A modern gallery wing was added to the original structure and the Museum was opened to the public in 2002. The exhibition space was expanded in 2005 and upgraded to meet international technical standards.

SSM currently offers a multi-faceted museum environment with rich collections, international temporary exhibits, conservation units, exemplary educational programs, concerts, conferences and seminars.

SSM Collections: Three Main Categories
Sakıp Sabancı Museum Collection of the Arts of the Book and Calligraphy offers a comprehensive overview of 500 years of Ottoman calligraphy, with rare Korans, kıtas, albums, panels, hilyes, edicts, endowments deeds and menşurs. The Museum continually acquires new pieces to add to the Arts of the Book and Calligraphy Collection. These are exhibited in the Ottoman Calligraphy Halls section of the mansion. In 2012, the Collection was re-launched with a new design and a contemporary display approach. This new permanent presentation of the Arts of the Book and Calligraphy Collection allows visitors to view animations linked to iPad applications with augmented reality technology while also taking a detailed look at valuable and rare manuscripts, page by page.

The Painting Collection at the Sakıp Sabancı Museum encompasses works produced between 1850 and 1950. The collection entails the most distinguished examples of early Turkish painting, as well as paintings by foreign artists who lived in Istanbul during the final years of the Ottoman Empire. The history of Turkish painting is presented in coherence through selected iconic art works from the collection along with the furniture and decorative objects in family rooms.

The rooms on the ground floor of the Atlı Köşk display furniture influenced by baroque, rococo, neo-gothic, neo-classic and empire styles as well as the 19th century decorations in use by the Sabancı Family when the mansion served as their residence. The Archological and Stone Works Collection consists of Roman, Byzantine and Ottoman pieces and is exhibited in the Museum's garden.

Exhibitions Held at SSM

SSM has hosted numerous exhibitions since opening in 2002. From the "Medicis to the Savoias, Ottoman Splendor in Florentine Collections," "The Art of the Book from East to West and Memories of the Ottoman World Masterpieces of the Calouste Gulbenkian Museum, Lisbon," "Genghis Khan and His Heirs: The Great Mongol Empire," "In Praise of God - Anatolian Rugs in Transylvanian Churches" and "Istanbul, Isfahan, Delhi: Three Capitals of Islamic Art Masterpieces from the Louvre Collection" are some of the history-themed exhibitions that have been held at SSM. Grand retrospectives of the prominent masters of modern art, "Picasso in Istanbul," "Great Master of Sculpture Rodin in Istanbul," and "Salvador Dalí, A Surrealist in Istanbul" were also exhibited at the Museum. The Museum hosted exhibitions entitled "Transcending Borders: The Art of Brush and Pen," "Legendary Istanbul - From Byzantium to Istanbul: 8,000 Years of a Capital," "Treasures of the Aga Khan Museum," the "Jameel Prize 2009" exhibition organized by the Victoria and Albert Museum (V&A) of London in 2010, "Across - The Cyclades and Western Anatolia during the Third Millennium BC," and "Sophie Calle - For the Last and First Time" in 2011. The Museum maintained its distinctive and innovative exhibition program in its 10th year in 2012 and hosted "Rembrandt and His Contemporaries - The Golden Age of Dutch Art," "Cobra - 1000 Days of Free Art" and "Monet's Garden." In 2013, SSM hosted the "1,001 Faces of Orientalism," "Fan from Past to Present" and "Anish Kapoor in Istanbul" exhibitions. SSM studied 19th century Orientalism analyzing its effects on diversified areas such as literature, archaeology, painting, architecture, universal exhibitions, photography and fashion, with the first exhibition of 2013, "1,001 Faces of Orientalism." Subsequently, SSM presented art lovers a private collection of around 120 rare fans, dating from 1720 to 1900, along with oil paintings that reflect the importance of fans with the "Fans from Past to Present"

Sakıp Sabancı Museum currently offers a multi-faceted museum environment with rich collections, international temporary exhibits, conservation units, exemplary educational programs, concerts, conferences and seminars.

SABANCI UNIVERSITY SAKIP SABANCI MUSEUM (SSM)

Sabancı University and Sakıp Sabancı Museum host exhibitions that win public respect.

→ *www.sakipsabancimuzesi.org/tr*

exhibition. The final exhibition of the year, "Anish Kapoor in Istanbul", hosted by SSM and sponsored by Akbank on the occasion of its 65th year, introduced the first major exhibition in Turkey by leading international artist Anish Kapoor. The exhibition, curated by Sir Norman Rosenthal, was the first to focus on the artist's stone sculptures in marble, alabaster and other materials. The exhibition also included iconic works such as Sky Mirror and Yellow.

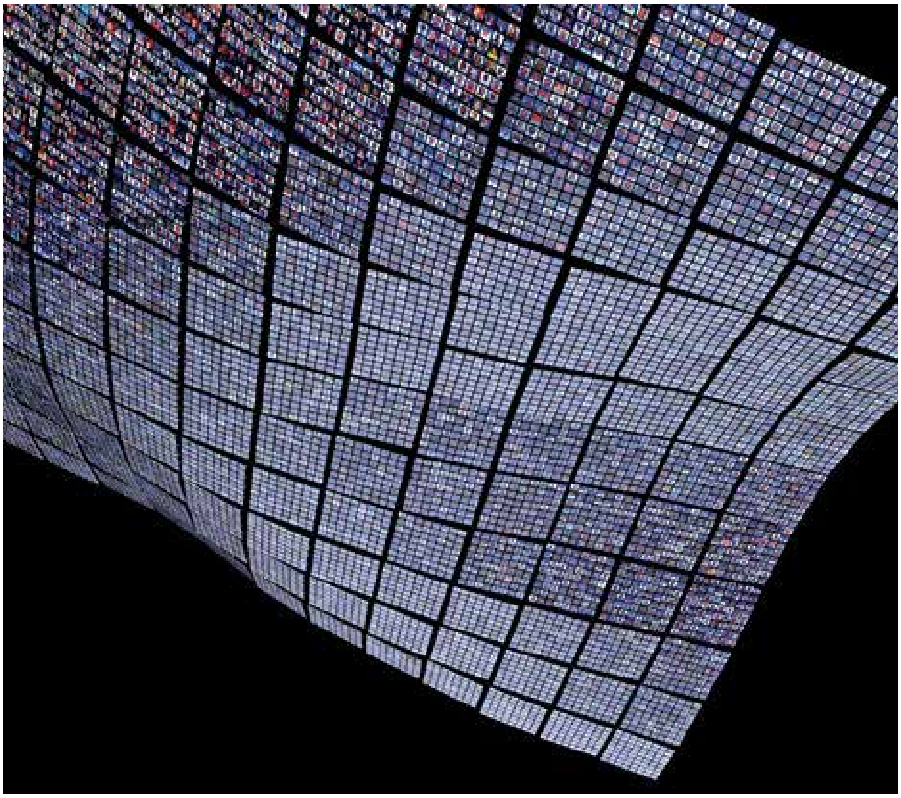
In 2014:

SSM's first exhibition of the year was "Distant Neighbor Close Memories: 600th Anniversary of Turkish - Polish Relations."
This exhibition took place March 7 – June 15, 2014, to commemorate the 600th anniversary of relations between Turkey and Poland.

Historical developments in the Ottoman Empire and the Kingdom of Poland were reflected in documents, maps, paintings, personal possessions of eminent figures, accessories and printed material. The exhibition presented visitors with the historical process that led to the siege as well as Ottoman tents, weapons and other artifacts abandoned after the army's defeat at the Siege of Vienna, alongside objects that illustrate the border clashes and other stages leading up to the siege.

Exhibits loaned from the collections of museums, archives, libraries, monasteries and churches in Poland were exhibited in the museum together, making a total of 348 items.

Among the richest sections of the exhibition were the exhibits relating to the Second Siege of Vienna that took place in 1683. The historical process that led to the siege as well as Ottoman tents, weapons and other artifacts abandoned after the army's defeat at the Siege of Vienna, alongside objects that illustrate the border clashes and other stages leading up to the siege were exhibited as the remnants of a turning point not just in relations between Ottoman Turkey and Poland, but in the history of Europe.



The exhibition was accompanied by numerous conferences, panels, concerts and screenings of a choice selection of Polish cinema. The exhibition, which was opened with the participation of the Presidents of Turkey and Poland on March 7, 2014, was available to visit until June 15.

The artwork titled "Sakıp Sabancı," commissioned by the Sabancı family and created by Kutluğ Ataman to commemorate the 10th year of Sakıp Sabancı's passing, opened on April 29 at Sakıp Sabancı Museum.
The work uses the latest technology in visual arts and comprises photographs of thousands of people who have been supported by, have given support to, and have been in touch with Sakıp Sabancı, putting forth Sakıp Sabancı's vision as an extraordinary art concept "transcending time."

The technical infrastructure of this work, which is one of the largest video art examples worldwide, was completed by Larves Artware Solutions in three years. The Project consists of a driver card, a communication card and control/administration software. The work comprises approximately 10,000 LCD panels, aligned in 144 modules, each consisting of sets of 64, stacked horizontally and vertically.

The LCD driver card communicates with an advanced level computer, transferring the photograph data. The external industrial computer is connected to the communication cards of the subsystems via fiber cables. The communication card transfers data consisting of thousands of photographs to the driver cards to be viewed on the screens in random order and at random intervals.

Portrait photographs were donated by the visitors to be included in the work during the exhibition.

Kutluğ Ataman's "Sakıp Sabancı" work consists of a driver card, a communication card and control/administration software. The work comprises approximately 10,000 LCD panels, aligned in 144 modules, each consisting of sets of 64, stacked horizontally and vertically.

SABANCI UNIVERSITY SAKIP SABANCI MUSEUM (SSM)

The exhibition organized in collaboration with the Joan Miró Foundation in Barcelona, the Pilar and Joan Miró Foundation, as well as the family collection in Mallorca, is open to the public between September 23, 2014 and March 8, 2015.

SSM's last exhibition of the year titled "Joan Miró. Women, Birds and Stars."
This exhibition was carried out under the main sponsorship of Sabancı Holding, and focused on the mature period of the groundbreaking and multi-faceted 20th century artist Joan Miró.

"Joan Miró. Women, Birds, Stars" comprises a total of 125 works – oil and acrylic paintings, lithographs, etchings, and assemblages with relevant models and drawings as well as his textiles and ceramic works. This important exhibit also features the artist's works in other branches of art such as carpets, weavings, ceramics, and poetry books. Some pieces on loan from the Miró Family's private collection as well as the artist's personal belongings were on display for the first time in the world at the Sakıp Sabancı Museum.

The exhibition that was organized in collaboration with the Joan Miró Foundation in Barcelona, the Pilar and Joan Miró Foundation, as well as the family collection in Mallorca, is open to the public between September 23, 2014 and March 8, 2015.

SSM Exhibitions in Other Countries
In addition to hosting various exhibitions in its own premises, the Sakıp Sabancı Museum has promoted its collections by loaning works of art to other venues outside the country.

Bahrain National Museum hosted the masterpieces in S.U. Sakıp Sabancı Museum's collection of Arts of the Book and Calligraphy between January 19 and April 13, 2014. Titled "Five Hundred Years of Islamic Calligraphy - Masterpieces from Sakıp Sabancı Museum," the exhibition features a total of 86 pieces from the SSM collection, including manuscripts, diplomatic documents from the Ottoman Empire and other examples of the book arts and calligraphy. In addition to written works from the 15th-20th centuries, the exhibition presented oil-on-canvas paintings by prominent names. Special programs designed by the Sakıp Sabancı Museum Education Department were adopted and implemented by the Bahrain National Museum.

Selected pieces from the manuscript and painting collections were exhibited in such museums as New York's Metropolitan Museum of Art, Los Angeles County Art Museum, Harvard University Arthur M. Sackler Museum, Louvre Museum, Berlin Guggenheim Museum and Museum für Angewandte Kunst between the years of 1998 - 2001, as Sakıp Sabancı's private collection even before the Sakıp Sabancı Museum opened.

Since its establishment, the Museum has loaned works to exhibitions such as "Mothers, Goddesses and Sultanas" held in Brussels in 2004 and 2005, "Turks: A Journey of a Thousand Years, 600-1600" held in London in 2006, and "Istanbul: The City and the Sultan" held in Amsterdam in 2006 and 2007.

Sakıp Sabancı Museum has hosted exhibitions made up entirely of its own collections at prestigious museums around the world. In 2007 and 2008, the SSM held exhibitions in numerous external venues: "Evocations, Passages, Atmospheres and Paintings from the Sakıp Sabancı Museum, Istanbul" at the Lisbon Gulbenkian Museum, "Letters in Gold: The Ottoman Art of Calligraphy from Sakıp Sabancı Museum" at Madrid's Real Academia de Bellas Artes de San Fernando, and "Ottoman Calligraphy from the Sakıp Sabancı Museum" at the Real Alcázar in Seville. The Museum contributed with pieces loaned from its own collection to the exhibition "From Byzantium to Istanbul: One Port for Two Continents" held at the Grand Palais in Paris in 2009.

Sakıp Sabancı Museum has loaned works to exhibitions such as "Mothers, Goddesses and Sultanas" held in Brussels in 2004 and 2005, "Turks: A Journey of a Thousand Years, 600-1600" held in London in 2006, and "Istanbul: The City and the Sultan" held in Amsterdam in 2006 and 2007.

Within Turkey, two paintings from the SSM Painting Collection were loaned to the Istanbul Museum of Modern Art for the "Imagination and Reality of Modern and Contemporary Women Artists from Turkey" exhibition, which was open to the public from September 16, 2011 to January 22, 2012.

Sakıp Sabancı Mardin City Museum and Dilek Sabancı Art Gallery

On October 1, 2009, the Sakıp Sabancı City Museum in Mardin opened to introduce and display the urban and cultural life of the region. The Dilek Sabancı Art Gallery aspires to establish a modern and contemporary art platform in Mardin through temporary exhibitions.

In 2010, Dilek Sabancı Art Gallery hosted its first exhibition entitled "Nature, Man and the Sea - With Works Selected from the Sabancı University Sakıp Sabancı Museum Collection." This exhibition was followed by "Abidin Dino in Mardin."

In 2011, Dilek Sabancı Art Gallery unveiled the exhibition "Lo and Behold: Ara Güler in Mardin." The exhibition was on view in 2012 as well with the support of Sabancı Foundation. Along with the exhibition, educational programs were held for children aged 7 to 14.

In 2013, Dilek Sabancı Art Gallery hosted the "An Orientalist in Mardin: Marius Bauer" exhibition. The exhibition presented the works of the Dutch painter Marius Bauer to art enthusiasts for four months. Subsequently, the "Photographs of the East as Viewed from the West" exhibition was opened for visitors. These exhibitions continue to be made available to the public with some changes and improvements in their content.

SABANCI UNIVERSITY SAKIP SABANCI MUSEUM (SSM)

The extensive educational programs initiated during the "Picasso in Istanbul" exhibition continued in 2014 at an accelerated pace in terms of number, variety and content.

Sakıp Sabancı Mardin City Museum and Dilek Sabancı Art Gallery has welcomed nearly 390,000 visitors between its opening date and the end of 2014.

SSM Educational Activities and Events
Children's Education
The extensive educational programs initiated during the "Picasso in Istanbul" exhibition continued in 2014 at an accelerated pace in terms of number, variety and content. Special workshops were held in parallel with accompanying Museum collections and incoming exhibitions. The total number of students attending SSM's workshops was 16,004 in 2014.

Adult Education Programs
Sabancı University Sakıp Sabancı Museum continued its six to 12-week long certificate programs in the 2014 fall and spring terms. Seminars on art history, contemporary art, mythology and cinema were held.

The 2014 Spring Adult Education Programs included "Order and Chaos" and "Iconography-2" by Prof. Dr. Uşun Tükel, "5 Global Cities" by Prof. Dr. Uğur Tanyeli, "Mythology and Its Role in Art" by Prof. Dr. Zühre İndirkaş; the 2014 Fall term included "The Relationship of Music and Fine Arts - Module 1,2" by Prof. Dr. Uşun Tükel, "The Relationship of Mythology and Art" by Prof. Dr. Zühre İndirkaş, and "Modernity and Art in the Non-Western World: In the Examples of 5 Metropolises" by Prof. Dr. Uğur Tanyeli, and "Surveys in Contemporary Art - 2" by Prof. Dr. Ali Akay, and "Painting and Modernity from the Ottoman Empire to the Turkish Republic" by Dr. Ahu Antmen.

Some 212 persons participated in the Adult Education Programs in 2014.

Events

Numerous symposiums, panels and conferences were held at SSM in 2014 accompanying museum collections and exhibitions. In addition, free guided tours for Sabancı University students as well as Neighbor Day events continued in 2014.

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Conference and Panels

March 7-8, 2014, "Distant Neighbor Close Memories - 600 years of Turkish-Polish Relations" Conference Program

*** March 7, 2014, "On Trade, War and Art"**

- Opening Remarks: Dr. Nazan Ölçer, Director of Sakıp Sabancı Museum
- Prof. Dariusz Kolodziejczyk: "A few scenes from Polish-Ottoman and Polish-Turkish historical relations"
- Prof. Tadeusz Majda: "Polish envoys' ceremonial entrances to Istanbul and the audiences granted by the grand vizier and the sultan"
- Dr. Beata Biedronska-Slota: "The significance of Turkish textiles in Polish culture"
- Prof. Osman Sertkaya: "Polish Turkology and Turkologists"
- Assoc. Prof. Kahraman Şakul:"Ottoman-Polish battles from Chocim (1618) to Vienna (1683)"

SABANCI UNIVERSITY SAKIP SABANCI MUSEUM (SSM)

MELCom International (Middle East Libraries Committee)'s 36th annual conference took place at SSM, with the museum assuming the local organizational duties of the event.

*** March 8, 2014, "The Sultan's Family, Ceremonies, Manuscripts and Music"**

- Prof. Halime Doğru: "Women from the Ottoman court in the Chocim campaign of Sultan Mehmed IV and the birth of Ahmed III"
- Prof. Tülay Artan: "The departure procession of 1672: Ottoman antiquarianism or a puritan statement"
- Prof. Zeren Tanındı: "The book treasuries of sultans' mothers and statesmen: 1650-1700"
- Ersu Pekin: "Ali Ufki Bey's musician contemporaries"

*** May 26-28, 2014, International Melcom Conference**

- MELCom International (Middle East Libraries Committee)'s 36th annual conference took place at SSM, with the museum assuming the local organizational duties of the event.

*** September 23, 2014, "Joan Punyet Miró: The Spirit of the Matter, the Artist through the Eyes of His Grandson"**

*** October 27, 2014, Art Conservation Lectures at the Sakıp Sabancı Museum**
"Fakes, Misattributions and Puzzles: Investigating paintings by scientific methods" and **"F for Fake, R for Real: The rise and fall of two Renaissance Madonnas"** presented by Dr. Ashok Roy, Director of Collections, National Gallery, London.
"The Conservation of Modern and Contemporary Art: Issues, Challenges, and Current Research" presented by Dr. Tom Learner, Head of Science, The Getty Conservation Institute, Los Angeles.

November 20, 2014, Prof. Dr. Ali Akay, "Miró's Private Story: A Naked Woman Reclining on a Staircase"

Screenings

SSM also continued its "Cinema Days at SSM" events in 2014. As part of the events, film screenings were held, hosted by Atilla Dorsay; Polish Cinema Days were organized in conjunction with the "Distant Neighbor Close Memories: 600th Anniversary of Turkish - Polish Relations" exhibition. Accompanying the "Joan Miró. Women, Birds, Stars" exhibition, eight Spanish films were screened. In addition, to commemorate the 100th year of Turkish Cinema, 10 films were screened under the title "Turkish Cinema's 100 years with 10 Films", followed by a panel with the attendance of Yavuz Turgul and Şener Şen, moderated by Atilla Dorsay.

Concerts

- "Night Shift" concerts in conjunction with the "Distant Neighbor Close Memories: 600th Anniversary of Turkish - Polish Relations" exhibition on March 22-23, 2014, April 17, 2014.
- March 22, 2014: Ayşedeniz Gökçin: Chopin, Lizst, Pink Floyd
- March 23, 2014: Andrzej Jagodzinski Trio, Chopin - Jazz Concert
- April 17, 2014: The Lason String Quartet & Turkish Saz Ensemble, Karol Szymanowski Re: Oriented
- May 12, 2014: "Ottoman Music Concert" İ.Ü. OMAR (Center of Research and Applied Ottoman Music) Turkish Music Committee
- June 15, 2014: "Chopin at the Bosphorus," the closing concert for the "Distant Neighbor Close Memories: 600th Anniversary of Turkish - Polish Relations" exhibition
- June 15, 2014: İKSV Istanbul Music Festival, Dilbağ Tokay and Emine Serdaroğlu, CelloPianoDuo Concert
- July 11, 2014: İKSV Istanbul Jazz Festival, Darcy James Argue, Cécile McLorin Salvant Concerts
- SSM "The Seed": continued to host the masters of classical music with Istanbul Recitals.

SSM also continued its "Cinema Days at SSM" events in 2014. As part of the events, a wide variety of film screenings were held.

SABANCI UNIVERSITY SAKIP SABANCI MUSEUM (SSM)

SSM has completed the inventory of all the trees and plant species on its grounds in collaboration with Istanbul University's Faculty of Forestry and presented its garden to all nature lovers.

Projects

SSM, in collaboration with Sabancı University Information Center, launched "DigitalSSM" in 2013. The contents of the Arts of the Book and Calligraphy Collection, the Painting Collection, the Abidin Dino Archives and the Emirgan Archives are now on the http://www.digitalssm.org website, along with more than 77,000 high resolution visuals.

The same year, SSM completed the inventory of all the trees and plant species on its grounds in collaboration with the Istanbul University's Faculty of Forestry and presented its garden to all nature lovers. The study revealed that the SSM garden hosts 115 plant species, including rare plants from the Far East, America, Australia, North Africa and the Caucasus. As part of the "SSM Garden" project, conferences on nature were also organized.

The garden of SSM continues to attract great attention of visitors in 2014.

Yoga classes, which were initiated in the SSM garden in 2013, continued in the summer months of 2014, hosting the "Yoga with Chris Chavez" event on July 18, 2014.

SABANCI FOUNDATION

The Sabancı Family has contributed to Turkey's economy through the many industrial enterprises they have established. Family members have focused their efforts on launching institutions that benefit the public in the fields of education, healthcare, culture, sports and social services, and have played an active role in philanthropic work. Reflecting the philosophy of the late Hacı Ömer Sabancı, "To share what we have gained from this land with its people," the Sabancı Family established the Hacı Ömer Sabancı Foundation (known as Sabancı Foundation) in 1974. Sadıka Sabancı, the wife of Hacı Ömer Sabancı, donated all of her personal wealth to the Foundation's endowment and Sabancı Foundation quickly became one of the largest foundations in Turkey.

The income base of the Foundation is sustained mainly through donations from family members, Sabancı Group companies and income generated by the assets owned by the Foundation.

The Sabancı Foundation is a founding member of the Turkish Third Sector Foundation (TÜSEV) and the European Consortium of Foundations on Human Rights and Disability, a Governing Council member of the European Foundation Center (EFC), and a member of the Council on Foundations (COF).

The Foundation's raison d'être is to promote social development and social awareness among current and future generations by supporting initiatives that create impact and lasting change in people's lives. In addition to its support of institutions, arts and culture and providing scholarships and awards, the Foundation also supports civil society organizations in promoting equality and active participation of women, youth and persons with disabilities.

The income base of the Foundation is sustained mainly through donations from family members, Sabancı Group companies and income generated by the assets owned by the Foundation.

SABANCI FOUNDATION

Sabancı Foundation prepared a special publication, “Sharing What We Have Gained from this Land with Its People: 40 Years Full of Philanthropy” in its 40th year; the content of the book was also published on a special 40th year website and as an Android app. Highlights of the activities of the Foundation over 40 years were shared with the public at a press conference held on March 12, 2014.

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Over the past 40 years, the Foundation has built more than 120 institutions at 78 sites across Turkey including schools, student housing, healthcare facilities, cultural centers, sports facilities, libraries, teachers' centers, social facilities and Sabancı University, which is one of the most significant investments of the Sabancı Foundation.

Sabancı Mardin Dormitory for Girls, built with the contributions of Sabancı Foundation, was put into service in 2014. Constructed on an area of 4,160 m^2 in order to meet the housing needs of middle school students in the Artuklu district of Mardin, the dormitory has a capacity for 200 students.

Since its establishment, the Foundation has provided more than 41,000 scholarships through the scholarship program. In 2014, nearly 1,500 students benefited from Sabancı Foundation scholarships, with 387 being first-time beneficiaries. The Foundation also continued to provide scholarships through the Sabancı Foundation-Vista Scholarship Program, which was initiated during the 2009-2010 academic year. Additionally, the Sabancı Foundation Awards Program recognized individuals with awards for their exceptional performance in education, sports, arts and culture both in Turkey and abroad. More than 1,000 awards have been given to date.

With regard to arts and culture activities, the Sabancı Foundation continued to support the State Theater - Sabancı International Adana Theater Festival in 2014. Mehtap Ar Children's Theater, which has received support from Sabancı Foundation since September 2006, has traveled to 81 provinces and 231 districts in Anatolia, reaching nearly 1 million children with more than 3,500 performances over eight years. In

2014, the Foundation continued to support the Ankara International Music Festival, the Metropolis Antique City excavation in Izmir, and the Turkish National Youth Philharmonic Orchestra (TUGFO) under the leadership of its world-renowned conductor, Cem Mansur. Sakıp Sabancı Mardin City Museum and Dilek Sabancı Art Gallery, restored by Sabancı Foundation, has attracted nearly 390,000 visitors since its opening on October 1, 2009.

With respect to other programs, the Sabancı Foundation continued to support various projects, programs and events that aim to encourage and enable those who have the power to change the future and to make a difference in the lives of others. These projects, programs and events are listed below.

The United Nations Joint Program (UNJP), which was successfully completed in six pilot cities between 2006 and 2010, marked an important milestone toward protecting and promoting the human rights of women and girls and creating social awareness on this important matter. Upon completion of the program, "Local Equality Action Plans" were launched to improve the quality of life of women and girls. Some 300,000 persons were reached as part of the Sabancı Foundation Grant Program and high school teachers received "Purple Certificates" as a result of the program that was designed for the education of teachers on gender equality.

In 2012, a new United Nations Joint Program was initiated with the partnership of United Nations Development Program (UNDP), UN Women, Sabancı University, Ministry of Family and Social Policies, Ministry of the Interior, Ministry of National Education, and the Union of Municipalities of Turkey to be implemented in 11 pilot provinces for a period of three years. Supported by the Sabancı Foundation, the new joint program is implemented in three components: Gender Responsive Budgeting, the Sabancı Foundation Grant Program, and the Purple Certificate Program.

With respect to other programs, the Sabancı Foundation continued to support various projects, programs and events that aim to encourage and enable those who have the power to change the future and to make a difference in the lives of others.

SABANCI FOUNDATION

The Sabancı Foundation Social Development Grant Program aims to support civil society organizations in promoting social development to achieve equality and the active participation of women, youth and persons with disabilities.

As part of the Gender Responsive Budgeting initiative, approximately 150 municipal staff and 100 civil society representatives from eight provinces attended trainings. Within the Sabancı Foundation Grant Program, 20 projects from nine provinces received nearly TL 700,000 in grants on gender equality. As part of the Purple Certificate Program, 448 high school teachers from 11 provinces received gender equality trainings and 85 of them received Purple Certificates at the end of the program.

First launched in 2008, the Sabancı Foundation Social Development Grant Program aims to support civil society organizations in promoting social development to achieve equality and active participation of women, youth and persons with disabilities. Since 2008, the program has received 1,293 applications. The Foundation granted a total of TL 8.4 million to 46 projects carried out in 72 provinces. Out of these projects, 37 were completed, reaching more than 70,000 individuals across the country.

In 2014, nine new projects were selected to be supported under the Sabancı Foundation Grant Program. Project representatives convened on August 7, 2014 in Istanbul to meet with one another and share their experiences. On October 24, 2014, a meeting was organized under the theme "Sowing Season" to share information and experiences among the nine grantees that completed their projects in 2014 with support from the Sabancı Foundation Grant Program. Representatives from NGOs, public institutions and the press attended this meeting to contribute to the discussion. A book entitled "Sowing Season: Sabancı Foundation Grant Program Stories" was distributed to the participants and related organizations.

In 2014, the Sabancı Foundation continued to support the program entitled "Turkey's Changemakers," highlighting the stories and efforts of individuals who make significant contributions to social development and inspire society. Out of more than 1,200 applications, 115 Changemakers were selected and videotaped since the program's launch year of 2009. The videos were shared on the program's website, Facebook, Twitter and YouTube, as well as on several local Turkish daily internet news portals, reaching more than 2.6 million viewings on domestic and international platforms. The 6th season of the program started in October 2014.

In 2014, taking into account the needs of the Changemakers, Sabancı Foundation decided to provide grant and communication support to the Changemakers. The grant program was launched following a training session on "Project Cycle Management" that was organized on January 9-11, 2014 in Istanbul. Out of 38 applications, seven Changemakers were approved by the Board of Trustees to receive grants totaling TL 250,000.

Every year, Sabancı Foundation brings together civil society, foundations, and academic, private and public sector representatives with international experts to create a platform for sharing information on new trends in philanthropy and the civil society sector.

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On December 11, 2014, the eighth annual Sabancı Foundation Philanthropy Seminar was held with the theme of "Featuring Award Winning Women" with guest speakers Sheryl WuDunn, Pulitzer Prize-winning journalist, whose book "Half the Sky" created awareness and activism by telling the stories of women suffering from violence and oppression; and Sharmeen Obaid Chinoy, the documentary filmmaker who won Pakistan's first Academy Award for her documentary "Saving Face," which is about the stories of women overcoming challenges despite suffering from acid attacks. At the seminar, Sertab Erener, famous Turkish pop singer, sang the song "Leyla," written and composed by Sezen Aksu, renowned Turkish musician and singer, in order to draw attention to women and girls' issues.

Sabancı Foundation continued to boost its reputation in the international arena in 2014. The Foundation was selected as a member of the European Foundation Center (EFC) Governing Council for the second term in 2014. As a member since 1999 and first selected to the Governing Council in 2011, Sabancı Foundation will continue to be represented in the management of EFC as the only foundation from Turkey. In addition, the Foundation continued its thought leadership mission in the area of philanthropy with contributions to prominent international publications such as Alliance magazine.

In 2014, Sabancı Foundation was recognized with an award in the area of communication. The Foundation received the Golden Compass Award, organized for the 13th time in 2014 by the Public Relations Association of Turkey, for its communication work during the "We Can End Child Marriage Together" workshop held in February 2013. The award confirmed the role of the Foundation in bringing the issue of child marriage to the agenda of the public. The issue will continue to be one of the main agenda items of the Foundation in the forthcoming period.

In addition, the Sabancı Foundation website was revamped in 2014 in order to provide easy access to the content of the site for individuals with visual impairments.

The Sabancı Foundation website was revamped in 2014 in order to provide easy access to the content of the site for individuals with visual impairments.

72 Provinces Benefiting from Grant Programs

121 Institutions:

1 University
38 Educational Institutions
20 Dormitories
16 Teacher's Centers
16 Cultural Centers
16 Social Facilities
5 Healthcare Centers and Facilities
5 Sports Facilities
4 Libraries

CORPORATE SOCIAL RESPONSIBILITY POLICY AND PRINCIPLES

With this policy statement, the Sabancı Group stresses corporate social responsibility principles as well as the importance and priority given to the topic by the Group.

Based on the accepted core values of modesty, respect and proximity to people, the Sabancı Group regards basing all corporate conduct on the awareness of social responsibility as an unchangeable core component of its management approach. We expect all of our establishments that constitute the Sabancı Group to manage the economic, social and environmental impact of their actions with responsibility and to place priority on the development of society. We do not regard the scope of our social responsibility limited to just our business operations or their impact. We determine our level of social responsibility and its priority on what is good for society and the environment as a whole. We pursue a pioneering role with regard to actions that protect democracy, human rights as well as the environment. At the Sabancı Group, the SA-Ethics program, prepared and put into practice in accordance with the Principles of Corporate Social Responsibility, constitute a guide to our business operations.

The basic principles that govern our social responsibility practices are:

1. At the Sabancı Group, we fulfill our social and environmental responsibilities toward society in all places that we operate, in close collaboration with our shareholders, employees, public, non-governmental organizations and other stakeholders.

2. We regard our human resources as the most significant component in creating sustainable growth. We ensure that all employees take advantage of their personal rights as members of the Group, fully and accurately. We treat our employees with honesty and fairness; we are committed to creating a non-discriminatory, safe and healthy work environment. We undertake efforts to enable the personal development of all employees while pursuing a balance between their private and professional lives.

   Any discrimination within the organization based on race, religion, gender, age, political opinion, language, physical challenge or similar reasons is not tolerated.

   We strive to ensure that people of different beliefs, views and opinions work together in harmony by creating a positive and cordial work environment that supports cooperation and prevents conflict.

   We administer programs that contribute to preserving employee health that we accept as important to ensuring our employees' quality of life and success.

   At the Sabancı Group, we believe that all employees deserve to work in a healthy and secure work environment consistent with human dignity. Our employees are our most valuable assets and we strive to provide employee safety and security as our primary goal.

3. We manage the environmental impact of our activities with a sense of responsibility. All of our companies are required to identify and apply the necessary improvements and development activities that minimize or eliminate negative environmental impact. We require our companies, beyond their legal requirements, to apply the best environmental solutions to all they do and to support any initiative that will develop and deploy environment-friendly technology and enhance environmental awareness.

4. At the Sabancı Group, we strive toward the improvement of society pursuant to our sense of corporate social responsibility. We encourage our employees to take part in social and societal volunteering.

5. We develop and implement approaches to ensure that all of our partners and particularly our suppliers act in accordance with the social responsibility standards of the Group.

6. We show sensitivity to the traditions and culture of Turkey and other countries in which we operate. We comply with all legal regulations currently in effect.

7. We encourage our Group companies to comply with international standards and assure that their operations are certified.

All principles of this policy statement are put into practice in accordance with applicable regulations; relevant units audit the level of implementation. We consider the success of the companies with regard to social responsibility activities as a significant criterion for evaluating overall company performance. At the Sabancı Group, we disclose corporate social responsibility activities realized by our Group with the public via annual reports and on our website.

All of our executives and employees, starting with the CEO of Sabancı Holding A.Ş., undertake accountability for carrying out corporate social responsibility activities.

This policy document has been prepared to share with our employees, shareholders and all other stakeholders, our public commitment on the part of the Sabancı Group to fulfill our responsibility toward helping to create a better world and a better future.

Zafer Kurtul
Board Member and CEO

Güler Sabancı
Chairman and Managing Director

COMMUNICATION PRINCIPLES OF SABANCI GROUP

The Sabancı Group targets the following principle as part of its communications efforts: Sabancı Group plans and implements its operations on the basis of striving for permanent competitive advantages by differentiating itself; the Group's mission is to manage a strategic portfolio with a competitive and sustainable growth potential in such a way that it creates value for shareholders. The principle thus adopted is manifested, in the Group's business target: To be ahead of the competition in the sectors we operate.

It is of crucial importance that the internal and external communications of the Group is maintained consistently, constantly and transparently in order to safeguard and promote the corporate reputation of Sabancı Group and to manage it in harmony with its business targets and social responsibilities.

In this context:
The Chairman and CEO of Sabancı Holding have public informational meetings at least once (usually twice) a year.

Group Heads inform the public at least once a year.

Sabancı Holding shares its first quarter, first half, nine months and annual financial results with the Capital Markets Board of Turkey (CMB), Borsa Istanbul (BIST) and the public.

Material disclosures to the BIST and press releases are simultaneously posted on the website.

Activities of Sabancı Holding are disclosed to the public through its website in both Turkish and English. Sabancı Holding also shares information with the public through social media channels (www.facebook.com/sabanciholding - www.twitter.com/sabanciholding).

Affiliates of Sabancı Holding inform the Sabancı Holding Corporate Communications Department prior to the implementation of the planned communications activities on a monthly and annual basis.

Sabancı Holding and its affiliates adhere to the principles set out in the Communications Guide in all communications activities.

Uses of the Sabancı brand have been outlined in the Sabancı Corporate Identity Guidelines. Sabancı Holding and its affiliates adhere to these principles in all matters relating to the use of the Sabancı brand.

Frequency of such activities may be increased in line with corporate and operational developments.

SABANCI GROUP ENVIRONMENTAL POLICY

OUR PRINCIPLES
Sabancı Group has adopted the innovative and sustainable environmental approach in its operations.
Being aware of the fact that the public embraces the "sustainable," we adopt in our environmental activities integrated, transparent and reliable management, as well as communications and collaboration with the public.
Our basic principle in our operations in different sectors is "to assume the responsibility of the lifecycle of products and services."
With such an approach, we manage our operations at each step of our development with an eye to their impacts on the environment.

OUR CORPORATE ENVIRONMENTAL POLICY
- We establish and implement our environmental standards at a level above and beyond the legal obligations.
- We aim at perfection through intercompany information and experience sharing.
- We adopt the proactive approach in all our operations for an uninterrupted improvement of our environmental performance.
- We identify and manage environmental risks.
- We try to apply the best available production techniques.
- While monitoring environmental developments and converting them into business opportunities, we contribute to sustainability.
- We support environmental awareness and information sharing for purposes of social development.

INTERGROUP ENVIRONMENTAL POLICY REQUIREMENTS

We observe environmental law and other statutory obligations.
While implementing environmental applications at a level above and beyond the legal obligations, we ensure the control of compliance.

We identify our environmental impacts.
We identify all our environmental impacts, develop a systematic approach of targeting, programming and monitoring, review the impacts and take improving actions.

We manage the intergroup resource utilization.
We determine the organizational roles, responsibilities and authorities in infrastructure, technology, finance and human resources, and ensure that our employees develop environmental awareness.

We ensure a systematic approach in our applications and create intercompany synergies.
We establish our operational standards with a proactive approach and ensure that they are followed by everyone including our employees, suppliers and contractors.

In the course of our operations, we identify any risks endangering the environment using a proactive approach and try to take the measures to minimize them in a timely and thorough manner.

We continually try to improve and review our environmental performance.
We set and implement targets for energy and waste management and for natural resource consumption.

While aiming at continuous improvement through clean products and clean production technologies, we also take on the environmental responsibility of our products and services.

While reporting our operations unequivocally, we facilitate access to information.

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT
(ORIGINALLY ISSUED IN TURKISH)

Deloitte.

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(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Hacı Ömer Sabancı Holding A.Ş.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Hacı Ömer Sabancı Holding A.Ş. ("the Company") and its subsidiaries (together will be referred as "the Group"), which comprise the consolidated balance sheet as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Turkish Accounting Standards ("TAS"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with standards on auditing issued by Capital Markets Board and Independent Auditing Standards which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Hacı Ömer Sabancı Holding A.Ş. and its subsidiaries as at 31 December 2014, and of their financial performance and their cash flows for the year then ended in accordance with Turkish Accounting Standards.

Other Matter

Subsidiaries are companies in which Holding exercises a dominant influence and power to govern the financial and operating policies through exercise of voting power relating to shares held by Holding and its Subsidiaries together with voting power which Holding effectively exercises relating to shares held by Sabancı family members. Sabancı family members allow Holding to exercise voting power in respect of their shares held in these companies. In the accompanying consolidated financial statements the shares held by Sabancı family members are treated as non-controlling interests.

Additional Paragraph for US Dollar ("USD") Translation

"As explained in Note 2 to the consolidated financial statements USD amounts presented in the accompanying consolidated financial statements have been included solely for the convenience of the reader of the consolidated financial statements, USD amounts do not form part of these consolidated financial statements and have been translated from Turkish Lira ("TL"), as a matter of arithmetic computation only, at the offical USD bid rate announced by the Central Bank of the Republic of Turkey ("CBRT") at 31 December 2014 for the consolidated balance sheet and the official USD average CBRT bid rate of the year 2014 for the consolidated statement of profit or loss and consolidated statement of cash flows. The resulting difference from the use of average CRBT rate for the translation of consolidated statement of profit or loss and the use of bid rate at the balance sheet date for the translation of the consolidated balance sheet is included in translation reserves under shareholders' equity in accordance with the translation requirements of TAS 21 "The effects of Changes in Foreign Exchange Rates" when the financial statements are presented in a currency other than the functional currency."

Reports on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), nothing has come to our attention that may cause us to believe that the Company's set of accounts and financial statements prepared for the period 1 January-31 December 2014 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

In accordance with paragraph four of the Article 398 of TCC, the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 2 March 2015.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Ömer Tanrıöver, SMMM
Partner
Istanbul, 2 March 2015

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HACI ÖMER SABANCI HOLDİNG A.Ş.

AUDITED CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2014 AND 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Note References	Unaudited Current Period 31 December 2014 USD (*)	Current Period 31 December 2014	Restated Prior Period 31 December 2013
ASSETS				
Current Assets		**47.483.670**	**110.109.883**	**105.134.288**
Cash and Cash Equivalents	5	3.242.379	7.518.753	5.566.531
Financial Assets		3.450.406	8.001.147	16.993.146
-Held for Trading	6.a	23.703	54.964	124.740
-Available for Sale	6.b	3.017.992	6.998.422	13.127.822
-Held to Maturity	6.c	387.946	899.608	1.776.715
-Time Deposits	6.d	20.765	48.153	1.963.869
Trade Receivables	8	436.654	1.012.556	1.211.220
Receivables from Finance Sector Operations	30	29.851.069	69.221.643	59.416.942
Reserve Deposits with the Central				
Bank of the Republic of Turkey		8.158.125	18.917.875	16.690.681
Other Receivables	9	253.342	587.474	611.929
Derivative Financial Instruments	29	612.696	1.420.780	1.767.417
Inventories	10	793.310	1.839.607	1.883.451
Prepaid Expenses	11	124.836	289.483	332.698
Other Current Assets	20	267.062	619.289	630.305
		47.189.878	**109.428.607**	**105.104.320**
Assets Classified As Held for Sale	22	293.793	681.276	29.968
Non-current Assets		**51.928.359**	**120.416.672**	**101.436.531**
Financial Assets		17.469.646	40.510.363	30.418.270
-Available for Sale	6.b	13.200.132	30.609.785	20.041.531
-Held to Maturity	6.c	4.269.515	9.900.578	10.376.739
Trade Receivables	8	30.659	71.095	41.189
Receivables From Finance Sector Operations	30	29.466.505	68.329.878	59.706.203
Other Receivables	9	27.182	63.033	45.679
Derivative Financial Instruments	29	123.382	286.110	630177
Investments Accounted Through Equity Method	12	2.366.129	5.486.817	4.960.899
Investment Property	13	140.490	325.782	348.788
Property, Plant and Equipment	14	1.681.216	3.898.572	3.898.832
Intangible Assets		394.685	915.234	784.693
-Goodwill	16	206.535	478.935	478.935
-Other Non Current Assets	15	188.149	436.299	305.758
Prepaid Expenses	11	11.883	27.556	33.018
Deferred Tax Assets	28	205.879	477.413	495.383
Other Non Current Assets	20	10.703	24.819	73.400
Total Assets		**99.412.029**	**230.526.555**	**206.570.819**

(*) USD amounts presented above are translated from TL for convenience purposes only, at the official TL exchange rate announced by CBRT at 31 December 2014, and therefore do not form part of these consolidated financial statements (Note 2.1.6).

These consolidated financial statements have been approved for issue by the Board of Directors on 2 March 2015 and signed on its behalf by Zafer Kurtul, Member of Board of Directors and CEO and Barış Oran, Head of Planning, Reporting and Finance Department.

The accompanying notes form an integral part of these consolidated financial statements.

HACI ÖMER SABANCI HOLDİNG A.Ş.

AUDITED CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2014 AND 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Note References	Unaudited Current Period 31 December 2014 USD (*)	Current Period 31 December 2014	Restated Prior Period 31 December 2013
LIABILITIES				
Short Term Liabilities		**73.007.385**	**169.296.825**	**150.872.625**
Financial Liabilities	7	8.779.580	20.358.969	16.311.856
Current Portion of Long-Term Financial Liabilities	7	756.197	1.753.546	2.013.844
Trade Payables	8	780.196	1.809.196	1.918.494
Payables from Finance Sector Operations	31	59.445.106	137.847.256	123.368.888
Short Term Employee Benefits	19	17.342	40.214	47.178
Other Payables	9	1.552.210	3.599.419	3.911.097
Derivative Financial Instruments	29	521.597	1.209.531	1.190.196
Deferred Income	11	53.534	124.141	322.641
Income Taxes Payable	28	152.482	353.590	104.128
Short Term Provisions		227.105	526.633	613.596
-Short Term Provisions for Employee Benefits	19	87.545	203.009	165.467
-Other Short Term Provisions	17	139.559	323.624	448.129
Other Short Term Liabilities	20	571.295	1.324.776	1.070.707
		72.856.644	168.947.271	150.872.625
Liabilities Classified As Held for Sale	22	150.741	349.554	-
Long Term Liabilities		**10.510.091**	**24.371.850**	**23.683.537**
Financial Liabilities	7	5.004.780	11.605.585	11.905.902
Trade Payables	8	217	503	596
Payables from Finance Sector Operations	31	5.249.495	12.173.053	11.318.200
Other Payables	9	15.148	35.127	33.215
Derivative Financial Instruments	29	45.691	105.952	71.003
Deferred Income	11	64.360	149.244	66.683
Long Term Provisions		79.733	184.894	177.240
-Long Term Provisions for Employee Benefits	19	77.625	180.004	173.319
-Other Long Term Provisions	17	2.109	4.890	3.921
Deferred Tax Liabilities	28	49.582	114.976	107.706
Other Long Term Liabilities	20	1.085	2.516	2.992
EQUITY		**15.894.553**	**36.857.880**	**32.014.657**
Equity Attributable to the Parent	**21**	**8.270.162**	**19.177.680**	**17.034.439**
Share Capital	21	879.902	2.040.404	2.040.404
Adjustment to Share Capital		1.477.753	3.426.761	3.426.761
Treasury Shares (-)	21	-	-	-
Share Premium		9.345	21.670	21.670
Accumulated Other Comprehensive Income or Loss That Will Not Be Reclassified to Profit or Loss		(4.539)	(10.526)	1.240
-Actuarial Gains/Losses		(4.539)	(10.526)	1.240
Accumulated Other Comprehensive Income or Loss That Will Be Reclassified to Profit or Loss		(97.824)	(100.945)	(504.839)
-Currency Translation Reserve	21	25.029	183.938	258.722
-Hedge Reserve	21	(81.493)	(188.975)	(211.491)
-Revaluation Reserve	21	(41.359)	(95.908)	(552.070)
Restricted Reserves	21	369.014	855.707	926.278
Retained Earnings		4.685.625	10.865.495	9.391.529
Net Income for the Year		950.887	2.079.114	1.731.396
Non-controlling Interests		**7.624.391**	**17.680.200**	**14.980.218**
TOTAL EQUITY AND LIABILITIES		**99.412.029**	**230.526.555**	**206.570.819**

(*) USD amounts presented above are translated from TL for convenience purposes only, at the official TL exchange rate announced by CBRT at 31 December 2014, and therefore do not form part of these consolidated financial statements (Note 2.1.6).

The accompanying notes form an integral part of these consolidated financial statements.

HACI ÖMER SABANCI HOLDİNG A.Ş.

AUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Note References	Unaudited Current period 1 January- 31 December 2014 USD (*)	Current period 1 January- 31 December 2014	Restated Prior period 1 January- 31 December 2013
CONTINUING OPERATIONS				
Sales (net)	4,23	4.810.204	10.517.510	8.457.484
Cost of Sales (-)	4,23	(3.822.017)	(8.356.840)	(6.912.506)
Gross Profit From Non-Financial Operations		**988.187**	**2.160.670**	**1.544.978**
Interest, Premium, Commission and Other Income	4	7.737.926	16.918.975	14.595.256
Interest, Premium, Commission and Other Expense (-)		(4.153.459)	(9.081.538)	(6.927.813)
Gross Profit From Financial Operations		**3.584.467**	**7.837.437**	**7.667.443**
GROSS PROFIT		**4.572.654**	**9.998.107**	**9.212.421**
General Administrative Expenses (-)	24	(2.013.174)	(4.401.804)	(3.880.106)
Marketing, Selling and Distribution Expenses (-)	24	(562.243)	(1.229.344)	(812.698)
Research and Development Expenses (-)	24	(2.073)	(4.533)	(10.462)
Income From Other Operating Activities	25	372.531	814.540	665.083
Expense From Other Operating Activities (-)	25	(187.393)	(409.735)	(502.108)
Interest in Income of Investments Accounted Through Equity Method	12	145.609	318.373	151.417
OPERATING PROFIT		**2.325.911**	**5.085.604**	**4.823.547**
Income From Investment Activities	26	133.282	291.421	38.127
Expense From Investment Activities (-)	26	(956)	(2.090)	(3.204)
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSES)		**2.458.237**	**5.374.935**	**4.858.470**
Financial Income	27	24.681	53.965	11.596
Financial Expenses (-)	27	(83.646)	(182.891)	(170.099)
NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS		**2.399.272**	**5.246.009**	**4.699.967**
Tax Income/(Expense) from Continuing Operations				
Current Income Tax Expense	28	(549.385)	(1.201.231)	(781.452)
Deferred Income Tax Benefit/Charge	28	104.737	229.008	(165.820)
NET INCOME FOR THE YEAR FROM CONTINUING OPERATIONS		**1.954.624**	**4.273.786**	**3.752.695**
DISCONTINUED OPERATIONS				
Net Income After Tax				
From Discontinued Operations	22	35.249	77.073	91.957
NET INCOME FOR THE YEAR		**1.989.874**	**4.350.859**	**3.844.652**
ALLOCATION OF NET INCOME				
-Non-controlling Interests		1.038.987	2.271.745	2.113.256
-Equity Holders of the Parent		950.887	2.079.114	1.731.396
Earnings per share				
-thousands of ordinary shares (TL)	33	4,66	10,19	8,49
Earnings per share from continuing operations				
-thousands of ordinary shares (TL)	33	4,49	9,81	8,03

(*) USD amounts presented above are translated from TL for convenience purposes only, at the official TL average exchange rate announced by CBRT at 31 December 2014, and therefore do not form part of these consolidated financial statements (Note 2.1.6).

The accompanying notes form an integral part of these consolidated financial statements.

HACI ÖMER SABANCI HOLDİNG A.Ş.

AUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Note References	Current period 1 January-31 December 2014	Restated Prior period 1 January-31 December 2013
NET INCOME FOR THE YEAR		**4.350.859**	**3.844.652**
Other Comprehensive Income/(Loss):			
Items That Will Not Be Reclassified Subsequently To Profit or Loss			
Actuarial (losses)/gains	28	(14.913)	3.976
Items That Will Be Reclassified Subsequently To Profit or Loss		**1.125.809**	**(2.892.482)**
Net unrealized fair value gains/(losses) from available for sale financial assets, after tax	28	1.649.775	(2.408.339)
Losses on available for sale financial assets transferred to the income statement, after tax	28	(479.393)	(624.919)
Net gains/(losses) included in the income statement due to transfer of available for sale financial assets into held to maturity assets, after tax	28	(63.943)	(9.335)
Currency translation differences	28	(34.911)	143.364
Cash flow hedges, after tax	28	35.414	91.503
Income/(loss) from the derivative financial assets related to the hedging of net investment in a foreign operation, after tax	28	18.867	(84.756)
OTHER COMPREHENSIVE INCOME/(LOSS) (AFTER TAX)		**1.110.896**	**(2.888.506)**
TOTAL COMPREHENSIVE INCOME		**5.461.755**	**956.146**
ALLOCATION OF TOTAL COMPREHENSIVE INCOME		**5.461.755**	**956.146**
-Non-controlling Interests		2.966.188	337.792
-Equity Holders of the Parent		2.495.567	618.354

The accompanying notes form an integral part of these consolidated financial statements.

HACI ÖMER SABANCI HOLDİNG A.Ş.

AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

				Accumulated Other Comprehensive Income or Loss That Will Not Be Reclassified		Accumulated Other Comprehensive Income or Loss That Will Be Reclassified to Profit or Loss								
	Share Capital	Adjustment to share capital	Treasury shares (-)	Share premium	Actuarial gains/ losses	Currency translation reserve	Hedge reserve	Revaluation funds	Restricted reserves	Retained earnings	Net income for the year	Equity attributable to the parent	Non-controlling interests	Total
Balances at 1 January 2013	**2.040.404**	**3.426.761**	**(52.227)**	**21.670**	**(2.736)**	**145.286**	**(223.386)**	**690.155**	**654.707**	**7.691.951**	**1.858.491**	**16.251.076**	**14.261.968**	**30.513.044**
Transfers	-	-	-	-	-	-	-	-	271.571	1.586.920	(1.858.491)	-	-	-
Change in shareholding structure by the effect of share purchases (*)	-	-	-	-	-	-	-	-	-	(2.541)	-	(2.541)	504.107	501.566
Disposal of joint ventures (**)	-	-	-	-	-	-	-	-	-	62.856	-	62.856	-	62.856
Effect of change in the effective ownership of subsidiaries	-	-	-	-	-	-	-	124	-	3.570	-	3.694	3.266	6.960
Effect of disposal of subsidiaries' shares (***)	-	-	52.227	-	-	-	-	-	-	275.699	-	327.926	268.718	596.644
Change in the consolidation method	-	-	-	-	-	-	-	-	-	(13.384)	-	(13.384)	-	(13.384)
Dividends paid (****)	-	-	-	-	-	-	-	-	-	(213.542)	-	(213.542)	(395.633)	(609.175)
Total comprehensive income	-	-	-	-	3.976	113.436	11.895	(1.242.349)	-	-	1.731.396	618.354	337.792	956.146
Balances at 31 December 2013	**2.040.404**	**3.426.761**	**-**	**21.670**	**1.240**	**258.722**	**(211.491)**	**(552.070)**	**926.278**	**9.391.529**	**1.731.396**	**17.034.439**	**14.980.218**	**32.014.657**
Balances at 1 January 2014	**2.040.404**	**3.426.761**	**-**	**21.670**	**1.240**	**258.722**	**(211.491)**	**(552.070)**	**926.278**	**9.391.529**	**1.731.396**	**17.034.439**	**14.980.218**	**32.014.657**
Transfers	-	-	-	-	-	-	-	-	(70.571)	1.691.921	(1.731.396)	(110.046)	110.046	-
Effect of public offering of the joint venture (*****)	-	-	-	-	-	-	-	-	-	3.560	-	3.560	-	3.560
Disposal of subsidiaries (******)	-	-	-	-	-	(24.324)	-	-	-	-	-	(24.324)	(2.373)	(26.697)
Effect of change in the effective ownership of subsidiaries	-	-	-	-	-	-	-	-	-	(1.992)	-	(1.992)	-	(1.992)
Dividends paid (****)	-	-	-	-	-	-	-	-	-	(219.523)	-	(219.523)	(373.879)	(593.402)
Total comprehensive income	-	-	-	-	(11.766)	(50.460)	22.516	456.162	-	-	2.079.114	2.495.567	2.966.188	5.461.755
Balances at 31 December 2014	**2.040.404**	**3.426.761**	**-**	**21.670**	**(10.526)**	**183.938**	**(188.975)**	**(95.908)**	**855.707**	**10.865.495**	**2.079.114**	**19.177.680**	**17.680.200**	**36.857.880**

(*) Ownership of the Group on Carrefoursa shares, which has been 38,78% previously, increased by 12% due to "Share Transfer Agreement" dated 30 April 2013 and reached to 50,79%. Accordingly, Carrefour Nederland B.V."s shares decreased from 58,19% to 46,19%. Following the completion of all legal procedures, as of July 2013 official share transfer has been realized. Share amount has been paid in cash. As a result of the acquisition of 12% equity shares of Carrefoursa; in accordance with the Article 17 of the Capital Markets Board's Communique Serial: IV, No: 44, "Principles Regarding the Collection of Corporation Shares Through Takeover Bid", and with the framework of the permit numbered 29833736-110.05.01-2827 of the Capital Markets Board of Turkey dated 26 September 2013, H.Ö Sabancı Holding's call to repurchase of CARFA and CARFB shares owned by other shareholders resulted in its ownership to increase to 50.93%.

(**) The share transfer agreement of Diasa shares representing 40% ownership in the Group's portfolio to Şok Marketler Tic. A.Ş. has been signed on 19 April 2013. Following the completion of all legal procedures, official share transfer has been realized on 1 July 2013.

(***) Net profit after tax due to the sale of Sabancı Holding shares, owned by Çimsa and Tursa, the Group's subsidiaries, as well as Sabancı Holding, Akbank and Teknosa shares owned by Exsa, have been accounted for under equity.

(****) Dividends paid by the Holding per share with a TL 1 nominal value is TL 0,10 (2013: TL 0,10).

(*****) After the transactions to maintain price stability, net 8,55% of the shares of Avivasa, which isincluded in the Group portfolio with 49,83% share have been offered to the public on 13 November 2014.

(******) A share transfer agreement for Kordsa Argentina S.A. of Kordsa's subsidiaries, one of the subsidiaries of the Group, had been signed on 30 September 2014 and liquidation procedures of Kordsa Qingdao Nylon Enterprise Limited which is operating in China, has been concluded (Note 22).

The accompanying notes form an integral part of these consolidated financial statements.

HACI ÖMER SABANCI HOLDİNG A.Ş.
AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Note References	Unaudited Current Period 1 January- 31 December 2014 USD (*)	Current Period 1 January- 31 December 2014	Restated Prior Period 1 January- 31 December 2013
Net income before tax from continuing operations		2.399.272	5.246.009	4.699.966
Net income after tax from discontinued operations	22	35.249	77.073	91.957
Adjustments to reconcile income before taxation to net cash provided by operating activities:				
Depreciation and amortisation expenses	4	218.275	477.258	412.117
Provision for loan losses	30	964.204	2.108.233	1.764.846
Changes in the fair value of derivative instruments		421.122	920.783	(1.804.020)
Interest income and foreign currency gains		(204.839)	(447.880)	162.702
Interest expense		22.192	48.523	137.012
Provision for employment termination benefits	19	26.802	58.602	58.040
Impairment charge on property, plant and equipment, intangible assets and investment property	4	(2.193)	(4.795)	21.913
Income from associates and joint ventures	12	(145.609)	(318.373)	(151.417)
Provision for/(reversal of) inventory impairment	10	1.155	2.526	2.181
Provision for/(reversal of) doubtful receivables		6.487	14.184	6.017
(Profit)/loss from stock sales of joint venture	22	(58.345)	(127.571)	(121.196)
Other		(9.742)	(21.301)	8.814
Net cash provided by operating activities before changes in operating assets and liabilities		**3.674.032**	**8.033.271**	**5.288.932**
Changes in trade receivables		70.695	154.574	(242.062)
Changes in inventories		18.897	41.318	(376.445)
Changes in other receivables and other current assets		52.766	115.372	232.531
Changes in trade payables		(50.030)	(109.391)	614.024
Disposal of joint ventures asset		-	-	(38.683)
Changes in other liabilities and other payables		(156.684)	(342.589)	1.214.726
Net cash provided in operating activities of assets classified as held for sale		(61.903)	(135.350)	87.505
Currency translation differences		(45.598)	(99.701)	98.321
Changes in assets and liabilities in finance segment:				
Changes in securities held for trading		32.007	69.983	(93.643)
Changes in receivables from financial operations		(9.355.703)	(20.456.244)	(27.735.774)
Changes in payables from financial operations		6.991.475	15.286.860	25.260.635
Changes in reserve with the Central Bank of the Republic of Turkey		(882.823)	(1.930.293)	(2.757.140)
Income taxes paid		(456.815)	(998.825)	(782.101)
Employment termination benefits paid	19	(23.662)	(51.738)	(55.230)
Net cash used in operating activities		**(193.347)**	**(422.753)**	**715.596**
Cash flows from investing activities:				
Capital expenditures	4	(438.122)	(957.953)	(688.562)
Sale/(purchase) of available for sale and held to matuirty financial assets		203.941	445.918	(7.513.065)
Proceeds from sale of non current assets held for sale, property, plant and equipment and intangible assets		45.493	99.470	63.408
Dividends received		146.341	319.974	326.185
Cash provided from the share sale of subsidiary		-	-	596.294
Change in the effective ownership of subsidiaries		-	-	22.650
Cash provided from the sale of joint venture		75.636	165.378	146.495
Cash used in the acquisition of shares of joint venture	3	-	-	(141.000)
Net cash provided from/(used in) investing activities		**33.289**	**72.787**	**(7.187.595)**
Cash flows from financing activities:				
Changes in financial liabilities		1.604.354	3.507.921	6.111.584
Dividends paid		(100.399)	(219.523)	(213.542)
Dividends paid to non-controlling interests		(170.994)	(373.879)	(395.633)
Capital increase of joint ventures		(205.808)	(450.000)	(1.721.000)
Net cash provided by/(used in) financing activities		**1.127.153**	**2.464.519**	**3.781.409**
Effect of change in foreign currency rates on cash and cash equivalents		60.739	132.806	618.792
Net increase/(decrease) in cash and cash equivalents		1.027.834	2.247.358	(2.071.798)
Cash and cash equivalents at the beginning of the period (*)		1.188.066	2.597.707	4.669.505
Cash and cash equivalents at the end of the period		**2.215.900**	**4.845.065**	**2.597.707**

(*) USD amounts presented above are translated from TL for convenience purposes only, at the official TL average exchange rate announced by CBRT at 31 December 2014, and therefore do not form part of these consolidated financial statements (Note 2.1.6).

(**) Cash and cash equivalents at the beginning of the period comprise interest accruals of TL 624 and cash and cash equivalents at the end of the period comprise interest accruals of TL 1.973 (31 December 2013: TL 208 and TL 624 respectively). Restricted cash in the banks is not included in the cash and cash equivalents. At the beginning and at the end of the current period, restricted deposit is TL 2.968.616 and TL 2.673.688, respectively (31 December 2013: TL 1.660.155 and TL 2.968.616, respectively).

The accompanying notes form an integral part of these consolidated financial statements.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 1-ORGANIZATION AND OPERATIONS OF THE GROUP

Hacı Ömer Sabancı Holding A.Ş. (the "Holding") was established in 1967 to coordinate and perform liaison services regarding the activities of companies operating in various fields including mainly finance, manufacturing and trade. The Holding is registered in Turkey and is owned by the members of the Sabancı family (Note 21). The number of employees in 2014 is 60.170 (31 December 2013: 58.907). Holding's registered address is as follows:

Sabancı Center, 4. Levent, İstanbul, Türkiye.

The Holding is registered with the Capital Markets Board ("CMB") and its shares have been quoted on Borsa Istanbul ("BIST") (previously known as the Istanbul Stock Exchange ("ISE")) since 1997. As of 31 December 2014, the principal shareholders and their respective shareholding rates in the Holding are as follows (Note 21):

	%
Sakıp Sabancı Holding A.Ş.	14,07
Serra Sabancı	7,21
Suzan Sabancı Dinçer	6,94
Çiğdem Sabancı Bilen	6,94
Other	64,84
	100

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Subsidiaries

As of 31 December 2014, the nature of the business of the Subsidiaries consolidated in these consolidated financial statements and, their respective business segments are as follows:

Subsidiaries	Name of Exchange Traded	Nature of business	Business segment	Number of employees
Akbank T.A.Ş. ("Akbank")	BİST	Banking	Banking	16.514
Kordsa Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş. ("Kordsa Global")	BİST	Tire reinforcement	Industry	4.065
Temsa Global Sanayi ve Ticaret A.Ş. ("Temsa")	-	Automotive	Industry	1.840
Çimsa Çimento Sanayi ve Ticaret A.Ş. ("Çimsa")	BİST	Cement and clinker	Cement	2.142
Teknosa İç ve Dış Ticaret A.Ş. ("Teknosa")	BİST	Trade	Retailing	3.633
Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. ("Exsa")	-	Trade	Other	7
Ankara Enternasyonel Otelcilik A.Ş. ("AEO")	-	Tourism	Other	3
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. ("Tursa")	-	Tourism	Other	7
Bimsa Uluslararası İş, Bilgi ve Yönetim Sistemleri A.Ş. ("Bimsa")	-	Trade of data and processing systems	Other	196
Sasa Polyester Sanayi A.Ş. ("Sasa")	BİST	Chemical and textile	Industry	1.229
Yünsa Yünlü Sanayi ve Ticaret A.Ş. ("Yünsa")	BİST	Textile	Industry	1.965
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. ("Carrefoursa") (*)	BİST	Trade of consumer goods	Retailing	9.459

(*) Ownership of the Group on Carrefoursa shares, which has been 38,78% previously, increased by 12% due to "Share Transfer Agreement" dated 30 April 2013 and reached to 50,79%. Accordingly, Carrefour Nederland B.V.'s shares decreased from 58,19% to 46,19%. Following the completion of all legal procedures, as of July 2013 official share transfer has been realized. As a result of the purchase transaction, the control of Carrefoursa, has been transferred to Sabancı Holding and therefore consolidated as a subsidiary starting from 1 July 2013, whereas it has been consolidated as a joint venture previously. As a result of the acquisition of 12% equity shares of Carrefoursa; in accordance with the Article 17 of the Capital Markets Board's Communique Serial: IV, No: 44, "Principles Regarding the Collection of Corporation Shares Through Takeover Bid", and with the framework of the permit numbered 29833736-110.05.01-2827 of the Capital Markets Board of Turkey dated 26 September 2013, H.Ö Sabancı Holding's call to repurchase of CARFA and CARFB shares owned by other shareholders resulted in its ownership to increase to 50.93%.

For the purposes of segment information, Holding's stand-alone financial statements have been included within the "Other" business segment (Note 4).

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Joint Ventures

As at 31 December 2014, the nature of business and operating segments of the Joint Ventures which are accounted through equity method in the consolidated financial statements are as follows:

Joint Ventures	Name of exchange traded	Nature of business	Segment	Ventures	Number of employees
Aksigorta A.Ş. ("Aksigorta")	BİST	Insurance	Insurance	Ageas	667
Avivasa Emeklilik ve Hayat A.Ş. ("Avivasa")	BİST	Pension	Insurance	Aviva	1.635
Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. ("Brisa")	BİST	Tire	Industry	Bridgestone	2.016
Akçansa Çimento Sanayi ve Ticaret A.Ş. ("Akçansa")	BİST	Cement and clinker	Cement	Heidelberg	3.102
Enerjisa Enerji A.Ş. ("Enerjisa Enerji")	-	Energy	Energy	E.ON SE	8.994

All Joint Ventures are registered in Turkey.

Affiliates

As at 31 December 2014, the nature of business and operating segments of the Affiliates which are accounted through equity method in the consolidated financial statements are as follows:

Associates	Name of exchange traded	Nature of business	Segment	Ventures	Number of Employees (*)
Philsa Philip Morris Sabancı Sigara ve Tütün San. Ve Tic. A.Ş (Philsa)	-	Tobacco products production	Industry	Philip Morris	2.608
Philip Morris Sabancı Pazarlama Satış A.Ş. ("Philip Morrissa")	-	Tobacco products marketing and sales	Industry	Philip Morris	

(*) Number of employees represent the total number of employees of Philsa and Philip Morrissa.

HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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NOTE 2-BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Statement of compliance with TAS

Sabancı Holding, its Subsidiaries and Joint Ventures registered in Turkey maintain their books of accounts and prepare their statutory financial statements ("Statutory Financial Statements") in TL in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance, applicable Turkish insurance laws for insurance companies and banking law, accounting principles and instructions promulgated by the Banking Regulation and Supervising Agency for banks and accounting principles issued by the CMB for listed companies. The foreign Subsidiaries and Joint Ventures maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the Turkish Accounting Standards issued by POA.

The attached consolidated financial statements are prepared in accordance with the decree Series II No: 14.1 "Principals Relating to the Financial Reporting Standards in Capital Markets" ("Decree") issued by Capital Markets Board ("CMB") on 13 June 2013 and published in the Official Gazette numbered 28676 and are based on the Turkish Accounting Standards ("TAS") and relating interpretations which became effective with the 5th Article of the Decree in consideration by Public Oversight Accounting and Auditing Standards Authority.

Additionally, the consolidated financial statements and disclosures are presented in accordance with the formats published by CMB on 7 June 2013. The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Preparation of Financial Statements in Hyperinflationary Periods

Based on CMB"s resolution No: 11/367 issued on 17 March 2005, companies operating in Turkey and preparing their financial statements in accordance with the POA Accounting Standards are not subject to inflation accounting effective from 1 January 2005. Therefore, starting from January 2005, TAS 29 "Financial Reporting in Hyperinflationary Economies" is not applied in the accompanying consolidated financial statements.

Functional and Presentation Currency

Items included in the financial statements of each Group entity are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (functional currency). The financial position and operation results of each entity are presented in Turkish Lira, which is the functional currency of the consolidated financial statements of the Group.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

2.1.2 New and Revised Turkish Accounting Standards

(a) Amendments to TASs affecting amounts reported in the consolidated financial statements

None.

(b) New and revised standards applicable in 2014 with no material effect on the consolidated financial statements of the Group

Amendments to TFRS 10, 11,TAS 27	*Investment Entities*[1]
Amendments to TAS 32	*Offsetting Financial Assets and Financial Liabilities*[1]
Amendments to TAS 36	*Recoverable Amount Disclosures for Non-Financial Assets*[1]
Amendments to TAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*[1]
TFRS Interpretation 21	*Levies*[1]
Amendments to TAS 21	*The Effect of Changes in Foreign Exchange Rates*[2]

[1] Effective for annual periods beginning on or after 1 January 2014
[2] Effective from12 November 2014

Amendments to TFRS 10, 11, TAS 27 Investment Entities

This amendment with the additional provisions of TFRS 10 provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss.

Amendments to TAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to TAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realization and settlement'.

Amendments to TAS 36 Recoverable Amount Disclosures for Non-Financial Assets

As a consequence of TFRS 13 Fair Value Measurements, there are amendments in the explanations about the measurement of the recoverable amount of an impaired asset. This amendment is limited to non-financial assets and paragraphs 130 and 134 of TAS 36 have been changed.

Amendments to TAS 39 Novation of Derivatives and Continuation of Hedge Accounting

This amendment to TAS 39 makes it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

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TFRS Interpretation 21 Levies

TFRS Interpretation 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

Amendments to TAS 21 The Effect of Changes in Foreign Exchange Rates

Clause (b) of Paragraph 39 of TAS 21 Effects of Changes in Foreign Exchange Rates has been amended as below:

"(b) Income and expenses for each statement of comprehensive income or separate income statement presented (ie including comparatives) shall be translated at exchange rates at the dates of the transactions."

c) New and revised standards in issue but not yet effective

The Group has not applied the following new and revised TFRSs that have been issued but are not yet effective:

TFRS 9	*Financial Instruments*
Amendments toTFRS 9 and TFRS 7	*Mandatory Effective Date of TFRS 9 and Transition Disclosures*
Amendments to TAS 19	*Defined Benefit Plans: Employee Contributions* [1]
Annual Improvements to 2010-2012 Cycle	*TFRS 2, TFRS 3, TFRS 8, TFRS 13, TAS 16 and TAS 38, TAS 24, TFRS 9, TAS 37, TAS 39*[1]
Annual Improvements to 2011-2013 Cycle	*TFRS 3, TFRS 13, TMS 40*[1]
Amendments to TAS 16 and TAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation* [2]
Amendments to TAS 16 and TAS 41	
TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40	*Agriculture: Bearer Plants* [2]
Amendments to TFRS 11 and TFRS 1	*Accounting for Acquisition of Interests in Joint Operations*[2]

[1] Effective for annual periods beginning on or after 30 June 2014.
[2] Effective for annual periods beginning on or after 31 December 2015.

TFRS 9 Financial Instruments

TFRS 9, issued in November 2009, introduces new requirements for the classification and measurement of financial assets. TFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Amendments to TFRS 9 and TFRS 7 Mandatory Effective Date of TFRS 9 and Transition Disclosures

On November 2013, it is tentatively decided that the mandatory effective date of TFRS 9 will be no earlier than annual periods beginning on or after 1 January 2017. This revision has not been published by POA yet.

Amendments to TAS 19 *Defined Benefit Plans: Employee Contributions*

The amendments clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service.

Annual Improvements to 2010-2012 Cycle

TFRS 2: Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'

TFRS 3: Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date.

TFRS 8: Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly.

TFRS 13: Clarify that issuing TFRS 13 and amending TFRS 9 and TAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only).

TAS 16 and TAS 38: Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount.

TAS 24: Clarify how payments to entities providing management services are to be disclosed.

Annual Improvements to 2011-2013 Cycle

TFRS 3: Clarify that TFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

TFRS 13: Clarify the scope of the portfolio exception in paragraph 52.

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TAS 40: Clarifying the interrelationship of TFRS 3 and TAS 40 when classifying property as investment property or owner-occupied property.

Amendments to TAS 16 and TAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*

This amendment clarifies that that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment, and introduces a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendment also adds guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Amendments to TAS 16 and TAS 41 and Amendments to TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40 *Agriculture: Bearer Plants*

This amendment include "bearer plants" within the scope of TAS 16 rather than TAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16. The amendment also introduces a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales, and clarifies that produce growing on bearer plants remains within the scope of TAS 41.

These amendments on TAS 16 and TAS 41 caused revisions on related parts of TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40 respectively.

Amendments to TFRS 11 and TFRS 1 *Accounting for Acquisition of Interests in Joint operations*

This amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business to:

- apply all of the business combinations accounting principles in TFRS 3 and other TFRSs, except for those principles that conflict with the guidance in TFRS 11

- disclose the information required by TFRS 3 and other TFRSs for business combinations.

This amendment on TFRS 11 caused revisions on related parts of TFRS 1.

The Group evaluates the effects of these standards on the consolidated financial statements.

2.1.3 Basis of Consolidation

a) The consolidated financial statements include the accounts of the parent company, Hacı Ömer Sabancı Holding A.Ş., its Subsidiaries and Joint Ventures (collectively referred to as the "Group") on the basis set out in sections (b) to (f) below. The financial statements of the companies included in the scope of consolidation have been prepared at the date of the consolidated financial statements, and are prepared in accordance with CMB Financial Reporting Standards as explained in Note 2.1.1. The result of operations of Subsidiaries, Joint Ventures and Associates are included or excluded in these consolidated financial statements subsequent to the date of acquisition or date of sale respectively.

b) Subsidiaries are companies in which the Holding has the power to control the financial and operating policies for the benefit of the Holding either through the power to exercise more than 50% of the voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and/or certain Sabancı family members and companies whereby the Holding exercises control over the voting rights of the shares held by them.

c) Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable TAS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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The table below sets out all consolidated Subsidiaries and shows the proportion of ownership interest and the effective interest of the Holding in these subsidiaries at 31 December 2014 and 2013:

	31 December 2014		31 December 2013	
	Direct and indirect ownership interest by the Holding and its Subsidiaries	Proportion of ownership interest	Direct and indirect ownership interest by the Holding and its Subsidiaries	Proportion of ownership interest
Subsidiaries	%	%	%	%
AEO	76,85	76,85	76,85	76,85
Akbank	40,76	40,76	40,77	40,77
Bimsa	100,00	100,00	100,00	100,00
Çimsa	58,41	53,00	58,41	53,00
Exsa	61,68	46,23	61,68	46,23
Kordsa Global	91,11	91,11	91,11	91,11
Teknosa	60,29	60,29	60,29	60,29
Temsa	48,71	48,71	48,71	48,71
Tursa	100,00	100,00	100,00	100,00
Yünsa	57,88	57,88	57,88	57,88
Sasa	51,00	51,00	51,00	51,00
Carrefoursa	50,93	50,93	50,93	50,93

The balance sheets and statements of profit or loss of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Holding and its Subsidiaries is eliminated against the related shareholders' equity. Intercompany transactions and balances between the Holding and its Subsidiaries are eliminated on consolidation. The cost of, and the dividends arising from, shares held by the Holding in its Subsidiaries are eliminated from shareholders' equity and income for the period, respectively.

Financial statements of Subsidiaries whose financial position and result of operations for year ended 31 December 2014 are insignificant to the overall consolidated financial statements, are not consolidated on the grounds of materiality. Such Subsidiaries are classified as available for sale equity securities in these consolidated financial statements (Note 6.b).

d) Joint arrangements are agreements where Holding and its subsidiaries together with one or more parties are subject to joint control and undertake an economic operation through an agreement. Joint agreements are grouped according to the procedure described below and the relevant accounting:

i) Joint operation – If Holding and its subsidiaries have rights and liabilities relating to operations subject to a joint arrangement, such rights and liabilities are accounted through proportionate consolidation method in the consolidated financial statements.

ii) Joint venture – If Holding and its subsidiaries have rights on net assets relating to operations subject to a joint arrangement, such net assets are accounted through equity method in the consolidated financial statements.

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The table below sets out the Joint Ventures and shows the proportion of ownership interest and effective interest of the Holding in these Joint Ventures at 31 December 2014:

	31 December 2014		31 December 2013	
	Direct and indirect ownership interest by the Holding and its Subsidiaries	Proportion of effective interest	Direct and indirect ownership interest by the Holding and its Subsidiaries	Proportion of effective interest
Joint Ventures	%	%	%	%
Akçansa	39,72	39,72	39,72	39,72
Aksigorta	36,00	36,00	36,00	36,00
Avivasa (*)	41,28	41,28	49,83	49,83
Brisa	43,63	43,63	43,63	43,63
Enerjisa Enerji	50,00	50,00	50,00	50,00

(*) After the transactions to maintain price stability, net 8,55% of the shares of Avivasa, which isincluded in the Group portfolio with 49,83% share have been offered to the public on 13 November 2014.

Sabancı family members do not have any interest in the share capital of the Joint Ventures.

e) Investments in Associates are accounted for by the equity method. These are companies where the Group has significant influce rather than control over the business operations. Unrealized gains that result from intercompany transactions between the Holding and its Associates are eliminated on consolidation considering the Group share, whereas unrealized losses are eliminated unless they do not address any impairment. Equity accounting is not applied for Investments in Associates if the carrying amount of the investment in an Associate reaches zero, unless the Holding has incurred obligations or guaranteed obligations in respect of the Associates. Such Associates are recognized at fair value if the fair value can be determined objectively; otherwise, they are recognized at cost (Note 12 and Note 2.e). Financial statements of associates, whose financial position at 31 December 2014 and result of operations for the period year ended 31 December 2014 are insignificant to the overall consolidated financial statements are not consolidated on the grounds of materiality. Such associates are classified as available for sale equity securities in these consolidated financial statements (Note 6.b).

The table below sets out all Associates and shows the total interest of the Holding in these associates at 31 December 2014 and 31 December 2013:

Associates	Proportion of effective interest by the Holding %
Philsa Philip Morris Sabancı Sigara ve Tütün San. ve Tic. A.Ş. ("Philsa")	25,00
Philip Morris Sabancı Pazarlama Satış A.Ş. ("Philip Morrissa")	24,75

Sabancı family members do not have any interest in the share capital of Associates.

f) Other investments over which the Holding does not exercise a significant influence, or which are immaterial, are classified as available for sale. Available for sale investments that do not have a quoted market price in active markets and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value. Available for sale investments that have a quoted market price in active markets and whose fair values can be measured reliably are carried at fair value (Note 6.b).

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g) The results of Subsidiaries are included or excluded from consolidation regarding to their effective dates of acquisition and disposal, respectively. The portion of the profit or loss and net assets of Subsidiaries attributable to equity interests that are not owned, directly or indirectly through the Subsidiaries, by the parents, is presented as non-controlling interest. Certain Sabancı family members, Sabancı Vakfı, a charitable foundation established by Sabancı family members and Akbank Tekaüt Sandığı, a retirement foundation for Akbank employees, have interests in the share capital of certain Subsidiaries and Associates. In these consolidated financial statements their interests are treated as non-controlling interest and are not included in the Holding"s net assets and profits attributable to shareholders of the Holding.

2.1.4 Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis,or realise the asset and settle the liability simultaneously.

2.1.5 Comparatives and Restatement of Prior Year Financial Statements

In order to allow for the determination of the financial situation and performance trends, the Group's consolidated financial statements have been presented comparatively with the prior year. The Group presented the consalidated balance sheet as of 31 December 2014 comparatively with the consolidated balance sheet as of 31 December 2013 and presented the consolidated statement of profit or loss, statement of other comprehensive income, statement of cash flows and statement of changes in equity for the period 1 January-31 December 2014 comparatively with the period 1 January-31 December 2013.

The Share Purchase Agreement was signed on 13 January 2015 regarding the sale of all shares in our subsidiary SASA Polyester Sanayi A.Ş corresponding to 51% of the share capital of the Company to Erdemoğlu Holding A.Ş. According to the Share Purchase Agreement, the transfer price of the Holding's shares in SASA Polyester Sanayi A.Ş, corresponding to 51% of the share capital is USD 102 Million excluding adjustments. The transfer price was determined through bargaining negotiations between the parties and the total consideration wll be collected on the closing date. The shares will be transferred upon the approvals of the relevant authorities. As of 31 December 2014 and 2013, the profit or loss items of Sasa have been reclasified to "Discontinued Operations" on the consolidated statement of profit or loss.

A share transfer agreement for Kordsa Argentina, one of the subsidiaries of the Group, has been signed with Nicolas Jose Santos and Intenta S.A on 30 September 2014 and the share transfer took place on 2 October 2014. Net operating results of Kordsa Argentina for the periods 31 December 2014 and 2013 has been accounted for under income/losses from discontinued operations on the consolidated statement of profit or loss.

As of 18 December 2014, liquidation procedures of Kordsa Qingdao Nylon Enterprise Limited (KQNE) of Kordsa's subsidiaries, one of the Group subsidiaries which is operating in China, has been concluded. Net operating results of KQNE for the periods 31 December 2014 and 2013 has been accounted for under income/loss from discontinued operations on the consolidated statement of profit or loss.

Time deposits with maturities up to 3 months presented in the cash and cash equivalents on the consolidated financial statements as of 31 December 2013 have been reclassified to time deposits under financial assets.

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The table below summarises the restatements to the consolidated balance sheet, statement of profit or loss and statemnt of comprehensive income of the Group as at and for the year ended 31 December 2013:

	As Previously Reported 31 December 2013	Adjustments/ Reclassifications	Restated 31 December 2013
ASSETS			
Current assets	**105.134.288**		**105.134.288**
Cash and Cash Equivalents	9.746.904	(4.180.373)	5.566.531
Financial Assets	12.812.773	4.180.373	16.993.146
-Held for Trading	123.737	1.003	124.740
-Available for Sale	10.725.166	2.402.656	13.127.822
-Held to Maturity	1.776.715	-	1.776.715
-Time Deposits	187.156	1.776.713	1.963.869
Trade Receivables	1.211.220	-	1.211.220
Receivables from Finance Sector Operations	59.416.942	-	59.416.942
Reserve Deposits with the Central Bank of the Republic of Turkey	16.690.681	-	16.690.681
Other Receivables	611.929	-	611.929
Derivative Financial Instruments	1.767.417	-	1.767.417
Inventories	1.883.451	-	1.883.451
Prepaid expenses	332.698	-	332.698
Other Current Assets	630.305	-	630.305
	105.104.320	**-**	**105.104.320**
Assets Classified As Held for Sale	29.968	-	29.968
			-
Non-current Assets	**101.436.531**	**-**	**101.436.531**
			-
Financial Assets	30.418.270	-	30.418.270
-Available for Sale	20.041.531	-	20.041.531
-Held to Maturity	10.376.739	-	10.376.739
Trade Receivables	41.189	-	41.189
Receivables From Finance Sector Operations	59.706.203	-	59.706.203
Other Receivables	45.679	-	45.679
Derivative Financial Instruments	630.177	-	630.177
Investments Accounted Through Equity Method	4.960.899	-	4.960.899
Investment Property	348.788	-	348.788
Property, Plant and Equipment	3.898.832	-	3.898.832
Intangible Assets	784.693	-	784.693
Goodwill	*478.935*	-	*478.935*
Other Non Current Assets	*305.758*	-	*305.758*
Prepaid Expenses	33.018	-	33.018
Deferred Tax Assets	495.383	-	495.383
Other Non Current Assets	73.400	-	73.400
Total Assets	**206.570.819**		**206.570.819**

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	As Previously Reported 31 December 2013	Adjustments/ Reclassifications	Restated 31 December 2013
LIABILITIES			
Short Term Liabilities	**150.872.625**	**-**	**150.872.625**
Financial Liabilities	16.311.856	-	16.311.856
Current Portion of Long-Term Financial Liabilities	2.013.844	-	2.013.844
Trade Payables	1.918.494	-	1.918.494
Payables from Finance Sector Operations	123.368.888	-	123.368.888
Short Term Employee Benefits	47.178	-	47.178
Other Payables	3.911.097	-	3.911.097
Derivative Financial Instruments	1.190.196	-	1.190.196
Deferred Income	322.641	-	322.641
Income Taxes Payable	104.128	-	104.128
Short Term Provisions	613.596	-	613.596
-Short Term Provisions for Employee Benefits	165.467	-	165.467
-Other Short Term Provisions	448.129	-	448.129
Other Short Term Liabilities	1.070.707	-	1.070.707
Long Term Liabilities	**23.683.537**	**-**	**23.683.537**
Financial Liabilities	11.905.902	-	11.905.902
Trade Payables	596	-	596
Payables from Finance Sector Operations	11.318.200	-	11.318.200
Other Liabilities	33.215	-	33.215
Derivative Financial Instruments	71.003	-	71.003
Deferred Income	66.683	-	66.683
Long Term Provisions	**177.240**	**-**	**177.240**
-Long Term Provisions for Employee Benefits	173.319	-	173.319
-Other Long Term Provisions	3.921	-	3.921
Provision For Employee Termination Benefits			
Deferred Tax Liabilities	107.706	-	107.706
Other Long Term Liabilities	2.992	-	2.992
EQUITY	**32.014.657**	**-**	**32.014.657**
Equity Attributable to the Parent	**17.034.439**	**-**	**17.034.439**
Share Capital	2.040.404	-	2.040.404
Adjustment to Share Capital	3.426.761	-	3.426.761
Treasury Shares (-)	-	-	-
Share Premium	21.670	-	21.670
Accumulated Other Comprehensive Income or Loss That Will Not Be Reclassified to Profit or Loss	1.240	-	1.240
-Actuarial Gains/Losses	1.240	-	1.240
Accumulated Other Comprehensive Income or Loss That Will Be Reclassified to Profit or Loss	(504.839)	-	(504.839)
-Currency Translation Reserve	258.722	-	258.722
-Hedge Reserve	(211.491)	-	(211.491)
-Revaluation Reserve	(552.070)	-	(552.070)
Restricted Reserves	926.278	-	926.278
Retained Earnings	9.391.529	-	9.391.529
Net Income for the Year	1.731.396	-	1.731.396
Non-controlling Interests	**14.980.218**	**-**	**14.980.218**
TOTAL EQUITY AND LIABILITIES	**206.570.819**	**-**	**206.570.819**

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	As Previously Reported 1 January- 31 December 2013	Adjustments/ Reclassifications	Restated 1 January- 31 December 2013
CONTINUING OPERATIONS			
Sales (net)	9.560.895	(1.103.411)	8.457.484
Cost of Sales (-)	(7.934.994)	1.022.488	(6.912.506)
Gross Profit From Commercial Operations	**1.625.901**	**(80.923)**	**1.544.978**
Interest, Premium, Commission and Other Income	14.595.256	-	14.595.256
Interest, Premium, Commission and Other Expense (-)	(6.927.813)	-	(6.927.813)
Gross Profit From Financial Operations	**7.667.443**	**-**	**7.667.443**
GROSS PROFIT	**9.293.344**	**(80.923)**	**9.212.421**
General and Administrative Expenses (-)	(3.900.384)	20.278	(3.880.106)
Marketing, Selling and Distribution Expenses (-)	(856.221)	43.523	(812.698)
Research and Development Expenses (-)	(12.990)	2.528	(10.462)
Other Operating Income	759.124	(94.041)	665.083
Other Operating Expenses (-)	(575.281)	73.173	(502.108)
Interest in Income of Investments Accounted Through Equity Method	151.417	-	151.417
OPERATING PROFIT	**4.859.009**	**(35.462)**	**4.823.547**
Income From Investment Activities	40.856	(2.729)	38.127
Expense From Investment Activities (-)	(3.269)	66	(3.204)
OPERATING PROFIT BEFORE FINANCIAL EXPENSES	**4.896.596**	**(38.126)**	**4.858.470**
Financial Income	14.957	(3.361)	11.596
Financial Expenses (-)	(210.606)	40.507	(170.099)
NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS	**4.700.947**	**(980)**	**4.699.967**
Tax Income/(Expense) from Continuing Operations			
Current Income Tax Expense	(781.452)	-	(781.452)
Deferred Income Tax Benefit	(164.643)	(1.177)	(165.820)
NET INCOME FOR THE YEAR FROM CONTINUING OPERATIONS	**3.754.852**	**(2.157)**	**3.752.695**
DISCONTINUED OPERATIONS			**-**
Net Income After Tax From Discontinued Operations	89.800	2.157	91.957
NET INCOME FOR THE YEAR	**3.844.652**	**-**	**3.844.652**
ALLOCATION OF NET INCOME	**3.844.652**	**-**	**3.844.652**
-Non-controlling Interests	2.113.256	-	2.113.256
-Equity Holders of the Parent	1.731.396	-	1.731.396

2.1.6 US Dollar Translation

USD amounts presented in the consolidated financial statements have been included solely for the convenience of the reader of the consolidated financial statements. Consolidated balance sheet, consolidated statement of profit or loss and consolidated statements of cash flows are translated from TL, as a matter of arithmetic computation only, at the official USD bid rate announced by the CBRT and average USD exchange rate on 31 December 2014 of TL 2,3189 = USD 1 and TL 2,1865 = USD 1, respectively and do not form part of these consolidated financial statements. The resulting difference from the use of average CBRT rate for the translation of consolidated statement of profit or loss and the use of bid rate at the balance sheet date for the translation of the consolidated balance sheet is included in translation reserves under shareholders' equity in accordance with the translation requirements of TAS 21 "The effects of Changes in Foreign Exchange Rates" when the financial statements are presented in a currency other than the functional currency.

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2.2 Changes in Accounting Policies and Estimates and Errors

Changes made in the accounting policies and corrections regarding accounting errors are applied retrospectively and prior year financial statements are restated.

If changes in the accounting estimates are related to only one period, they are applied in the current year; if they are related to the future periods, they are applied both in current and future periods. There is no change in the accounting policies and estimates of the Group in the current period.

When a significant accounting error is identified, it is corrected retrospectively and the prior year financial statements are restated. The Group did not detect any significant accounting error in the current period.

2.3 Summary of Significant Accounting Policies

2.3.1 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the balance sheet. Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments, whose maturity at the time of purchase is less than three months and conversion risk on value at the date of sale is immaterial (Note 5).

2.3.2 Sale and repurchase agreements

In the banking segment, securities sold subject to linked repurchase agreements ("repos") are retained in the financial statements as trading, available-for-sale or held to maturity financial assets and measured in accordance with the policies used in measuring the relevant class. The counter party liability is included in customer deposits and the difference between the sale and repurchase price is treated as interest and accrued over the life of the repo agreement using the effective yield method.

Securities purchased under agreements to resell ("reverse repos") are recorded as cash and cash equivalents. The difference between the sale and repurchase price is treated as interest and is accrued over the life of the reverse repo agreement using the effective yield method.

2.3.3 Reserve deposits with the Central Bank of the Republic of Turkey

The reserve rates for TL liabilities vary between 5% and 11,5% (2013: 5% and 11%) for TL deposits and other liabilities according to their maturities as of 31 December 2014. The reserve rates for foreign currency liabilities vary between 6% and 13% (2013: 6% and 13%) for deposit and other foreign currency liabilities according to their maturities as of 31 December 2014.

2.3.4 Trade receivables and allowance for doubtful receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortised cost. Trade receivables, net of unearned financial income, are measured at amortised cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

A credit risk allowance for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount. The recoverable amount is the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income (Note 8).

2.3.5 Related parties

For the purpose of the consolidated financial statements, shareholders, key management personnel and Board members, in each case together with their families and companies controlled by or affiliated with them, are considered and referred to as related parties. Related party activities and balances are disclosed in Note 34.

2.3.6 Inventories

Inventories are valued at the lower of cost or net realisable value. Cost elements included in inventory are materials, labour and an appropriate amount of factory overheads. The unit cost of inventories is determined on the moving weighted average basis (Note 10). Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.3.7 Financial Instruments

In accordance with TAS 39, the Group classifies its investments in debt and equity securities in the three following categories; assets held at fair value through profit or loss, held-to-maturity and, available-for-sale assets. Debt securities with fixed maturities, where management has both the intent and the ability to hold to the maturity are classified as "held-to-maturity financial assets". Investment securities intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in the interest rates, exchange rates or equity prices, or the client's servicing activity are classified as "available-for-sale financial assets". The appropriate classification of investments is determined at the time of the purchase and re-evaluated by management on a regular basis.

All investment securities are initially recognised at cost. Transaction costs are included in the initial measurement of debt securities. Available-for-sale debt and equity investment securities are subsequently re-measured at fair value if the fair values can be reliably measured.

Investments in which the Holding has no control or sifnificant influence that do not have a quoted market price in active markets, for which other methods of making a reasonable estimate of fair value are clearly inappropriate or unworkable and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value.

Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are deferred in the equity until the financial asset is sold, collected or otherwise disposed of. Unrealised gains and losses arising from changes in the fair value of available for sale debt securities are the differences between the fair value of such securities and their amortised cost at the balance sheet date. When available for sale securities are sold, collected or otherwise disposed of, related deferred gains and losses in equity are released to the income statement.

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Held to maturity investments are carried at amortised cost using the effective yield method.

The Bank has Consumer Price Index (''CPI'') linked government bonds in available for sale and held to maturity portfolios having 5-10 year term and six month fixed real coupon rates until the maturity. These marketable securities are valued by using effective interest method by considering the real coupon rates together with the changes in the CPI references between the issuance and balance sheet dates.

Financial assets at fair value through profit or loss are securities, which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or included in a portfolio in which a pattern of short-term profit making exists. Financial assets at fair value through profit or loss are initially recognised at cost and subsequently re-measured at fair value based on quoted bid prices. All related realised and unrealised gains and losses are included in the income statement.

Interest received from financial assets at fair value through profit or loss is recognised in the income statement as part of interest income and dividend received is recognised in the income statement as part of dividend income. All purchases and sales of financial assets at fair value through profit or loss that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recognised at the trade date, which is the date that the banks commit to purchase or sell the assets.

2.3.8 Derivative financial instruments

Derivative financial instruments, including forward foreign exchange contracts and currency and interest rate swap instruments are initially recognised in the balance sheet at cost (including transaction costs) and are subsequently re-measured at their fair value. All derivative financial instruments are classified as financial assets at fair value through profit or loss. Fair values are obtained from quoted market prices and discounted cash flow models as appropriate.

The fair value of over-the-counter forward foreign exchange contracts is determined based on the comparison of the original forward rate with the forward rate calculated in reference to the market interest rates of the related currency for the remaining period of the contract. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Changes in the fair value of derivatives at fair value through profit or loss are included in the income statement.

Certain derivative transactions, while providing effective economic hedges under the risk management position, do not qualify for hedge accounting under the specific rules under TAS 39 and are therefore treated as derivatives at fair value through profit or loss and their fair value gains and losses are reported in the income statement.

Gains and losses on interest rate swaps used for hedging purposes are recognised as income or expense on the same basis as the corresponding expense or income on the hedged position. Gains and losses on interest rate swaps are included in the interest income and expense as appropriate.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.

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Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of hedged asset or liability attributable to the hedged risk is recorded as part of the carrying value of the hedged asset or liability during the effective hedging relationship. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used, is amortised to the income statement over the period to maturity.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the hedged cash flows are recognised in the income statement.

Enerjisa is hedged against cash flow risk arising from financial liabilities through the use of interest rate swaps. Within the scope of cash flow hedge accounting, effective portion of the fair value changes of the hedging instrument is recognized under value increase funds within equity.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

2.3.9 Investment property

Land and buildings that are held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business are classified as investment property and carried at cost less accumulated depreciation (except land) under the cost method less impairment charges, if any (Note 13). The cost of a self constructed investment property is its cost at the date when the construction or development is complete. Until that date, the Group applies TAS 16 "Property, Plant and Equipment". At that date, the property becomes investment property and thus is transferred to investment property. Assets held under operating leases are not disclosed as investment property.

2.3.10 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation in the consolidated financial statements (Note 14). Depreciation is provided on property, plant and equipment on a straight-line basis. The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Years
Land improvements	4-50
Buildings	18-50
Machinery and equipment	2-25
Motor vehicles	2-15
Furniture and fixtures	3-10

Gains or losses on disposals of property, plant and equipment are determined with respect to the difference between collections received and carrying amounts of property, plant and equipment and are included in the related income and expense accounts, as appropriate.

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Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset plus the residual value of the related assets. Ordinary repair and maintenance expenses are charged to the income statements during the financial period in which they were incurred. Capital expenditures resulting in a capacity increase and increase in future economic benefits are included in the asset's carrying amount.

2.3.11 Intangible assets

Intangible assets consist of licences, computer software, development costs, purchased technology, mining rights, acquired rights of use, and other identifiable rights. Intangible assets are initially accounted at cost and amortised using the straight-line method over an estimated useful life that does not exceed 20 years (Note 15). The amortisation of mining rights commences when the extraction begins.

Customer relations and agreements acquired in business combination are recognised at fair value at the acquisition date. Costumer relations and agreements are amortised using the straight-line method over their estimated useful life of 27 years and carried at cost less accumulated amortisation and impairment (Note 15).

2.3.12 Non-current assets held for sale and discontinued operations

Non-current assets held for sale (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. These assets may be a component of an entity, a disposal group or an individual non-current asset. The sale of assets held for sale is expected to be occur within the following 12 months from the balance sheet date. Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale, and: (a) represents a separate major line of business or geographical area of operations; (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired exclusively with a view to resale.

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount or fair value. If fair value is below the carrying value of asset, the related impairment is accounted for expense in the consolidated statement of profit or loss.

2.3.13 TFRS Interpretation 12-Service Concession Arrangements

TFRS Interpretation 12, provides guidance on the accounting of public-to-private service concession arrangements by operators.

An arrangement within the scope of TFRS Interpretation 12 typically involves a private sector entity (an operator) constructing an infrastructure used to provide a public service or upgrading it, operating and maintaining that infrastructure for a specified period of time.

The Group accounts the amount that is received or will be received due to electricity distribution services at fair value of the service. This amount is recorded as a financial asset. The Group accounts the financial asset considering the cash basis given by the grantor or at the direction of the grantor associated with the electricity distribution services. The amount that should be paid by the grantor or at the direction of the grantor is accounted as a receivable in accordance with TAS 39 "Financial Instruments: Recognition and Measurement".

2.3.14 Shareholders' equity

In the restatement of shareholders' equity items, the addition of funds formed due to hyperinflation such as the revaluation value increase fund in share capital is not considered as a contribution from shareholders. Additions of legal reserves and retained earnings to share capital are considered as contributions by shareholders. In the restatement of shareholders' equity items added to share capital the capital increase registry dates or the payment dates are considered. In the restatement of premium in excess of par, the payment dates are considered (Note 21).

Treasury shares under equity stands for the Holding shares owned by the subsidiaries. Those shares are accounted through reducing the share capital of the Holding by the amount of Holding shares owned by subsidiaries in the accompanying consolidated financial statements.

Revaluation fund included in the value increase funds is related to the value increase at the date of the transaction of the net assets owned by the Group before the sale transaction. Since the significant part of the amounts included in revaluation funds are related with the assets subject to amortisation, the revaluation funds are accounted for by transferring the related revaluation fund to the retained earnings during the amortisation period or the disposal period of the aforementioned assets.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in "Hedge Funds" under equity. The Group hedges the net investment risk on foreign investments with the foreign currency denominated financial liabilities. The effective part of the foreign exchange differences on the foreign currency denominated financial liabilities is accounted in the "Hedge Funds" account under shareholders' equity.

2.3.15 Research expenses and development costs

Research costs are expensed as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility and only if the cost can be measured reliably. Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent periods.

2.3.16 Borrowing costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between proceeds, net of transaction costs, and the redemption value is recognised in the income statement as financial expense over the period of the borrowings.

Turkish Accounting Standard No 23 "Borrowing Costs" was revised on 29 March 2007 by the IASB. The revised TAS 23 is effective at 1 January 2009, yet voluntary early transition to the application right is reserved. The Group opted for early adoption and changed accounting policy, choosing the policy envisaged in TAS 23 related to borrowing costs at 1 January 2007. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. All other borrowing costs are charged to the income statement when they are incurred.

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2.3.17 Deferred financing charges

Deferred financing charges (primarily comprising legal and other costs incurred in relation to obtaining long-term bank borrowings from financial institutions) are amortised using the effective interest method over the remaining life of the long-term bank borrowings.

2.3.18 Income taxes

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit or loss.

2.3.19 Employee benefits

Retirement benefits

Akbank's personnel are members of the "Akbank T.A.Ş. Personnel Pension Fund Foundation" ("Pension Fund"), established in accordance with the Social Security Law numbered 506, article No.20. The financial statements of the Pension Fund have been audited by an independent actuary in accordance with the 38th article of the Insurance Supervisory Law and the "Actuarial Regulation" based on the same article.

On 1 November 2005, Banking Law No.5411 ("New Law") which requires the transfer of the pension funds of the banks to the Social Security Institution within three years following the publication date was published in the Official Gazette. However, President of the Turkish Republic applied to the Constitutional Court on 2 November 2005 for the abrogation of the related article of Banking Law, and this article was abrogated with the decision No E. 2005/39, K. 2007/33 dated 22 March 2007, which was published in the Official Gazette No 26731 dated 15 December 2007, and its execution was annulled at the publication date of the decision.

Following the publication of the reasoned ruling of the Constitutional Court in December 2007, the relevant commission of the Turkish Parliament began to work on a new law provision establishing the transfer of the pension funds. The law provision was drawn up as a draft in the first months of 2008 and the legislation processes are in progress as of the preparation date of these consolidated financial statements and at 17 April 2008, at No. 5754 of the Social Security Act (" New Law") circuit that regulates the principles and provisions of the Parliamentary General Assembly agreed and 8 May 2008 and published in the Official Gazette No. 26870th be entered into force. Following the publication of the reasoned decree of the Constitutional Court, Turkish Grand National Assembly commenced to work on a new law regarding the transfer of the members of funds to the Social Security Institution; the related articles of the Social Security Law ("New Law") numbered 5754 regarding the transfer of the funds, were ratified by the TGNA General Meeting on 17 April 2008 and came into effect following the publication in the Official Gazette numbered 26870, dated 8 May 2008.

The New Law was requiring that present value of post-employment benefits at the transfer date shall be calculated by a commission consisting of the representatives of SSI, Ministry of Finance, Undersecretariat of Treasury, Undersecretariat of State Planning Organization, BRSA, SDIF and banks and funds, by using a technical discount rate of 9,8 percent taking into consideration the transferrable contributions and payments of the funds including any monthly payment differences paid by the funds above the limits within the framework of SSI regulations. Accordingly the transfer required by the New Law was to be completed until 8 May 2011. According to the decision of the Council of Ministers published on the Official Gazette dated 9 April 2011 no. 27900, the time frame for related transfer has been extended for two years. The transfer should be completed until 8 May 2013. With the change in first clause of 20nd provisional article of the "Social Insurance and General Health Insurance Law no. 5510" published on the Official Gazette no. 28227 dated 8 March 2012, the postponement right of the Council of Ministers has been extended from two years to four years.

According to the New Law, following the transfer of the members of the fund to the SSI, the funds and institutions will continue to provide the non-transferrable social benefits and payments which are included in the articles of association of the fund.

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With respect to that, according to the technical balance sheet report as at 31 December 2014 prepared considering the related articles of the New Law regarding the transferrable benefit obligations and in accordance with TAS 19 for the non-transferrable social benefits and payments which are included in the articles of association and audited within the framework stated in the first paragraph above. The fund has no technical or actual deficit which requires a provision. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank's financial statements.

Additionally, the Bank management is of the opinion that the possible obligation amount to arise during and after the transfer to be made within the framework described above will be at a reasonable level that can be met by the Fund's assets and will not bring any additional burden for Akbank.

The Group's obligation in respect of the post-employment benefits transferrable to SSI, has been determined as the value of the payment that would need to be made to SSI to settle the obligation at the balance sheet date in accordance with the related article of the New Law and other related laws and regulations; and the Group's obligation related to other non-transferrable benefits has been calculated in accordance with TAS 19 by a registered actuary. Therefore, the actuarial parameters and results reflect the provisions of the New Law for the post-employment pension and medical benefits transferrable to SSI (e.g. a technical interest rate of 9,80%), except for the non-transferrable other benefits. Accordingly, including the obligation for non-transferable other benefits amounting TL 314.431 (31 December 2013: TL 225.809), the surplus of the Fund amounts to TL 392.975 as of 31 December 2014 (31 December 2013: TL 444.642).

The surplus unrecognised in the balance sheet is determined as follows:

	31 December 2014	31 December 2013
Present value of funded obligations	(812.717)	(681.635)
-Pension benefits transferrable to SSI	(1.125.845)	(1.008.716)
-Post-employment medical benefits transferrable to SSI	627.559	552.890
-Other non-transferrable benefits	(314.431)	(225.809)
Fair value of plan assets	1.205.692	1.126.277
Surplus	**392.975**	**444.642**

The amount of the post-employment medical benefits transferrable to SSI is calculated over the net present value of medical liabilities and health premiums.

The principal actuarial assumptions used were as follows:

Discount rate	31 December 2014	31 December 2013
-Pension benefits transferrable to SSI	9,80%	9,80%
-Post-employment medical benefits transferrable to SSI	9,80%	9,80%
-Other non-transferrable benefits (*)	3,43%	4,34%

(*) The assumption represents the average rate calculated considering each individual's remaining years to retirement.

Provision for Employment Termination Benefit

The provision for employment termination benefits represents the present value of the estimated total reserve of the future probable obligation of the Group arising from the retirement of the employees, completion of one year of service of the employees, employees' being calling up for military service or death of the employees calculated in accordance with the Turkish Labour Law (Note 19). All actuarial gains and losses are accounted for under equity.

2.3.20 Provisions, contingent liabilities and assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in financial tables and are treated as contingent assets or liabilities.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. A contingent asset is disclosed where an inflow of economic benefit is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs.

Present obligations arising under onerous contracts are recognized and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.3.21 Loans and advances to customers and provisions for loan impairment

Loans originated by providing money directly to the borrower or to a sub-participation agent at draw down are categorised as loans originated and are carried at amortised cost using the effective yield method. Costs incurred due to obtaining guarantees for originated loans are not considered as transaction costs and are charged to the income statement. Loans originated by providing money directly to banks such as time or demand deposits are classified as due from banks.

A credit risk provision for loan impairment is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and recoverable amount, being the present value of expected cash flows, including the amount recoverable from guarantees and collateral, discounted based on the interest rate at inception.

The provision made during the period is charged against the profit for the period. Loans that cannot be recovered are written off and charged against the allowance for loan losses. Such loans are written off after all the necessary legal proceedings have been completed and the amount of the loan loss is finally determined. Recoveries of amounts previously provided for are treated as a reduction from the provision for loan losses for the period.

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2.3.22 Investment incentives

The Group benefits from research and development ("R&D") grants within the scope of the Communiqué No: 98/10 of The Scientific and Technological Research Council of Turkey ("TÜBİTAK") and Money Credit and Coordination Board related to R&D grants for its research and development projects given that such projects satisfy specific criteria with respect to the evaluation of TÜBİTAK Technology Monitoring and Evaluation Board.

The government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

The government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Accordingly, government grants are recognised as income when the related costs which they are intended to compensate were incurred. Similarly, grants related to depreciable assets are recognised as income over the periods and in the proportions in which depreciation on those assets is charged.

2.3.23 Insurance technical reserves

Unearned premiums reserve

Unearned premium reserve is calculated on a daily basis for all policies in force as of balance sheet date for unearned portions of premiums written except for marine and earthquake premiums issued before 14 June 2007. During the calculation of unearned portion of premiums written on a daily basis, it is supposed that the policies start at 12.00 noon and finish at 12.00 noon again. Within the framework of the "Regulation Regarding the Technical Reserves of Insurance, Reinsurance and Pension Companies and the Assets to which These Reserves Are Invested," ("Regulation on Technical Reserves") issued in Official Gazette No: 26606 dated 7 August 2007, unearned premium reserve and the reinsurer's share of the unearned premium reserve of the policies, are calculated as the unearned portion of the premuiums and ceded premiums to reinsurers without deducting commissions or any other deductions, on an accrual and gross basis. For marine policies with an uncertain end date, unearned premium reserve is calculated as 50% of the premiums written in the last three months.

Continued risk provisions

Within the framework of Regulation on Technical Reserves, insurance companies are requires to account for an unexpired risk reserve against the probability thati future lossed incurred from in force policies may exceed the unearned premium reserve accounted for the related policies considering expected loss ratios. Expected loss ratio is calculated by dividing the current year incurred lossed to current year earned premiums. If the loss ratio for a branch is higher than 95% the unexpired risk reserve for that branch is calculated by multiplying the ratio in excess of 95% with the unearned premim reserve for the related branch. The difference between gross amount and net amount is considered as reinsurance portion. Opening outstanding claims provision amount is revised consistently with the current period, in calculation of expected loss ratio considered in the calculation of unexpired risk reserve as of 31 December 2014.

Outstanding claim and provision

The company accounts for outstanding claims provision for ultimate cost of the claims incurred, but not paid in the current or previous periods or, for the estimated ultimate cost if the cost is not certain yet, and for the incurred but not reported claims. Claim provisions are accounted based on reports of experts or inital assessments of policyholders and experts, and salvage, subrogation and similar gains are not deducted as of 31 December 2014.

The Company accounts for additional provisions for claims incurred but not reported which is calculated as the difference between the outstanding claims provisions and the amount calculated by using the actuarial chain ladder methods in accordance with the framework of the Circular on "Actuarial Chain Ladder Method" numbered 2010/12 and dated 20 September 2010 effective from 31 December 2010 and other related regulations.

Life mathematical reserves

Life mathematical reserves comprise actuarial mathematical reserves (those with minimum income guarantee determined by the tariffs approved by the Treasury and those including risk guarantees over one year) and life profit share reserved and represent the Company's total liability to the policyholders in the life branch.

Mathematical reserve; is the sum of reserves specified in the contract's technical terms and calculated using statical and actuarial methods in order to cover the liabilities of insurane companies to policyholders and beneficiaries for life, health, sickness and personal accident insurance contracts with periods longer than a year and if it is committed, the reserves for the part allocated to insured from the revenues derived from the investment of such reserves. In accordance with the Insurance Law, the remaining amount of life branch premiums that are collected in accordance with life insurance agreements, after deduction of expense charges, mortality risk premium and commissions are accounted for as life mathematical reserves. The apptroval of mathematical reserves is made by the actuaries based on current mortaliy tables valid for Turkish insurance companies and prepared by considering mortality statics prepared abroad.

2.3.24 Leasing transactions

2.3.24.1 The Group as a lessee

Finance leases

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in leasing payables.

Obligations under finance leases are stated in the consolidated financial statements at the acquisition values of the related property, plant and equipment. The interest element of the finance cost is charged to the income statement over the lease period.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

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2.3.24.2 The Group as a lessor

Finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income is recognised on a straight-line basis over the lease term.

2.3.25 Revenue recognition

Banking

Interest income and expense are recognised in the income statement for all interest-bearing instruments on an accrual basis using the effective yield method based on the actual purchase price until, in management's estimates and judgment, collection becomes doubtful. Interest income includes coupons earned on fixed income securities and accrued discount on treasury bills (Note 4.f.i).

Commission income and fees for various banking services are recorded as income at the time they affect the transactions to which they relate.

Insurance

Life:

Premium income represents premiums accrued on policies issued during the period, adjusted by the reserve for unearned premiums for annual life policies, during the period (Note 4 f.ii).

Non-Life:

Premium income represents premiums on policies written during the period, net of cancellations, as adjusted by the reserve for unearned premiums.

Other segments

Revenues are recognised on an accrual basis at the time deliveries or acceptances are made, the amount of the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group, at the fair value of the consideration received or receivable. Net sales represent the invoiced value of goods shipped less sales returns and commission and excluding sales taxes. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised as interest income on a time proportion basis that takes into account the effective yield on the asset.

2.3.26 Earnings per share

Earnings per share for each class of share disclosed in these consolidated statements of income are determined by dividing the net income after translation adjustment attributable to that class of shares by the weighted average number of shares of that class that have been outstanding during the period concerned. As disclosed in Note 33 earnings per share are calculated in accordance with IAS 33 "Earnings Per Share".

Income as per share stated in the income statement is calculated by dividing the net profit by the weighted average of the share certification available in the market during the whole year.

The companies in Turkey can increase their capitals that they distributed to their shareholders from the profits of previous year by "free of charge share certificates". Such "free of charge share" distributions are considered as issued share incalculation of profit as per share. Accordingly, number of weighted average shares used in these calculations is calculated considering the retrospective impacts of related share certificate.

2.3.27 Foreign currency transactions

Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. The consolidated financial statements are presented in Turkish lira, which is the functional currency of the Holding.

Foreign currency transactions and balances

Income and expenses arising in foreign currencies have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into Turkish lira at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from the settlement and translation of foreign currency items have been included in the consolidated income statement.

Foreign Group companies

The results of Group undertakings using a measurement currency other than Turkish lira are first translated into Turkish lira by using the average exchange rate for the period. The assets and liabilities of such Group undertakings are translated into Turkish lira by using the closing rate at the balance sheet date. Differences arising on retranslation of the opening net assets of such Group undertakings and differences between the average and year-end rates are included in translation reserve as a separate item in the shareholders' equity.

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2.3.28 Business combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with TAS 12 Income *Taxes* and TAS 19 Employee Benefits respectively;

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with TFRS 2 Share-based Payment at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with TAS 39, or TAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Partial share purchase-sale transactions with non-controling interests

The group applies a policy of treating transactions with non-controling interests as transactions with equity owners of the group. For purchases from non-controling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to non-controling interests are also recorded in equity. For disposals to non-controling interests, differences between any proceeds received and the relevant share of non-controling interests are recorded in equity under retained earnings since there is no caption for these gains or losses in the financial statement model published by the POA.

2.3.29 Segment reporting

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

A reportable segment is a business segment or a geographical segment identified based on the foregoing definitions for which segment information is required to be disclosed. A business segment or geographical segment should be identified as a reportable segment if a majority of its revenue is earned from sales to external customers and its revenue from sales to external customers and from transactions with other segments is 10% or more of the total revenue, external and internal, of all segments; or its segment result, whether profit or loss, is 10% or more of the combined result of all segments in profit or the combined result of all segments in loss, whichever is the greater in absolute amount; or its assets are 10% or more of the total assets of all segments.

The Group has selected business segments as the Group's primary segment reporting format based on the risks and returns on products produced and services rendered reflecting the primary source of the enterprise's risks and returns. Geographical segments have not been disclosed in these consolidated financial statements as the secondary segment reporting format on the grounds of materiality as the operations of the Group in geographical areas other than Turkey are not reportable geographical segments individually when compared with the overall consolidated financial statements.

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for the decisions related to the allocation of resources to the segments and assessment of performance of segments.

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2.4 Critical accounting estimates and assumptions

The preparation of consolidated financial statements in conformity with CMB Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates. Estimates are regularly reviewed, related corrections are adjusted and accounted for related period income statement. Changes in accounting estimates, if only for a period in which the change in the current period, if it relates to future periods, both in the period they are recognized in future periods, prospectively applied to the financials to see the effect on net profit/loss for the period.

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NOTE 3-BUSINESS COMBINATIONS

The business combinations between the period 1 January and 31 December 2014 are as follows:

None.

The business combinations between the period 1 January and 31 December 2014 are as follows:

Ownership of the Group on Carrefoursa shares, which has been 38,78% previously, increased by 12% due to "Share Transfer Agreement" dated 30 April 2013 and reached to 50,79%. Accordingly, Carrefour Nederland B.V."s shares decreased from 58,19% to 46,19%. Following the completion of all legal procedures, as of July 2013 official share transfer has been realized. Share amount has been paid in cash. As a result of the acquisition of 12% equity shares of Carrefoursa; in accordance with the Article 17 of the Capital Markets Board's Communique Serial: IV, No: 44, "Principles Regarding the Collection of Corporation Shares Through Takeover Bid", and with the framework of the permit numbered 29833736-110.05.01-2827 of the Capital Markets Board of Turkey dated 26 September 2013, H.Ö Sabancı Holding's call to repurchase of CARFA and CARFB shares owned by other shareholders resulted in its ownership to increase to 50.93%. As a result of the share transfer, the control of Carrefoursa, has been transferred to Sabancı Holding and therefore the Company has been consolidated as a subsidiary as of 1 July 2013 and "non-controlling interests" amounting to TL 504.107, which represent 49,07% of total shares, has been accounted for under equity. Since the ownership of the Group on Carrefoursa shares was 38,78% before the share transfer, net loss amounting to TL 16.479 of the company for the period ended 30 June 2013 has been accounted for under "interest in income of investments accounted through equity method".

The details of goodwill and company value that are calculated in accordance with TFRS 3 "Business Combinations" are as follows:

Consideration paid	141.000
Fair value of previously held shares	455.665
Non-controlling interests	504.107
	1.100.772
Book value of Carrefoursa as of 30 June 2013	739.982
Goodwill	360.790

Enerjisa, a joint venture of the Group has won the privatization tenders of İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. (AYEDAŞ) and Toroslar Elektrik Dağıtım A.Ş. (TOROSLAR), both of which were under the control of the Republic of Turkey Prime Ministry Privatization Administration, by offering the highest bids amounting to USD 1 billion 227 million and USD 1 billion 725 milllion respectively.

As of 31 July 2013, legal procedures regarding AYEDAŞ distribution region have been completed and share purchase agreement has been signed.

As of 30 September 2013, legal procedures regarding TOROSLAR distribution region have been completed and share purchase agreement has been signed.

Enerjisa Elektrik Dağıtım A.Ş. has been accounted through equity method since it is included within Enerjisa Enerji A.Ş.'s, the Group's joint venture. Therefore, the total transferred assets, liabilities and goodwill are presented by their net asset values in the assets accounted through equity method account on the Group's consolidated balance sheet.

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The details of the identifiable assets acquired and the liabilities assumed in accordance with TFRS 3 "Business Combinations" are as follows:

Ayedaş Distribution Region:

	Fair value
Total current assets	504.825
Total non-current assets	2.175.783
Total liabilities	(1.210.220)
Fair value of net assets	**1.470.388**
Cash and cash equivalents paid	2.363.448
Goodwill	893.060

Toroslar Distribution Region:

	Fair value
Total current assets	996.221
Total non-current assets	3.353.621
Total liabilities	(1.941.286)
Fair value of net assets	**2.408.556**
Cash and cash equivalents paid	3.512.721
Goodwill	1.104.165

NOTE 4-SEGMENT REPORTING

According to the changes stated in Note 2.1.2 Changes in the Basis of Consolidation, the Group has restated Segmental Analysis. In this context, since Joint Ventures are accounted through Equity Method, segmental analysis for sales and operating profit is performed through Companies" standalone financial results by the senior management. Segmental analysis for net income is performed through consolidated financial results. Segment reporting details presented below reflect the combined total of standalone performance results of all companies regardless of the type and shareholding rates of the affiliates.

Holding key management reviews the results and performance of its reportable operating segments based on EBITDA (earnings before interest, foreign currency gains and losses and due date income and expenses as part of other operating income and expenses and depreciation and amortization). In addition to the requirements of segment reporting, The Group's management presented this information for certain financial statement readers to utilize this data during their analyses.

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a) External Revenues (Consolidated):

	1 January-31 December 2014	1 January-31 December 2013
Finance/Banking	16.918.975	14.595.256
Industry	3.210.287	3.073.534
Retail	6.130.414	4.348.027
Cement	1.094.299	953.665
Other	82.510	82.258
Total (*)	**27.436.485**	**23.052.740**

(*) The distribution of income refers to total revenue in the consolidated income statement.

b) Segment assets (Consolidated):

	31 December 2014	31 December 2013
Finance/Banking	216.569.579	193.709.430
Industry	3.055.376	3.679.868
Retail	2.904.392	2.725.550
Cement	1.347.850	1.323.596
Other	1.187.968	1.028.150
Segment assets (*)	**225.065.165**	**202.466.594**
Assets classified as held for sale (Note 22)	681.276	29.968
Investments accounted through equity method (Note 12)	5.486.817	4.960.899
Unallocated assets	420.637	436.550
Less: intersegment eliminations	(1.127.340)	(1.323.192)
Total assets as per consolidated financial statements	**230.526.555**	**206.570.819**

(*) Segment assets mainly comprise operating assets in the consolidated financial statements.

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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

c) Segment liabilities (Consolidated):

	31 December 2014	31 December 2013
Finance/Banking	189.873.567	171.263.563
Industry	1.619.647	2.095.004
Retail	1.688.268	1.557.034
Cement	274.268	279.059
Other	519.835	472.396
Segment liabilities (*)	**193.975.585**	**175.667.056**
Liabilities related with assets classified		
as held for sale (Note 22)	349.554	-
Unallocated Liabilities	468.565	211.835
Less: intersegment eliminations	(1.125.029)	(1.322.729)
Total liabilities as per consolidated financial statements	**193.668.675**	**174.556.162**

(*) Segment liabilities mainly comprise operating liabilities in the consolidated financial statements.

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d) The balance sheet items by segment:

i) Banking:

	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Cash and cash equivalents	7.386.362	7.386.362	5.407.668	5.407.668
Financial assets	48.510.984	48.510.984	47.410.968	47.410.968
Derivative financial instruments	1.695.280	1.695.280	2.397.047	2.397.047
Reserve deposits with the Central Bank of Republic of Turkey	18.917.875	18.917.875	16.690.681	16.690.681
Receivables from finance sector operations	137.722.442	137.722.442	119.530.903	119.530.903
Property, plant and equipment	861.644	861.644	849.510	849.510
Intangible assets	229.004	229.004	162.215	162.215
Other receivables and other assets (***)	1.245.988	1.245.988	1.260.438	1.260.438
Total segment assets	**216.569.579**	**216.569.579**	**193.709.430**	**193.709.430**
Financial liabilities	32.251.507	32.251.507	28.957.596	28.957.596
Payables from finance sector operations	150.945.357	150.945.357	135.595.588	135.595.588
Derivative financial instruments	1.313.165	1.313.165	1.242.558	1.242.558
Other payables and other liabilities (***)	5.363.538	5.363.538	5.467.821	5.467.821
Total segment liabilities	**189.873.567**	**189.873.567**	**171.263.563**	**171.263.563**

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.
(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liablities. These items are included in non-segment assets and liabilities.

Banking segment consists of Akbank. Akbank's accumulated non-controlling interests calculated from its financial statements amount to TL 15.851.364 as of 31 December 2014 (31 December 2013: TL 13.472.181).

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d) The balance sheet items by segment (continued):

ii) Insurance:

	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Cash and cash equivalents	1.148.748	-	1.144.926	-
Financial assets	711.620	-	594.090	-
Receivables from finance sector operations	443.009	-	432.541	-
Investments accounted through equity method (Note 12)	-	305.932	-	298.133
Property, plant and equipment	30.694	-	16.950	-
Intangible assets	53.490	-	30.505	-
Other receivables and other assets (***)	766.369	-	607.981	-
Total segment assets	**3.153.930**	**305.932**	**2.826.993**	**298.133**
Payables from finance sector operations	2.311.989	-	2.006.295	-
Other payables and other liabilities (***)	122.355	-	85.071	-
Total segment liabilities	**2.434.344**	**-**	**2.091.366**	**-**

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.
(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liablities..These items are included in non-segment assets and liabilities.

Insurance segment consist of Aksigorta and Avivasa.

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iii) Energy:

	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Cash and cash equivalents	208.504	-	865.113	-
Financial assets	836	-	616	-
Trade receivables	1.753.314	-	1.748.785	-
Inventories	110.686	-	86.308	-
Investments accounted through equity method (Note 12)	-	4.214.024	-	3.840.575
Property, plant and equipment	9.258.100	-	8.523.690	-
Intangible assets	6.362.236	-	6.584.804	-
Other receivables and other assets (***)	5.954.282	-	4.821.929	-
Total segment assets	**23.647.958**	**4.214.024**	**22.631.245**	**3.840.575**
Financial liabilities	9.023.832	-	7.583.767	-
Payables to Privatization Administration	2.413.806	-	3.631.549	-
Trade payables	1.209.009	-	1.303.460	-
Other payables and other liabilities (***)	2.077.221	-	2.033.198	-
Total segment liabilities	**14.723.868**	**-**	**14.551.974**	**-**

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.
(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liablities. These items are included in non-segment assets and liabilities.

Energy segment consists of Enerjisa and its subsidiaries.

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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

iv) Industry:

	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Cash and cash equivalents	58.858	38.269	68.841	55.679
Financial assets	85	85	10	10
Trade receivables	1.326.886	801.839	1.417.586	961.417
Inventories	1.056.780	742.827	1.277.315	996.182
Investments accounted through equity method (Note 12)	317.465	581.173	229.450	477.475
Property, plant and equipment	1.708.540	1.125.169	1.802.319	1.281.287
Intangible assets	179.767	139.418	136.318	102.191
Other receivables and other assets (***)	1.033.454	886.043	419.130	313.071
Total segment assets	**5.681.835**	**4.314.823**	**5.350.969**	**4.187.312**
Financial Liabilities	1.819.622	1.096.871	1.861.783	1.281.322
Trade payables	551.337	342.450	762.209	571.923
Other payables and other liabilities (***)	618.726	529.880	307.970	241.759
Total segment liabilities	**2.989.685**	**1.969.201**	**2.931.962**	**2.095.004**

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.
(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liablities. These items are included in non-segment assets and liabilities.

Industry segment consists of Kordsa, Temsa, Sasa, Yünsa, Brisa, Philsa and Philsa Morrissa.

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v) Retail:

	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Cash and cash equivalents	287.701	287.701	481.633	481.633
Trade receivables	53.126	53.126	67.612	67.368
Inventories	972.339	972.339	774.524	774.524
Investment property	232.245	232.245	255.299	255.299
Property, plant and equipment	901.943	901.943	746.970	746.970
Intangible assets	43.473	43.473	15.946	15.946
Other receivables and other assets (***)	352.729	413.565	322.730	383.810
Total segment assets	**2.843.556**	**2.904.392**	**2.664.714**	**2.725.550**
Financial liabilities	84.532	84.532	27.146	27.146
Trade payables	1.333.881	1.333.881	1.215.483	1.215.467
Other payables and other liabilities (***)	269.854	269.854	314.405	314.421
Total segment liabilities	**1.688.267**	**1.688.267**	**1.557.034**	**1.557.034**

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.
(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liablitiesThese items are included in non-segment assets and liabilities.

Retailing segment consists of Teknosa and Carrefoursa.

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vi) Cement:

	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Cash and cash equivalents	65.612	57.917	56.888	44.901
Financial assets	162.085	57	161.994	57
Trade receivables	560.809	221.577	539.262	208.268
Inventories	258.475	119.641	222.183	105.110
Investments accounted through equity method (Note 12)	-	385.688	-	344.717
Property, plant and equipment	1.470.882	764.908	1.440.164	778.098
Intangible assets	54.734	18.552	55.816	20.587
Other receivables and other assets (***)	315.129	165.198	317.811	166.575
Total segment assets	**2.887.726**	**1.733.538**	**2.794.118**	**1.668.313**
Financial liabilities	203.971	105.676	302.113	123.002
Trade payables	345.228	106.506	307.612	114.895
Other payables and other liabilities (***)	115.382	62.086	92.189	41.162
Total segment liabilities	**664.581**	**274.268**	**701.914**	**279.059**

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.
(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liablities. These items are included in non-segment assets and liabilities.

Cement segment consists of Çimsa and Akçansa.

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vii) Other:

	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Cash and cash equivalents	665.661	665.661	478.027	478.027
Financial assets	11.712.548	385	11.272.928	382
Trade receivables	32.882	32.163	17.607	17.552
Inventories	4.799	4.799	7.636	7.636
Property, plant and equipment	262.332	226.323	260.338	223.790
Intangible assets	5.888	5.888	4.854	4.854
Other receivables and other assets (***)	196.674	255.750	236.376	295.909
Total segment assets	**12.880.784**	**1.190.969**	**12.277.766**	**1.028.150**
Financial liabilities	349.725	349.725	250.320	250.320
Trade payables	36.881	36.881	23.273	23.185
Other payables and other liabilities (***)	133.229	133.229	124.327	198.891
Total segment liabilities	**519.835**	**519.835**	**397.920**	**472.396**

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.
(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liablities. These items are included in non-segment assets and liabilities.

Other segment consists of Sabancı Holding A.Ş., Exsa, Tursa, AEO and Bimsa.

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e) The reconciliation of the consolidated statement of profit or loss:

	1 January 2014-31 December 2014			1 January 2013-31 December 2013		
	Total Consolidation of Segments Before Elimination	Elimination and Consolidation Adjustments	Consolidated	Total Consolidation of Segments Before Elimination	Elimination and Consolidation Adjustments	Consolidated
Total revenue	**27.519.170**	**(82.685)**	**27.436.485**	**23.092.923**	**(40.183)**	**23.052.740**
Cost of sales and interest, premiums, commissions and other expenses	(17.515.274)	76.896	(17.438.378)	(14.005.297)	164.977	(13.840.320)
General administration expenses	(4.456.553)	54.749	(4.401.804)	(3.889.563)	9.457	(3.880.106)
Sales, marketing and distribution expenses	(1.230.695)	1.351	(1.229.344)	(813.459)	761	(812.698)
Research and development expenses	(4.533)	-	(4.533)	(10.462)	-	(10.462)
Other operating income/(expense)-net	422.340	(17.535)	404.805	272.915	(109.940)	162.975
Interest in income of joint ventures	318.373	-	318.373	151.415	2	151.417
Operating profit	**5.052.828**	**32.777**	**5.085.604**	**4.798.472**	**25.074**	**4.823.546**
Income/(expense) from investing activities-net	340.764	(51.433)	289.331	184.338	(149.415)	34.923
Operating profit before financial expense	**5.393.592**	**(18.656)**	**5.374.935**	**4.982.810**	**(124.341)**	**4.858.469**
Financial income/(expense)-net	(155.424)	26.498	(128.926)	(181.068)	22.565	(158.503)
Income before tax	**5.238.168**	**7.842**	**5.246.009**	**4.801.742**	**(101.776)**	**4.699.966**
Tax	(972.223)	-	(972.223)	(947.271)	(1)	(947.272)
Profit/(loss) after tax from discontinued operations	77.073	-	77.073	(29.240)	121.197	91.957
Income for the period	**4.343.018**	**7.842**	**4.350.859**	**3.825.231**	**19.420**	**3.844.651**
Net income attributable to equity holders of the parent			**2.079.114**			**1.731.396**

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f) The items of statement of profit or loss:

i) Banking:

	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Interest, commission and other income	16.946.050	16.946.050	14.615.165	14.615.165
Interest, commission and other expenses	(9.145.763)	(9.145.763)	(7.075.504)	(7.075.504)
General administration expenses	(3.987.196)	(3.987.196)	(3.574.073)	(3.574.073)
Other operating income/(expense)-net	449.020	449.020	363.188	363.188
Interest in income of joint ventures	-	-	-	-
Operating profit	**4.262.111**	**4.262.111**	**4.328.776**	**4.328.776**
Income/(expense) from investing activities-net	1.381	1.381	4.970	4.970
Operating profit before financial expense	**4.263.492**	**4.263.492**	**4.333.746**	**4.333.746**
Financial income/(expense)-net	-	-	-	-
Profit before tax	**4.263.492**	**4.263.492**	**4.333.746**	**4.333.746**
Tax	(873.216)	(873.216)	(889.214)	(889.214)
Net income	**3.390.276**	**3.390.276**	**3.444.532**	**3.444.532**
Net income attributable to equity holders of the parent		**1.382.213**		**1.404.336**
EBITDA	4.463.745	4.463.745	4.499.665	4.499.665

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

Akbank's net income attributable to non-controlling interets is TL 2.008.063 as of 31 December 2014 (31 December 2013: TL 2.040.196).

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ii) Insurance:

	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Gross premiums	1.971.930	-	1.759.026	-
Premiums, commission and other expenses	(1.907.226)	-	(1.523.045)	-
General administration expenses	(283.615)	-	(264.768)	-
Other operating income/(expense)-net	286.051	-	240.251	-
Interest in income of joint ventures	-	41.350	-	88.018
Operating profit	**67.140**	**41.350**	**211.464**	**88.018**
Income/(expense) from investing activities-net	28.743	-	88.771	-
Operating profit before financial expense	**95.883**	**41.350**	**300.235**	**88.018**
Financial income/(expense)-net	(14.826)		(31.981)	-
Profit before tax	**81.057**	**41.350**	**268.254**	**88.018**
Tax	(10.363)	-	(47.048)	-
Net income	**70.694**	**41.350**	**221.206**	**88.018**
Net income attributable to equity holders of the parent	**-**	**41.350**	**-**	**88.018**
EBITDA	46.715		184.834	

Note: Aksigorta, one of the subsidiary of the Group,make changes on provision calculations for prior years. Related changes accounted on equity at Aksigorta financial statements and recorded at Gruop consolidated profit or loss statement on current year. (Combined net income effect 103.419 TL, consolidated net income effect 37.230 TL)

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

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iii) Energy:

	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Sales revenue (net)	10.982.258	-	6.693.635	-
Cost of sales	(9.451.135)	-	(5.754.426)	-
General administration expenses	(1.120.720)	-	(594.751)	-
Sales, marketing and distribution expenses	-	-	(18.400)	-
Other operating income/(expense)-net	35.815	-	(115.620)	-
Interest in income of joint ventures	-	(83.345)	-	(233.771)
Operating profit	**446.218**	**(83.345)**	**210.438**	**(233.771)**
Income/(expense) from investing activities-net	-	-	-	-
Operating profit before financial expense	**446.218**	**(83.345)**	**210.438**	**(233.771)**
Financial income/(expense)-net	(747.435)	-	(760.861)	-
Profit before tax	**(301.217)**	**(83.345)**	**(550.423)**	**(233.771)**
Tax	134.527	-	82.881	-
Net income	**(166.690)**	**(83.345)**	**(467.542)**	**(233.771)**
Net income attributable to equity holders of the parent		**(83.345)**	**-**	**(233.771)**
EBITDA	833.696		463.972	

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

iv) Industry:

	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Sales revenue (net)	4.903.799	3.210.300	4.567.952	3.073.984
Cost of sales	(3.905.321)	(2.697.995)	(3.770.686)	(2.664.414)
General administration expenses	(232.555)	(167.748)	(146.776)	(90.778)
Sales, marketing and distribution expenses	(338.204)	(165.019)	(314.084)	(165.940)
Research and development expenses	(19.166)	(4.533)	(24.380)	(10.462)
Other operating income/(expense)-net	48.603	19.273	134.784	102.798
Interest in income of joint ventures	185.751	267.117	191.398	254.381
Operating profit	**642.907**	**461.395**	**638.208**	**499.569**
Income/(expense) from investing activities-net	85.989	86.273	23.395	22.839
Operating profit before financial expense	**728.896**	**547.668**	**661.603**	**522.408**
Financial income/(expense)-net	(117.657)	(65.494)	(175.615)	(124.200)
Profit before tax	**611.239**	**482.174**	**485.988**	**398.208**
Tax	(41.136)	(15.995)	(38.183)	(28.280)
Profit/(loss) after tax from discontinued operations	77.073	77.073	2.158	2.158
Net income	**647.176**	**543.252**	**449.963**	**372.086**
Net income attributable to equity holders of the parent	**-**	**428.404**		**327.100**
EBITDA	818.083	556.387	712.712	516.411

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

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v) Retail:

	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Sales revenue (net)	6.142.773	6.135.985	5.557.808	4.356.523
Cost of sales	(4.808.729)	(4.801.941)	(4.385.223)	(3.472.771)
General administration expenses	(153.844)	(153.844)	(126.962)	(90.292)
Sales, marketing and distribution expenses	(1.054.115)	(1.054.115)	(920.933)	(638.957)
Other operating income/(expense)-net	(55.022)	(55.022)	(211.710)	(178.002)
Interest in income of joint ventures	-	-	-	(16.479)
Operating profit	**71.063**	**71.063**	**(87.020)**	**(39.978)**
Income/(expense) from investing activities-net	76.541	76.541	6.948	6.948
Operating profit before financial expense	**147.604**	**147.604**	**(80.072)**	**(33.030)**
Financial income/(expense)-net	(44.452)	(44.452)	(25.731)	(27.220)
Profit before tax	**103.152**	**103.152**	**(105.803)**	**(60.250)**
Tax	(22.393)	(22.393)	19.810	13.091
Profit/(loss) after tax from discontinued operations			(78.494)	(31.398)
Net income	**80.759**	**80.759**	**(164.487)**	**(78.557)**
Net income attributable to equity holders of the parent		**39.142**	**-**	**(64.722)**
EBITDA	231.945	231.945	10.861	29.253

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

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vi) Cement:

	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Sales revenue (net)	2.505.172	1.094.321	2.155.949	953.724
Cost of sales	(1.786.509)	(767.283)	(1.664.278)	(726.629)
General administration expenses	(110.116)	(58.559)	(88.886)	(42.880)
Sales, marketing and distribution expenses	(24.789)	(8.230)	(18.837)	(6.271)
Other operating income/(expense)-net (***)	(19.261)	(17.140)	(2.193)	(4.513)
Interest in income of joint ventures	-	93.251	-	59.268
Operating profit	**564.497**	**336.360**	**381.755**	**232.699**
Income/(expense) from investing activities-net	6.820	4.223	8.120	5.138
Operating profit before financial expense	**571.317**	**340.583**	**389.875**	**237.837**
Financial income/(expense)-net	(45.229)	(15.951)	(44.257)	(23.364)
Profit before tax	**526.088**	**324.632**	**345.618**	**214.473**
Tax	(107.314)	(48.873)	(69.678)	(32.144)
Net income	**418.774**	**275.759**	**275.940**	**182.329**
Net income attributable to equity holders of the parent	**-**	**187.028**	**-**	**124.495**
EBITDA	686.012	394.896	486.629	279.629

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.
(***) Since the net profit after tax from the sale of Sabancı Holding shares in 2013, owned by Çimsa are accounted under equity, combined and consolidated results have not been included in the table above.

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vii) Other:

	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014	Combined(*) 31 December 2013	Consolidated(**) 31 December 2013
Sales revenue (net)	765.534	132.514	742.504	93.527
Cost of sales	(102.341)	(102.292)	(66.111)	(65.979)
General administration expenses	(93.436)	(89.206)	(95.137)	(91.541)
Sales, marketing and distribution expenses	(3.331)	(3.331)	(2.291)	(2.291)
Other operating income/(expense)-net (***)	37.599	26.208	(5.535)	(10.560)
Interest in income of joint ventures	-	-	-	-
Operating profit	**604.025**	**(36.107)**	**573.430**	**(76.844)**
Income/(expense) from investing activities-net	172.346	172.346	122.346	144.461
Operating profit before financial expense	**776.371**	**136.239**	**695.776**	**67.617**
Financial income/(expense)-net	(29.527)	(29.527)	(6.284)	(6.284)
Profit before tax	**746.844**	**106.712**	**689.492**	**61.333**
Tax	(11.746)	(11.746)	(10.725)	(10.725)
Net income	**735.098**	**94.966**	**678.767**	**50.608**
Net income attributable to equity holders of the parent	**-**	**84.324**	**-**	**85.945**
EBITDA	613.695	(27.580)	589.821	(61.603)

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.
(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.
(***) Since the net profit after tax from the sale of Sabancı Holding shares in 2013, owned by Tursa, as well as Sabancı Holding, Akbank and Teknosa shares owned by Exsa in 2013, are accounted under equity, the combined and consolidated results have not been included in the above table.

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g) Net income attributable to equity holders of the parent

The net income attributable to equity holders of the parent with adjusted segments is as follows:

	31 December 2014	31 December 2013
Banking	1.382.213	1.456.927
Insurance	62.304	68.220
Industry	418.473	324.450
Cement	188.965	124.495
Energy	(83.345)	(149.406)
Retail	(1.735)	(337)
Other	(46.374)	34.446
Total	**1.920.501**	**1.858.795**

A reconciliation of adjusted net income attributable to equity holders of the Parent is as follows:

	31 December 2014	31 December 2013
Adjusted net income for reported operating segments (Equity holders of the Parent)	1.920.501	1.858.795
Akbank Competition Board penalty	-	(52.593)
Aksigorta profit from the sale of real estate	1.382	26.192
Provision for impairment of the subsidiary Aksigorta Merter B,V,	-	(6.394)
Carrefoursa restruction and other provision expenses	-	(64.384)
Fair value differences of shares previously held during the acquisition of Carrefoursa shares	-	41.134
Income from the sale of shares of Diasa	-	84.841
Temsa gain from the sale of real estate	9.888	9.080
Temsa litigation provision expense	(4.189)	-
Yünsa gain from the sale of real estate	10.187	-
Impairment of old natural gas installations of Enerjisa	-	(78.000)
Income from the sale of shares of Avivasa	127.000	-
Other	14.345	(87.275)
Net income (Equity holders of the Parent)	**2.079.114**	**1.731.396**

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h) Depreciation and amortisation charges, impairment and capital expenditures (Consolidated):

1 January – 31 December 2014

	Finance							
	Banking	Insurance	Industry	Cement	Energy	Retail	Other	Total
Depreciation and amortisation	201.634	-	108.345	58.861	-	89.929	18.489	477.258
Impairment/(reversal of impairment) of property, plant and equipment and investment properties	-	-	1.838	-	-	(6.633)	-	(4.795)
Capital expenditure	283.810	-	268.342	64.429	-	317.551	23.821	957.953

1 January – 31 December 2013

	Finance							
	Banking	Insurance	Industry	Cement	Energy	Retail	Other	Total
Depreciation and amortisation	170.889	-	109.143	59.525	-	56.805	15.755	412.117
Impairment/(reversal of impairment) of property, plant and equipment and investment properties	-	-	-	-	-	21.549	364	21.913
Capital expenditure	279.123	-	177.567	73.578	-	136.153	22.141	688.562

h) Depreciation and amortisation charges, impairment and capital expenditures (Combined) (continued):

1 January – 31 December 2014

	Finance							
	Banking	Insurance	Industry	Cement	Energy	Retail	Other	Total
Depreciation and amortisation	201.634	9.223	206.836	124.082	426.783	89.929	19.633	1.078.120
Impairment/(reversal of impairment) of property, plant and equipment and investment properties	-	-	1.838	-	-	(6.633)	-	(4.795)
Capital expenditure	283.810	51.576	436.072	178.118	1.684.998	317.551	23.823	2.975.948

1 January – 31 December 2013

	Finance							
	Banking	Insurance	Industry	Cement	Energy	Retail	Other	Total
Depreciation and amortisation	170.889	7.703	192.727	122.853	288.893	85.457	16.905	885.427
Impairment/(reversal of impairment) of property, plant and equipment and investment properties	-	-	-	-	204.888	26.907	320	232.115
Capital expenditure	279.123	21.119	288.132	162.064	2.825.558	179.655	22.141	3.777.792

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NOTE 5 – CASH AND CASH EQUIVALENTS

The analysis of cash and cash equivalents at 31 December 2014 and 2013 is as follows:

	31 December 2014	31 December 2013
Cash		
-Banking	1.522.182	1.532.438
-Other companies	13.754	13.127
Bank-time deposit	1.973.242	265.715
Bank-demand deposit	3.305.943	3.753.081
Receivables from reverse repo	700.215	-
Other cash and cash equivalents	3.417	2.170
Total	**7.518.753**	**5.566.531**

Effective interest rates of USD, EUR and TL denominated time deposits are 0,44% (31 December 2013: 0,21%), 0,09% (31 December 2013: 0,12%) and 10,46% (31 December 2013: 9,37%), respectively.

The analysis of maturities at 31 December 2014 and 2013 is as follows:

	31 December 2014	31 December 2013
Demand	4.845.295	5.566.531
Up to 3 months	2.673.458	-
Total	**7.518.753**	**5.566.531**

As of 31 December 2014, total amount of the restriction on the Group's off-shore cash and cash equivalents, payment accounts related to floating interest rate bond issue, time and demand deposits in the banks is TL 2.671.711 (31 December 2013: TL 2.968.616).

NOTE 6 – FINANCIAL ASSETS

a) Held for trading securities:

The analysis of financial assets at fair value through profit and loss is as follows:

	31 December 2014	31 December 2013
Share certificates	68	58.377
Government bonds	8.525	7.746
Eurobonds	2.491	2.149
Other	43.880	56.468
Total	**54.964**	**124.740**

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Effective interest rates of USD, EUR and TL denominated securities at fair value through profit and loss are 4,13% (31 December 2013: 3.92%), 3,55% (31 December 2013: 2,89%) and %10,46 (31 December 2013: 11,38%), respectively. The Group's activities in the finance sector as collateral for the purchase and sale of financial assets is TL 5.820 (31 December 2013: TL 5.116).

The analysis of maturities at 31 December 2014 and 2013 is as follows:

	31 December 2014	31 December 2013
3 to 12 months	14.082	842
1 to 5 years	37.988	16.865
Over 5 years	2.826	47.653
No maturiy	68	59.380
Total	**54.964**	**124.740**

Period remaining to contractual repricing dates:

	31 December 2014	31 December 2013
Up to 3 months	44.161	56.480
3 to 12 months	7.423	6.754
1 to 5 years	723	823
Over 5 years	2.589	2.298
No maturiy	68	58.385
Toplam	**54.964**	**124.740**

None of the Group companies has held for trading financial instruments except the Banking sector.

b) Available for sale securities:

	31 December 2014	31 December 2013
Debt securities		
-Government bonds	21.283.380	23.173.668
-Eurobonds	11.154.528	6.917.457
-Investment funds	289.909	248.690
-Other bonds denominated in foreign currency	4.863.528	2.813.847
Sub-total	**37.591.345**	**33.153.662**
Equity securities		
-Listed	90	91
-Unlisted	16.772	15.600
Sub-total	**16.862**	**15.691**
Total financial assets available for sale	**37.608.207**	**33.169.353**

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Effective interest rates of USD, EUR and TL denominated available-for-sale securities are 3,67% (31 December 2013: 3,52%), 3,68% (31 December 2013: 3,75%) and 10,02% (31 December 2013: 9,44%), respectively. The Group's financial assets available for sale subject to funds provided from repo are TL 24.823.669 (31 December 2013: TL 19.534.511). Available for sale financial assets that are given as colleteral because of the Group's financing activities are amounting to TL 3.691.128 (31 December 2013: TL 3.919.373). No available for sale financial assetes exist whose risk is undertaken by insurance policy holders (31 December 2013: 182.745 TL).

Akbank has Consumer Price Index (''CPI'') linked government bonds under available-for-sale and held-to maturity portfolios with semi-annual fixed real coupon rates and a maturity of 5 to 10 years. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates and reference inflation index at the issue date together with the index calculated by considering the estimated inflation rate. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two month before. The estimated inflation rate used is updated during the year when necessary.

The maturity analysis at 31 December 2014 and 2013 is as follows:

	31 December 2014			31 December 2013		
	Banking	Other companies	Total	Banking	Other companies	Total
3 to 12 months	6.708.513	-	6.708.513	12.879.133	-	12.879.133
1 to 5 years	10.104.763	-	10.104.763	7.261.650	-	7.261.650
Over 5 years	20.488.160	-	20.488.160	12.764.190	-	12.764.190
No maturity	306.319	452	306.771	263.933	447	264.380
Total	**37.607.755**	**452**	**37.608.207**	**33.168.906**	**447**	**33.169.353**

Period remaining to contractual repricing dates for available-for-sale securities:

	31 December 2014			31 December 2013		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	10.023.754	-	10.023.754	10.871.082	-	10.871.082
3 to 12 months	9.905.491	-	9.905.491	11.209.122	-	11.209.122
1 to 5 years	9.508.929	-	9.508.929	3.811.264	-	3.811.264
Over 5 years	7.863.262	-	7.863.262	7.013.505	-	7.013.505
No maturity	306.319	452	306.771	263.933	447	264.380
Total	**37.607.755**	**452**	**37.608.207**	**33.168.906**	**447**	**33.169.353**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

c) Financial assets held to maturity:

The breakdown of held to maturity financial assets is listed below:

	31 December 2014	31 December 2013
Government bonds	10.800.186	12.153.454
Total	**10.800.186**	**12.153.454**

Effective interest rates of USD, EUR and TL denominated debt securities are 3,83% (31 December 2013: 3,42%), 3,69% (31 December 2013: 3%) and TL is 11,22% (31 December 2013: 9,96%). The Group's financial assets held to maturity subject to funds provided from repo are TL 7.291.113 (31 December 2013: TL 7.064.453). The amount of Group's held to maturity financial assets colleterals given for financial operations is TL 2.154.116 (31 December 2013: TL 3.875.664).

The movement table of held-to-maturity securities is as follows:

	31 December 2014	31 December 2013
1 January	12.153.454	3.637.468
Additions (*)	6.480	9.969.319
Foreign exchange differences	145.662	172.740
Addition due to amoritsed cost	302.080	162.081
Redemptions and sales	(1.798.190)	(1.788.154)
Allowance for impairment	(9.300)	-
Total	**10.800.186**	**12.153.454**

(*) The Bank has reclassified debt securities with the nominal value of TL 4.863.357, EUR 721.540 Thousand and USD 1.092.397 Thousand from available-for-sale portfolio to held-to-maturity portfolio due to the change in the intention to hold such securities. Reclassified debt securities have a fair value of TL 5.398.459, EUR 815.927 Thousand and USD 1.189.524 Thousands, respectively as of the reclassification date. Valuation differences of these securities which have been accounted under equity previously are being amortized using effective interest method over the remaining maturity.

Period remaining to contractual maturity dates for held to maturity financial assets as at 31 December 2014 and 2013 is as follows:

	31 December 2014			31 December 2013		
	Banking	Other companies	Total	Banking	Other companies	Total
3 to 12 months	899.533	75	899.608	1.776.715	-	1.776.715
1 to 5 years	5.615.109	-	5.615.109	3.916.884	-	3.916.884
Over 5 years	4.285.469	-	4.285.469	6.459.855	-	6.459.855
Total	**10.800.111**	**75**	**10.800.186**	**12.153.454**	**-**	**12.153.454**

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Period remaining to contractual repricing dates for investment security, held to maturity financial assets at 31 December 2014 and 2013 is as follows:

	31 December 2014			31 December 2013		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	2.910.231	-	2.910.231	4.499.278	-	4.499.278
3 to 12 months	1.421.534	75	1.421.609	1.265.436	-	1.265.436
1 to 5 years	5.615.108	-	5.615.108	3.077.667	-	3.077.667
Over 5 years	853.238	-	853.238	3.311.073	-	3.311.073
Total	**10.800.111**	**75**	**10.800.186**	**12.153.454**	**-**	**12.153.454**

d) Time Deposits:

As of 31 December 2014, maturities of time deposits over 3 months denominated at TL and EUR are TL 36.370 and TL 11.782. Interest rate of time deposits are 11,6%. And 3,55% The breakdown of maturities of time deposits over 3 months is as follows:

	31 December 2014	31 December 2013
3 to 12 months	48.153	1.963.869
Total	**48.153**	**1.963.869**

NOTE 7 – FINANCIAL LIABILITIES

Short term funds borrowed, bank borrowings and debt securities:

	31 December 2014	31 December 2013
Short term	20.358.969	16.311.856
Short-term portion of long term	1.753.546	2.013.844
Total short term	**22.112.515**	**18.325.700**
Long term funds borrowed, bank borrowings and debt securities:		
Long term	11.605.585	11.905.902
Total	**33.718.100**	**30.231.602**

Effective interest rates of USD, EUR and TL denominated funds borrowed, borrowings and debt securities in issue are 1,68% (31 December 2013: 1,58%), 1,17% (31 December 2013: 1,19%) and 8,05% (31 December 2013: 7,70%) respectively.

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The maturity schedule of borrowings at 31 December 2014 and 2013 is summarised below:

	31 December 2014	31 December 2013
Up to 3 months	8.694.973	6.612.819
3 to 12 months	13.417.542	11.712.881
Short term borrowings and short term portion of long term borrowings	**22.112.515**	**18.325.700**
1 to 5 years	8.403.244	10.535.757
Over 5 years	3.202.341	1.370.145
Long term borrowings	**11.605.585**	**11.905.902**
Total financial liabilities	**33.718.100**	**30.231.602**

The maturity schedule of long term borrowings at 31 December 2014 and 2013 is summarised below:

	31 December 2014	31 December 2013
2015	3.788.096	6.354.895
2016	2.213.755	1.082.645
2017	1.935.632	1.779.555
2018	465.761	1.318.662
2019 and after	3.202.341	1.370.145
Total	**11.605.585**	**11.905.902**

The repricing schedule of borrowings at 31 December 2014 and 2013 is summarized below:

	31 December 2014	31 December 2013
Up to 3 months	18.632.708	15.574.420
3 to 12 months	7.696.157	7.032.834
1 to 5 years	4.878.414	6.462.417
Over 5 years	2.510.821	1.161.931
Total	**33.718.100**	**30.231.602**

The transactions related with the funds and loans as of 31 December 2014 are as follows:

a) Akbank – Funds borrowed via syndicated credit facilities

As of 31 December 2014, Akbank has three outstanding syndicated loan facilities. On 14 August 2014, the Parent Bank signed the first syndicated loan facility and raised EUR 851.4 million and USD 367.7 million. The loan‟s maturity is 1 year with a cost of Euribor/Libor+0.90%. With the second syndicated loan facility signed on 19 March 2014 the Parent Bank signed the first syndicated loan facility and raised EUR 817.7 million and USD 221.8 million. The loan‟s maturity is 1 year with a cost of Euribor/Libor+0.90%.The third outstanding syndicated loan facility was signed on 21 March 2013. The loan‟s 2-year tranche which will be repaid in March 2015, amounts to USD 100 million with an applicable cost of Euribor/Libor+1,25%.

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Issued securities:

Securities issued consist of USD and TL assets.

The repayment plan for USD securities issued is summarized below.

	31 December 2014		31 December 2013	
	USD	TL	USD	TL
2015	1.725.810	4.015.787	1.274.524	2.715.246
2016	252.692	587.989	260.786	555.578
2017	732.268	1.703.914	609.135	1.297.701
2018	856.893	1.993.904	716.987	1.527.469
2019	136.795	318.308	19.842	42.271
2020	76.000	176.844	18.900	40.265
2021	102.014	237.376	18.006	38.360
2022	650.117	1.512.757	335.209	714.129
2023	291.495	678.280	-	-
2024	71.400	166.141	-	-
Total	**4.895.484**	**11.391.300**	**3.253.389**	**6.931.019**

The balance amounting to USD 4.895.484 consists of securitization deals and USD denominated securities issued by the Bank.

	31 December 2014	
	EUR	TL
2015	10.283	29.071
2016	15.833	44.763
2017	63.333	179.055
2018	63.333	179.055
2019	47.500	134.292
Total	**200.282**	**566.236**

The balance amounting to EUR 200.282 consists of securitization deals and EUR denominated securities issued by the Group.

Additionally, as of 31 December 2014, there are bonds issued by the Bank amounting to TL 381.551 with 3 months maturity, TL 1.033.753 with 6 months maturity, TL 70.221 with 1 years maturity and TL 872.629 with 5 years maturity, TL 814.250 with over 5 years maturity. (31 December 2013: 6 months maturity TL 933.802; 1 years maturity TL 778.610 ; 2 years maturity TL 151.665; 3 years maturity TL 391.956; 5 years maturity 883.017 TL).

On April 15, 2013, Başkent Elektrik Dağıtım A.Ş issued bonds with a total face value of TL 350 million, a maturity date of 11 April 2016, quarterly coupon payments and a coupon rate of DIBS + 2%.

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NOTE 8 – TRADE RECEIVABLES AND PAYABLES

Short and long term trade receivables:

	31 December 2014	31 December 2013
Trade receivables	966.760	1.143.074
Notes and cheques	195.735	173.995
	1.162.495	1.317.069
Less: allowance for doubtful receivables	(78.844)	(64.660)
Total	**1.083.651**	**1.252.409**

As of 31 December 2014, trade receivables of TL 87.691 were past due but not impaired (31 December 2013: TL 134.048). The aging analysis of these trade receivables is as follows:

	31 December 2014	31 December 2013
Up to 3 months	38.126	92.627
3 to 6 months	43.672	19.650
6 to 9 months	5.415	20.752
Over 9 months	478	1.019
Total	**87.691**	**134.048**

As of 31 December 2014 and 2013, the aging analysis of overdue and impaired trade receivables is as follows:

	31 December 2014	31 December 2013
Up to 3 months	200	2.550
3 to 6 months	-	411
6 to 9 months	409	859
Over 9 months	78.235	60.840
Total	**78.844**	**64.660**

Short and long term trade payables:	31 December 2014	31 December 2013
Trade payables	1.803.632	1.917.092
Notes payablrs	712	485
Expense accruals	5.355	1.513
Total	**1.809.699**	**1.919.090**

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NOTE 9 – OTHER RECEIVABLES AND PAYABLES

Other short term receivables:	31 December 2014	31 December 2013
Receivables from credit card payments	11.249	36.497
Other receivables	576.225	575.432
Total	**587.474**	**611.929**

Other long term receivables:	31 December 2014	31 December 2013
Deposits and guarantees given	28.444	3.331
Other receivables	34.589	42.348
Total	**63.033**	**45.679**

Other short term payables:	31 December 2014	31 December 2013
Payables related to credit card transactions	2.524.657	2.336.981
Taxes and funds payable	253.571	202.186
Export deposits and transfer orders	30.071	63.170
Payment orders to correspondent banks	145.008	161.185
Other	646.112	1.147.575
Total	**3.599.419**	**3.911.097**

Other long term payables:		
Financial lease payables	23.760	20.590
Other	11.367	12.625
Total	**35.127**	**33.215**

NOTE 10-INVENTORIES

	31 December 2014	31 December 2013
Raw materials	220.865	260.669
Work in process	192.771	214.719
Finished good and merchandises	1.294.853	1.149.265
Spare parts	58.741	148.149
Other	106.433	142.179
	1.873.663	**1.914.981**
Allowance for impairment on inventory (-)	(34.056)	(31.530)
Total	**1.839.607**	**1.883.451**

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The movement table of allowance for impairment on inventory is as follows:

	2014	2013
1 January	31.530	23.127
Effects of change in consolidation method due to acquisition shares	-	6.222
Charge for the period	13.725	12.689
Provision used	(11.199)	(10.508)
31 December	**34.056**	**31.530**

NOTE 11-PREPAID EXPENSES AND DEFERRED INCOME

Short-term prepaid expenses:	**31 December 2014**	**31 December 2013**
Prepaid expenses	283.655	306.039
Advances given for inventory purchases	4.367	22.860
Other	1.461	3.799
Total	**289.483**	**332.698**

Long-term prepaid expenses:	**31 December 2014**	**31 December 2013**
Advances given for property, plant and equipment purchases	23.186	28.963
Prepaid expenses	4.370	3.855
Other	-	200
Total	**27.556**	**33.018**

Short-term deffered income:	**31 December 2014**	**31 December 2013**
Unearned commission income	82.121	257.160
Advances received	29.732	61.475
Deferred income	11.760	3.865
Other	528	141
Total	**124.141**	**322.641**

Long-term deffered income:	**31 December 2014**	**31 December 2013**
Unearned commission income	149.244	66.683
Total	**149.244**	**66.683**

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NOTE 12-INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Book value of Associates and Joint Ventures is as follows:

	31 December 2014	Share (%)	31 December 2013	Share (%)
Aksigorta	141.171	36,00	179.323	36,00
Avivasa (*)	164.761	41,28	118.810	49,83
Brisa	263.707	43,63	248.025	43,63
Akçansa	385.688	39,72	344.716	39,72
Enerjisa	4.214.024	50,00	3.840.575	50,00
Philsa	212.964	25,00	204.542	25,00
Philip Morrissa	32.124	24,75	37.829	24,75
Temsa Mısır	(12.714)	73,75	(12.921)	73,75
Temsa İş Makineleri (**)	85.092	24,84	-	-
Total	**5.486.817**		**4.960.899**	

(*) After the transactions to maintain price stability, net 8,55% of the shares of Avivasa (shares with a nominal value of TL 3.060), which is included in the Group portfolio with 49,83% share have been offered to the public on 13 November 2014. The sale transaction has been realized as TL 47 per share base price. As a result of this transaction, allocation of 12,43% to domestic individual investors, 17,57% to domestic corporate investors and 70% to forein corporate investors has been realized. Total consideration of TL 165 Million has been received, whereas TL 127 Million profit has been realized (Note 26).
(**) The share transfer agreement to sell the shares of Temsa İş Makineleri A.Ş., the subsidiary of Temsa Global, representing 49% of the total capital of the entity to Japon Marubeni Corporation, has been signed on 3 March 2014. The majority of the shareholding will remain at Temsa Global by 51% ownership. The transfers of shares have been executed on 28 April 2014. As of this date, Company is accounted through equity method in the consolidated financial statements.

Share of income from Associates and Joint Ventures included in Holding's consolidated net income is as follows:

	31 December 2014	31 December 2013
Aksigorta	(18.081)	57.809
Avivasa	59.431	30.209
Brisa	81.366	62.982
Carrefoursa (Note 3)	-	(16.479)
Akçansa	93.251	59.268
Enerjisa	(83.345)	(233.771)
Philsa	145.637	153.640
Philip Morrissa	37.374	49.979
Temsa Mısır	856	(12.220)
Temsa İş Makineleri	1.884	-
Total	**318.373**	**151.417**

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The summary financial information of Associates and Joint Ventures is as follows:

	31 December 2014		31 December 2013	
	Total assets	Total liabilities	Total assets	Total liabilities
Aksigorta	2.041.572	1.649.430	1.894.896	1.397.290
Avivasa	1.158.048	824.339	957.446	719.501
Brisa	1.650.825	1.046.408	1.418.146	849.673
Akçansa	1.432.591	448.658	1.361.387	480.380
Enerjisa	24.276.096	15.846.599	23.386.619	15.705.547
Philsa	2.772.704	1.920.849	2.515.535	1.697.366
Philip Morrissa	1.151.274	1.021.482	1.087.898	935.056
Temsa Mısır	24.533	41.772	27.208	44.728
Temsa İş Makineleri	268.095	141.461	-	-
Total	**34.775.738**	**22.940.998**	**32.649.135**	**21.829.541**

Sales

	1 January-31 December 2014	1 January-31 December 2013
Aksigorta	1.713.615	1.526.138
Avivasa	258.315	232.888
Brisa	1.693.498	1.489.492
Carrefoursa	-	1.196.127
Akçansa	1.410.850	1.202.225
Enerjisa	10.982.258	6.698.103
Philsa(*)	15.008.770	13.595.790
Philip Morrissa	14.979.340	13.879.686
Temsa Mısır	750	1.545
Temsa İş Makineleri	403.250	-

(*) Philsa, which is a manufacturing company, conducts its sales activities through Philip Morrissa, which is a marketing company.

Net profit/(loss) for the year

	1 January-31 December 2014	1 January-31 December 2013
Aksigorta	(50.226)	160.581
Avivasa	120.920	60.624
Brisa	186.491	144.355
Carrefoursa	-	(42.493)
Akçansa	250.262	159.548
Enerjisa	(166.690)	(467.542)
Philsa	582.549	614.558
Philip Morrissa	151.004	201.934
Temsa Mısır	856	(16.569)
Temsa İş Makineleri	8.087	-

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NOTE 13-INVESTMENT PROPERTY

The movements in investment property, for the years ended 31 December 2014 and 2013 are as follows:

	1 January 2014	Additions	Disposals	Impairment	Transfers	Currency translation differences	Assets classified as held for sale	31 December 2014
Cost:								
Land	215.206	-	(6.374)	-	-	-	(3.706)	205.126
Building	174.207	4.689	(19.667)	-	93	-	(4.246)	155.076
Total	**389.413**	**4.689**	**(26.041)**	**-**	**93**	**-**	**(7.952)**	**360.202**
Accumulated deprecition								
Buildings	(40.625)	(5.130)	2.723	3.842	-	1.048	3.722	(34.420)
Net book value	**348.788**							**325.782**

	1 January 2013	Additions (*)	Disposals	Impairment	Transfers	Currency translation differences	Change in ownership due to acquisition of shares	31 December 2013
Cost:								
Land	116.873	-	(1.895)	-	-	-	100.228	215.206
Building	751	69.424	-	-	36.993	-	67.039	174.207
Total	**117.624**	**69.424**	**(1.895)**	**-**	**36.993**	**-**	**167.267**	**389.413**
Accumulated deprecition								
Buildings	(12.127)	(1.895)	-	-	-	2.757	(29.360)	(40.625)
Net book value	**105.497**							**348.788**

(*) TL 190 of the additions include the depreciation expense of SASA which is presented in discontinued operations.

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NOTE 14-PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment for the year ended 31 December 2014 is as follows:

	1 January 2014	Currency translation differences	Additions	Disposals	Transfers (*)	Impairment	Transfers to non-current assets held for sale	Change in consolidation method due to acquisition of shares (**)	Disposal of subsidiaries (***)	31 December 2014
Cost:										
Land and land improvements	565.916	912	76.471	(17.549)	2.619	-	(23.087)	-	(3.752)	601.530
Buildings	2.351.394	11.601	48.703	(21.351)	(6.095)	-	(66.184)	-	(24.628)	2.293.440
Machinery and equipment	2.933.715	42.227	81.853	(49.548)	151.205	(2.019)	(388.560)	(665)	(58.041)	2.710.167
Motor vehicles	197.188	(9.795)	17.496	(24.235)	15.993	-	(1.780)	(86.061)	(576)	108.230
Furniture and fixtures	2.233.971	(5.229)	260.902	(93.045)	67.427	(10.402)	(5.682)	(1.695)	(1.780)	2.444.467
Total	**8.282.184**	**39.716**	**485.425**	**(205.728)**	**231.149**	**(12.421)**	**(476.803)**	**(88.421)**	**(88.777)**	**8.157.834**
Construction in progress	**209.008**	**2.273**	**287.655**	**(2.128)**	**(285.543)**	**-**	**(10.673)**	**-**	**(2.792)**	**197.800**
Total	**8.491.192**	**41.989**	**773.080**	**(207.856)**	**(54.394)**	**(12.421)**	**(495.966)**	**(88.421)**	**(91.569)**	**8.355.634**
Accumulated depreciation:										
Land and land improvements	(213.407)	(747)	(6.610)	423	-	-	5.366	-	-	(214.975)
Buildings	(832.645)	(7.051)	(61.704)	5.892	-	-	41.602	-	6.856	(847.050)
Machinery and equipment	(1.805.938)	(14.822)	(102.874)	35.331	-	15	284.102	446	23.271	(1.580.469)
Motor vehicles	(514.749)	(2.358)	(13.110)	15.244	-	-	1.661	19.963	1.094	(492.255)
Furniture and fixtures	(1.225.621)	1.624	(189.034)	81.073	-	3.854	4.235	969	587	(1.322.313)
Total	**(4.592.360)**	**(23.354)**	**(373.332)**	**137.963**	**-**	**3.869**	**336.966**	**21.378**	**31.808**	**(4.457.748)**
Net book value	**3.898.832**									**3.898.572**

(*) Transfers during the period consists of TL 93 to intangible assets and TL 54.302 to investment property.
(**) The share transfer agreement to sell the shares of Temsa İş Makineleri A.Ş., the subsidiary of Temsa Global, representing 49% of the total capital of the entity to Japon Marubeni Corporation, has been signed on 3 March 2014. The majority of the shareholding will remain at Temsa Global by 51% ownership. The transfers of shares have been executed on 28 April 2014.
(***) A share transfer agreement for Kordsa Argentina S.A. of Kordsa's subsidiaries, one of the subsidiaries of the Group, has been signed on 30 September 2014.

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The movement in property, plant and equipment for the year ended 31 December 2013 is as follows:

	1 January 2013	Currency translation differences	Additions(***)	Disposals	Transfers(*)	Impairment	Transfers from non-current assets held for sale	Transfers to non-current assets held for sale	Change in consolidation method due to acquisition of shares (**)	31 December 2013
Cost:										
Land and land improvements	315.888	1.840	2.257	(2.710)	21.523	(320)	-	(2.299)	229.737	565.916
Buildings	1.970.221	22.513	34.229	(30.235)	48.002	-	105	(32.471)	339.030	2.351.394
Machinery and equipment	2.660.587	165.441	34.070	(11.743)	99.230	-	5.022	(18.892)	-	2.933.715
Motor vehicles	169.324	831	67.171	(41.512)	1.598	-	13	(237)	-	197.188
Furniture and fixtures	1.547.024	4.970	191.180	(140.946)	40.624	-	61	(393)	591.451	2.233.971
Total	**6.663.044**	**195.595**	**328.907**	**(227.146)**	**210.977**	**(320)**	**5.201**	**(54.292)**	**1.160.218**	**8.282.184**
Construction in progress	**174.318**	**7.253**	**175.961**	**(2.150)**	**(265.504)**	**-**	**-**	**(1)**	**119.131**	**209.008**
Total	**6.837.362**	**202.848**	**504.868**	**(229.296)**	**(54.527)**	**(320)**	**5.201**	**(54.293)**	**1.279.349**	**8.491.192**
Accumulated depreciation:										
Land and land improvements	(60.752)	366	(6.890)	242	1	-	-	819	(147.193)	(213.407)
Buildings	(791.900)	(12.775)	(59.918)	24.023	-	-	(43)	7.968	-	(832.645)
Machinery and equipment	(1.632.991)	(78.227)	(115.063)	10.225	(55)	(63)	(4.170)	14.406	-	(1.805.938)
Motor vehicles	(87.947)	(509)	(25.330)	17.201	65	-	(13)	237	(418.453)	(514.749)
Furniture and fixtures	(1.173.870)	(3.446)	(152.458)	132.362	101	(21.889)	(57)	376	(6.740)	(1.225.621)
Total	**(3.747.460)**	**(94.591)**	**(359.659)**	**184.053**	**112**	**(21.952)**	**(4.283)**	**23.806**	**(572.386)**	**(4.592.360)**
Net book value	**3.089.902**									**3.898.832**

(*) Transfers during the period consists of TL 17.381 to intangible assets and TL 36.993 to investment property.

(**) Ownership of the Group on Carrefoursa shares, which has been 38,78% previously, increased by 12% due to "Share Transfer Agreement" dated 30 April 2013 and reached to 50,79%. Accordingly, Carrefour Nederland B.V."s shares decreased from 58,19% to 46,19%. Following the completion of all legal procedures, as of July 2013 official share transfer has been realized. As a result of the purchase transaction, the control of Carrefoursa, has been transferred to Sabancı Holding and therefore consolidated as a subsidiary as of 31 December 2013, whereas it has been consolidated as a joint venture previously. As a result of the acquisition of 12% equity shares of Carrefoursa; in accordance with the Article 17 of the Capital Markets Board's Communique Serial: IV, No: 44, "Principles Regarding the Collection of Corporation Shares Through Takeover Bid", and with the framework of the permit numbered 29833736-110.05.01-2827 of the Capital Markets Board of Turkey dated 26 September 2013, H.Ö Sabancı Holding's call to repurchase of CARFA and CARFB shares owned by other shareholders resulted in its ownership to increase to 50.93%.

(***) TL 18.286 and TL 3.787 of the additions include the depreciation expense of SASA and Kordsa Argentina which are presented in discontinued operations, respectively.

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NOTE 15-INTANGIBLE ASSETS

The movements in intangible assets for the years ended 31 December 2014 and 2013 are as follows:

	1 January 2014	Currency translation differences	Additions	Disposals	Transfers	Subsidiary liquidation	Impairment/ (reversal)	Transfers to non-current assets held for sale	31 December 2014
Cost	**713.034**	**8.123**	**180.184**	**(13.459)**	**54.302**	**(7.387)**	**(2)**	**(12.847)**	**921.948**
Accumulated amortisation (-)	(407.276)	3.324	(98.796)	7.200	-		(83)	9.982	(485.649)
	305.758								
Net book value									**436.299**

	1 January 2013	Currency translation differences	Additions[(**)]	Disposals	Transfers	Subsidiary liquidation	Impairment/ (reversal)	Change in shareholding structure by the effect of share purchases [(*)]	31 December 2013
Cost	**542.061**	**12.816**	**118.135**	**(17.840)**	**17.381**	**-**	**-**	**"**	**713.034**
Accumulated amortisation (-)	(290.212)	(5.324)	(74.791)	1.569	-	-	(38)	(38.480)	(407.276)
Net book value	**251.849**								**305.758**

[(*)] Ownership of the Group on Carrefoursa shares, which has been 38,78% previously, increased by 12% due to "Share Transfer Agreement" dated 30 April 2013 and reached to 50,79%. Accordingly, Carrefour Nederland B.V."s shares decreased from 58,19% to 46,19%. Following the completion of all legal procedures, as of July 2013 official share transfer has been realized. As a result of the purchase transaction, the control of Carrefoursa, has been transferred to Sabancı Holding and therefore consolidated as a subsidiary as of 31 December 2013, whereas it has been consolidated as a joint venture previously.

[(**)] TL 1.680 and TL 285 of the additions include the amortization expense of SASA and Kordsa Argentina which are presented in discontinued operations, respectively.

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NOTE 16-GOODWILL

The movements in goodwill for the years ended 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
1 January	478.935	181.644
Change in scope of consolidation (Note 3) (*)	-	360.790
Provision for impairment	-	(63.499)
Total	**478.935**	**478.935**

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to operating segment. An operating segment-level summary of the goodwill allocation is presented below:

	31 December 2014	31 December 2013
Cement	155.323	155.323
Retail	297.291	297.291
Industry	26.321	26.321
Total	**478.935**	**478.935**

(*) Ownership of the Group on Carrefoursa shares, which has been 38,78% previously, increased by 12% due to "Share Transfer Agreement" dated 30 April 2013 and reached to 50,79%. Accordingly, Carrefour Nederland B.V."s shares decreased from 58,19% to 46,19%. Following the completion of all legal procedures, as of July 2013 official share transfer has been realized. As a result of the purchase transaction, the control of Carrefoursa, has been transferred to Sabancı Holding and therefore consolidated as a subsidiary as of 31 December 2013, whereas it has been consolidated as a joint venture previously. As a result of the acquisition of 12% equity shares of Carrefoursa; in accordance with the Article 17 of the Capital Markets Board's Communique Serial: IV, No: 44, "Principles Regarding the Collection of Corporation Shares Through Takeover Bid", and with the framework of the permit numbered 29833736-110.05.01-2827 of the Capital Markets Board of Turkey dated 26 September 2013, H.Ö Sabancı Holding's call to repurchase of CARFA and CARFB shares owned by other shareholders resulted in its ownership to increase to 50.93%.

The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations. These calculations use after tax cash flow projections based on financial budgets approved by management. Cash flows beyond five-year period are projected using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the operating segment in which the CGU operates.

Assumptions used for value in use calculations are as follows:

	Retail	Industry	Cement
Growth rate (**)	7,50%	9,00%	6,00%
Discount rate (***)	15,00%	9,67%	13,97%
Years of used cash flows	until 2019	until 2017	until 2021

(**) Weighted average growth rates used to extrapolate cash flows beyond the budget period.
(***) After tax discount rate applied to the cash flow projections

Management determined gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports.

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NOTE 17 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short term provisions	31 December 2014	31 December 2013
Provision for liabilities	280.219	352.010
Credit bonus provision	*119.070*	*114.587*
Litigation	*60.164*	*96.672*
Uncompensated and not encashed non-cash loans	*66.434*	*52.027*
Onerous contracts	*34.000*	*80.920*
Other short-term provisions	*551*	*7.804*
Other	43.405	96.119
Total	**323.624**	**448.129**

Other long term provisions	31 December 2014	31 December 2013
Provision for liabilities	4.890	3.921
Other long-term provisions	*4.890*	*3.921*
Total	**4.890**	**3.921**

Commitments – Banking segment	31 December 2014	31 December 2013
Letters of guarantee given	20.827.862	16.974.742
Letters of credit	5.259.940	6.030.755
Foreign currency acceptance	1.130.533	1.705.986
Other guarantees given	3.119.945	3.144.150
Total	**30.338.280**	**27.855.633**

Commitments – Non-banking segment	31 December 2014	31 December 2013
Letters of guarantee given	283.323	548.596
Other guarantees given	176.650	377.581
Collateral notes given	-	35
Mortgages, guarantees and pledges for tangible assets	10.302	94.565
Total	**470.275**	**1.020.777**

Commitments for resale and repurchase of debt securities:

Commitments for the resale and repurchase of debt securities (government bonds, treasury bills and Eurobonds) at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
Repurchase commitments	28.215.166	23.003.288
Resale commitments	700.215	-

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Commitments to forward currency purchase/sale and swap transactions

Transactions for held for trading

	31 December 2014	31 December 2013
Foreign currency purchases	4.217.615	5.833.256
Foreign currency sales	4.308.110	5.804.606
Total	**8.525.725**	**11.637.862**

	31 December 2014	31 December 2013
Currency swap purchases	29.345.571	24.038.821
Currency swap sales	25.070.191	22.572.098
Interest swap purchases	19.299.989	18.109.785
Interest swap sales	19.299.989	18.109.785
Total	**93.015.740**	**82.830.489**

	31 December 2014	31 December 2013
Spot purchases	4.568.209	4.544.293
Spot sales	4.543.227	4.553.556
Total	**9.111.436**	**9.097.849**

	31 December 2014	31 December 2013
Currency, interest and securities options purchases	27.014.182	30.912.645
Currency, interest and securities options sales	27.000.352	30.790.492
Total	**54.014.534**	**61.703.137**

	31 December 2014	31 December 2013
Future purchases	3.263	5.229
Future sales	95.275	70.213
Total	**98.538**	**75.442**

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	31 December 2014	31 December 2013
Other purchase transactions	1.138.539	202.181
Other sales transactions	5.128.421	1.322.316
Total	**6.266.960**	**1.524.497**

Derivative transactions for hedging:

	31 December 2014	31 December 2013
Interest swap purchases	3.816.116	3.387.336
Interest swap sales	3.816.116	3.387.336
Total	**7.632.232**	**6.774.672**

	31 December 2014	31 December 2013
Foreign currency purchases	-	54.054
Foreign currency sales	95.150	169.278
Total	**95.150**	**223.332**

	31 December 2014	31 December 2013
Currency swap purchases	1.128.590	3.102.178
Currency swap sales	878.044	2.640.102
Total	**2.006.634**	**5.742.280**

The maturity analysis of the off-balance sheet assets of the Banking segment at 31 December 2014 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees given	2.249.733	18.578.129	20.827.862
Letters of credits	3.909.440	1.350.500	5.259.940
Acceptance credits	1.089.463	41.070	1.130.533
Other guarantees	1.326.325	1.793.620	3.119.945
Total	**8.574.961**	**21.763.319**	**30.338.280**

The maturity analysis of the off-balance sheet assets of the Banking segment at 31 December 2013 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees given	2.253.468	14.721.274	16.974.742
Letters of credits	4.730.953	1.299.802	6.030.755
Acceptance credits	1.652.958	53.028	1.705.986
Other guarantees	1.266.886	1.877.263	3.144.149
Total	**9.904.265**	**17.951.367**	**27.855.632**

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On 22 January 2013, Exsa, a subsidiary of the Group, is subjected to a tax penalty statement due to the corporate tax calculation in 2010 with an additional tax amounting to TL 39 million and its penalty amounting to TL 58 million. The main comment at the tax investigation report in accordance with the penalty is related to the spin-off transaction that took part in 2010 which was previously subjected to another investigation report in 2011. Regarding to that report in 2011, the Company has already reached a reconcilement with the Ministry of Finance. On 22 January 2013, the Company applied to the Ministry of Finance to reach a reconciliation settlement according to the same issue and the same year but no reconciliation was provided. The Company filed a lawsuit related to this matter. Exsa management did not allow any provision in the financial statements for period ended on 31 December 2014 taking into account the legal advisors‟ and tax experts‟ opinions stating that the final legal process has not yet been completed and the uncertainty about the tax penalty and is still continuing.

Aksigorta, one of the Group's joint ventures, has been subjected to tax investigation in 2012 regarding corporate tax calculation of the year 2010 and additional tax amounting to TL 61 million and its penalty amounting to TL 91 million has been charged to the Company at 4 February 2013. The tax investigation was related to the spin-off transaction which was subject to tax investigation in 2010. Upon reconcilement with the Ministry of Finance, adjustments have been made on the tax burden and the inter-related tax penalty that have been charged to the Company in 2010, amounting to TL 102 and TL 152 million respectively, where the tax penalty has been waived and the total tax burden of TL 102 million has been decreased to TL 9 million and paid in 2011. Aksigorta appealed for a reconciliation settlement process to Ministry of Finance on 4 March 2013. No reconciliation was provided in the meeting held between Aksigorta and the Ministry of Finance Central Reconciliation Commission on 10 October 2013 and Aksigorta filed a lawsuit by the Tax Court as of 24 October 2013. The related case won appealed by revenue administration at 15 October 2014. Judiciary process is going on as of balance sheet date. Aksigorta management has not booked any provision on financial statements as of 31 December 2014 in case of the opinions of judical advisers and tax experts considering the uncertainty and the judiciary process whish is not finalized yet.

The economic sector risk concentrations of the commitments of the Banking segment at 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
Financial institutions	4.748.550	4.641.088
Construction	2.902.968	2.746.189
Chemicals	3.702.554	3.921.747
Wholesale	6.717.649	6.548.609
Small-scale retailers	3.776.343	2.229.458
Steel and mining	1.890.713	1.711.456
Food and beverage	518.647	661.056
Electricity, gas and water	1.449.108	819.191
Automotive	491.561	418.084
Other manufacturing	1.205.349	526.743
Electronics	534.112	573.711
Textile	747.155	581.914
Transportation	306.910	315.837
Telecommunications	64.651	201.480
Tourism	154.319	348.467
Agriculture and forestry	87.355	92.939
Other	1.040.336	1.517.663
Total	**30.338.280**	**27.855.632**

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NOTE 18-COMMITMENTS

Collaterals, pledges and mortgages ("CPM") given by the Subsidiaries at 31 December 2014 is as follows:

	31 December 2014				
	Total TL Equivalent	TL	USD	EUR	Other
A, Total amount of the Collaterals given for its own legal entity	657.100	169.144	155.196	44.395	2.846
B, Collaterals given on behalf of fully consolidated companies	1.960.313	1.551.651	51.513	94.717	22.039
C, Collaterals given on behalf of the third parties'debt for continuation of their economic activities	30.338.280	13.286.518	5.003.556	1.831.318	283.420
D,Total amount of other Collaterals	-	-	-	-	-
i, Given on behalf of majority shareholder					
ii, Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii, Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Colleterals	**32.955.693**	**15.007.313**	**5.210.265**	**1.970.430**	**308.305**
A, Total amount of the mortgages given for its own legal entity	-	-	-	-	-
B, Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C, Mortgages given on behalf of third parties'debt for continuation of their economic activities	-	-	-	-	-
D,Total amount of other Mortgages					
i, Given on behalf of majority shareholder	-	-	-	-	-
ii, Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii, Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Mortgages	**-**	**-**	**-**	**-**	**-**
A, Total amount of the pledges given for its own legal entity	-	-	-	-	-
B, Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C, Pledges given on behalf of third parties'debt for continuation of their economic activities	-	-	-	-	-
D, Total amount of other Pledges					
i, Given on behalf of majority shareholder	-	-	-	-	-
ii, Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii, Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	**-**	**-**	**-**	**-**	**-**

As of 31 December 2014, the the ratio of other CPMs given by the Group to the equity is 0,45%.

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Collaterals, pledges and mortgages ("CPM") given by the Joint Ventures at 31 December 2014 is as follows:

	31 December 2014				
	Total TL Equivalent	TL	USD	EUR	Other
A, Total amount of the Collaterals given for its own legal entity	1.513.599	1.373.431	59.948	409	-
B, Collaterals given on behalf of fully consolidated companies	625.557	625.500	25	-	-
C, Collaterals given on behalf of the third parties'debt for continuation of their economic activities	15	12	1	-	-
D, Total amount of other Collaterals	231	231	-	-	-
i, Given on behalf of majority shareholder					
ii, Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii, Given on behalf of third parties which are not in scope of C	231	231	1	-	-
Total Colleterals	**2.139.402**	**1.999.174**	**59.974**	**409**	**-**
A, Total amount of the mortgages given for its own legal entity	-	-	-	-	-
B, Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C, Mortgages given on behalf of third parties'debt for continuation of their economic activities	-	-	-	-	-
D, Total amount of other Mortgages					
i, Given on behalf of majority shareholder	-	-	-	-	-
ii, Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii, Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Mortgages	**-**	**-**	**-**	**-**	**-**
A, Total amount of the pledges given for its own legal entity	-	-	-	-	-
B, Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C, Pledges given on behalf of third parties'debt for continuation of their economic activities	-	-	-	-	-
D, Total amount of other Pledges					
i, Given on behalf of majority shareholder	-	-	-	-	-
ii, Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii, Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	**-**	**-**	**-**	**-**	**-**

As of 31 December 2014, the the ratio of other CPMs given by the Group to the equity is 0,03%.

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Collaterals, pledges and mortgages ("CPM") given by the Subsidiaries at 31 December 2013 is as follows:

	31 December 2013				
	Total TL Equivalent	**TL**	**USD**	**EUR**	**Other**
A, Total amount of the Collaterals given for its own legal entity	936.658	297.738	255.171	30.270	5.421
B, Collaterals given on behalf of fully consolidated companies	2.546.322	2.225.773	70.090	13.498	131.318
C, Collaterals given on behalf of the third parties'debt for continuation of their economic activities	27.855.633	10.823.407	4.730.847	2.274.465	256.212
D, Total amount of other Collaterals	-	-	-	-	-
i, Given on behalf of majority shareholder	-	-	-	-	-
ii, Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii, Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Colleterals	**31.338.613**	**13.346.918**	**5.056.108**	**2.318.233**	**392.951**
A, Total amount of the mortgages given for its own legal entity	87.224	-	16.507	17.706	-
B, Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C, Mortgages given on behalf of third parties'debt for continuation of their economic activities	-	-	-	-	-
D,Total amount of other Mortgages					
i, Given on behalf of majority shareholder	-	-	-	-	-
ii, Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii, Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Mortgages	**87.224**	**-**	**16.507**	**17.706**	**-**
A, Total amount of the pledges given for its own legal entity	-	-	-	-	-
B, Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C, Pledges given on behalf of third parties'debt for continuation of their economic activities	-	-	-	-	-
D, Total amount of other Pledges					
i, Given on behalf of majority shareholder	-	-	-	-	-
ii, Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii, Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	**-**	**-**	**-**	**-**	**-**

As of 31 December 2013, the ratio of other CPMs given by the Group to the equity is 0%.

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Collaterals, pledges and mortgages ("CPM") given by the Joint Ventures at 31 December 2013 is as follows;

	31 December 2013				
	Total TL Equivalent	**TL**	**USD**	**EUR**	**Other**
A, Total amount of the Collaterals given for its own legal entity	287.232	171.381	54.087	141	-
B, Collaterals given on behalf of fully consolidated companies	16.305	16.194	-	-	-
C, Collaterals given on behalf of the third parties'debt for continuation of their economic activities	27	22	2	-	-
D, Total amount of other Collaterals	4.016	4.016	-	-	-
i, Given on behalf of majority shareholder	-	-	-	-	-
ii, Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii, Given on behalf of third parties which are not in scope of C	4.016	4.016	-	-	-
Total Colleterals	**307.580**	**191.613**	**54.089**	**141**	**-**
A, Total amount of the mortgages given for its own legal entity	-	-	-	-	-
B, Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C, Mortgages given on behalf of third parties'debt for continuation of their economic activities	-	-	-	-	-
D, Total amount of other Mortgages					
i, Given on behalf of majority shareholder	-	-	-	-	-
ii, Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii, Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Mortgages	**-**	**-**	**-**	**-**	**-**
A, Total amount of the pledges given for its own legal entity	-	-	-	-	-
B, Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C, Pledges given on behalf of third parties'debt for continuation of their economic activities	-	-	-	-	-
D, Total amount of other Pledges					
i, Given on behalf of majority shareholder	-	-	-	-	-
ii, Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii, Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	**-**	**-**	**-**	**-**	**-**

As of 31 December 2013, the ratio of other CPMs given by the Group to the equity is 0,013%.

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NOTE 19 – EMPLOYEE BENEFITS

Payables related to employee benefits:

	31 December 2014	31 December 2013
Payables to personnel	18.174	24.112
Social security premiums payable	20.709	21.134
Other	1.331	1.932
Total	**40.214**	**47.178**

Short-term provision for employee benefits:

	31 December 2014	31 December 2013
Unused vacation pay provision	75.396	65.903
Bonus provision	22.064	16.851
Other	105.549	82.713
Total	**203.009**	**165.467**

Long-term provision for employee benefits:

	31 December 2014	31 December 2013
Unused vacation pay provision	2.130	1.843
Bonus provision	-	1.019
Provision for employment termination benefits	165.236	162.547
Other	12.638	7.910
Total	**180.004**	**173.319**

Provision for retirement pay liability:

Under Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or achieves the retirement age. Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. At 31 December 2014, the amount payable consists of one month's salary limited to a maximum of TL 3 (31 December 2013: TL 3) for each year of service.

There are no agreements for pension commitments other than the legal requirement as explained above.

The liability is not funded, as there is no funding requirement.

The reserve has been calculated by estimating the present value of the future probable obligation of the Holding arising from the retirement of the employees. TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly actuarial assumptions were used in the calculation of the total liability as these actuarial assumptions apply to each individual company's defined benefit plan and legal framework in which those companies operate.

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The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2014, the provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. However the discount rate used in the calculation of the provisions differs for each subsidiary and associate, the average discount rate is 3,30% at the respective balance sheet date (31 December 2013: 4,28%). Severance pay ceiling is revised semi-annually. 3 TL severance pay ceiling, which is effective on 1 January 2014, has been considered in the provision for employment termination benefits calculations of the Group.

Movements in the provision for employment termination benefits for the years ended 31 December 2014 and 2013 are as follows:

	2014	2013
1 January	162.547	133.963
Change in consolidation method due to acquisition of shares	-	30.655
Charge for the period	56.356	56.318
Payments	(51.738)	(55.230)
Interest cost	2.246	1.722
Foreign currency translation adjustments	(21)	89
Business combinations	(17.244)	-
Actuarial (gains)/losses	13.090	(4.970)
31 December	**165.236**	**162.547**

NOTE 20-OTHER ASSETS AND LIABILITIES

Other Current Assets	31 December 2014	31 December 2013
Cheques in clearance	462.917	407.406
Deductible, deferred and other VAT	65.109	95.638
Other	91.263	127.261
Total	**619.289**	**630.305**

Other Non-Current Assets	31 December 2014	31 December 2013
Long term tax claims and other legal receivables	5.157	5.157
Deductible, deferred and other VAT	12.990	62.793
Other non-current assets	6.672	5.450
Total	**24.819**	**73.400**

Other Short Term Liabilities	31 December 2014	31 December 2013
Cheques in clearance	905.937	744.734
Saving deposits insurance	38.033	33.975
Other short term liabilities	380.806	291.998
Total	**1.324.776**	**1.070.707**

Other Long Term Liabilities	31 December 2014	31 December 2013
Other long term liabilities	2.516	2.992
Total	**2.516**	**2.992**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 21-EQUITY

The Holding's authorised and issued capital consists of 204.040.393.100 (31 December 2013: 204.040.393.100) shares of Kr 1 each.

The Holding's authorised and paid-in share capital and shareholding structure at 31 December 2014 and 2013 is as follows:

Shareholders:	Share (%)	31 December 2014	Share (%)	31 December 2013
Sakıp Sabancı Holding A.Ş.	14,07	287.100	14,07	287.100
Serra Sabancı	7,21	147.160	7,21	147.160
Suzan Sabancı Dinçer	6,94	141.567	6,94	141.567
Çiğdem Sabancı Bilen	6,94	141.567	6,94	141.567
Other	64,84	1.323.010	64,84	1.323.010
Share capital	**100,00**	**2.040.404**	**100,00**	**2.040.404**
Share premium		**21.670**		**21.670**

Restricted Reserves

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Holding‟s paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

Furthermore, to be entitled to the exemption for sale of participation shares and property, 75% of related gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. Based on the exemption for sale of participation shares and property, 75% of the related gain is required to be held in account "gain on sale of subsidiaries". In 2012, related to the initial public offering of Teknosa, Holding accounted for 75% of this gain in this account.

The details of restricted reserves mentioned above are as follows:

	31 December 2014	31 December 2013
Legal reserves	522.338	592.909
Investments sales income	333.369	333.369
Total	**855.707**	**926.278**

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Dividend Distribution

Public companies distribute profit in accordance with Profit Share Communique no II-19.1 issued by CMB effective from 1 February 2014.

Furthermore, Group companies that are obliged to prepare consolidated financial statements based on the related decision of General Assembly, are permitted to calculate net distributable profits based upon the net income for the period presented on consolidated financial statements that have been prepared within the framework of TAS/TFRS.

Accumulated Other Comprehensive Income or Loss to be Reclassified to Profit or Loss

	Fair Value Revaluation Fund	Cash Flow Hedge Fund	Net Investment Hedge Fund	Currency translation differences
Balance as of 1 January 2013	**690.155**	**(189.176)**	**(34.210)**	**145.286**
Increases/(decreases) during the period	(1.229.581)	32.975	(43.193)	113.436
Gains transferred to income statement	(318.474)	25.091	-	-
Change of rate	-	-	-	-
Net gains & losses included in the income statement due to transfer of available for sale financial assets into held to maturity assets	(4.757)	-	-	-
Tax effect	310.587	(11.617)	8.639	-
Balance as of 31 December 2013	**(552.070)**	**(142.727)**	**(68.764)**	**258.722**
Balance as of 1 January 2014	**(552.070)**	**(142.727)**	**(68.764)**	**258.722**
Increases/(decreases) during the period	846.947	7.667	9.615	(50.460)
Gains transferred to income statement	(244.311)	10.866	-	
Company liquidation	-	-	-	(24.324)
Net gains & losses included in the income statement due to transfer of available for sale financial assets into held to maturity assets	(32.587)	-	-	-
Tax effect	(113.887)	(3.709)	(1.923)	-
Balance as of 31 December 2014	**(95.908)**	**(127.903)**	**(61.072)**	**183.938**

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NOTE 22 – ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

1 January – 31 December 2014

The Share Purchase Agreement was signed on 13 January 2015 regarding the sale of all shares in our subsidiary SASA Polyester Sanayi A.Ş with a corresponding to 51% of the share capital of the Company, to Erdemoğlu Holding A.Ş. According the Share Purchase Agreement, the transfer price of our shares in SASA Polyester Sanayi A.Ş, corresponding to 51% of the share capital is million USD 102 excluding adjustment. The transfer price was determined through bargaining negotiations between the parties, remaining part of it will be payable on the closing date. The shares will be transferred upon the approvals of the relevant authorities. As of 31 December 2014 and 2013, the income statement items of SASA has been reclasified to "Discontinued Operations" on the condensed consolidated statement of profit or loss.

Statement of balance sheet of SASA for the period ended 31December 2014 and 2013 is as follows:

Statement of balance sheet

	31 December 2014
Assets	669.890
Liabilities	349.554
Equity	320.336

Statement of profit or loss	1 January- 31 December 2014	1 January- 31 December 2013
Income	1.292.703	1.185.143
Expense	(1.225.615)	(1.180.079)
Net loss before tax	**67.088**	**5.064**
Tax	4.292	1.177
Net profit	**71.380**	**6.241**

Cumulative translation reserves with an amount of 15.715 TL related with the loss occurred due to the excluding of Kordsa Arjantin S.A. financial statements from the Korsa Global consolidated financial statements, one of the subsidiary of the Group, calculated on financial statements and presented under equity is included in period income at current year.

Cumulative translation reserves with an amount of 10.981 TL calculated on financial statements and presented under equity related with the liquidation of Korsa Global's subsidiary Kordsa Qingdao Nylon Enterprise ("KQNE"), one of the subsidiary of the Group, is included in period income at current year.

Due to the sale desicion of the land taken by the board which has owned by Kordsa Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş.'s associate Nile Kordsa, one of the Group's subsidiary, the amount of 4.385 TL reclassified under assets held fo sale at financial statements.

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1 January – 31 December 2013

Real estate of Temsa Global located in Adapazarı and are expected to be sold within 12 months, are transferred to non-current assets held for sale and presented separately in the financial statements. No impairment loss has been provided for since it is expected that the income from the sale will be higher than the carrying amount. The net book value of the real estate, which has been classified as asset held for sale is TL 23.395.

Property, plant and equipment with a net book value of TL 6.573 has been classified to non-current assets held for sale since SASA, which is a subsidiary of the Group, decided to evaluate the sales opportunities of Organized Industrial Textile Operation located at Adana Hacı Sabancı Organized Industrial Zone.

NOTE 23 – REVENUE AND COST OF SALES

Revenue

	1 January- 31 December 2014	1 January- 31 December 2013
Domestic sales	9.703.865	7.668.209
Foreign sales	1.249.033	1.184.277
Less: Discounts	(435.388)	(395.002)
Total	**10.517.510**	**8.457.484**

Cost of sales

	1 January- 31 December 2014	1 January- 31 December 2013
Cost of raw materials and merchandises	6.964.315	5.675.398
Change in finished good work in process inventory and	124.110	10.901
Depreciation and amortisation	168.283	168.336
Personnel expenses	274.296	229.437
Other	825.836	828.434
Total	**8.356.840**	**6.912.506**

NOTE 24-EXPENSES BY NATURE

Research and development expenses:

Allocation of research and development expenses on nature basis for the years ended 31 December 2014 and 2013 are as follows:

	1 January- 31 December 2014	1 January- 31 December 2013
Personnel expenses	2.473	3.167
Depreciation and amortisation	1.316	1.436
Consultancy expenses	257	355
Repair and maintenance expenses	49	75
Other	438	5.429
Total	**4.533**	**10.462**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

Marketing, selling and distribution expenses:

Allocation of marketing, selling and distribution expenses on nature basis for the years ended 31 December 2014 and 2013 are as follows:

	1 January-31 December 2014	1 January-31 December 2013
Personnel expenses	417.644	253.325
Rent expenses	285.838	173.503
Transportation, logistic and distribution expenses	88.748	78.455
Depreciation and amortisation	66.761	72.801
Advertisement expenses	64.722	72.445
Consultancy expenses	43.607	27.880
Outsourced services	24.037	3.301
Maintenance and repair expenses	23.021	16.590
Energy expenses	22.856	14.426
Insurance expenses	6.072	3.230
Material costs	3.424	2.123
Communication expenses	1.994	1.560
Other	180.620	93.059
Total	**1.229.344**	**812.698**

General administrative expenses:

Allocation of general administrative expenses on nature basis for the years ended 31 December 2014 and 2013 are as follows:

	1 January-31 December 2014	1 January-31 December 2013
Personnel expenses	1.682.585	1.582.957
Credit card and banking service expenses	438.302	412.006
Consultancy expenses	230.828	147.159
Depreciation and amortisation	197.679	191.457
Taxes and duties	189.709	190.308
Repair and maintenance expenses	181.019	183.003
Insurance expenses	148.703	129.948
Communication expenses	129.123	109.858
Advertisement expenses	109.370	122.311
Energy expenses	48.463	50.777
Material expenses	20.060	12.313
Outsourced services	12.176	31.415
Other	1.013.787	716.594
Total	**4.401.804**	**3.880.106**

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NOTE 25 – OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for the years ended 31 December 2014 and 2013 are are as follows:

	1 January- 31 December 2014	1 January- 31 December 2013
Foreign currency gains resulting from operations	199.442	236.801
Interest income	5.118	2.926
Due date income from trade receivables	35.727	20.194
Other income	574.253	405.162
Total	**814.540**	**665.083**

The details of other expenses from operating activities for the years ended 31 December 2014 and 2013 are are as follows:

	1 January- 31 December 2014	1 January- 31 December 2013
Foreign currency losses resulting from operations	211.587	145.663
Due date expense from trade payables	87.528	25.641
Provision expense	30.596	206.945
Other expenses	80.024	123.859
Total	**409.735**	**502.108**

NOTE 26 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income from investing activities

The details of other income from investing activities for the years ended 31 December 2014 and 2013 are are as follows:

	1 January- 31 December 2014	1 January- 31 December 2013
Interest income:		
Time deposit	2.344	1.607
Dividend income	1.424	4.998
Gain on sale of fixed assets	115.369	25.337
Gain on sale of shares of joint ventures (*)	147.152	5.883
Other	25.132	302
Total	**291.421**	**38.127**

(*) After the transactions to maintain price stability, net 8,55% of the shares of Avivasa which is included in the Group portfolio with 49,83% share have been sold. Total consideration of TL 165 Million has been received, whereas TL 127 Million profit has been realized. The shares of Temsa İş Makineleri A.Ş., the subsidiary of Temsa Global, representing 49% of the total capital of the entity to has been transferred Japanese Marubeni Corporation. As a result of the transaction, TL 20 Million profit has been realized.

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Investment revenue earned on financial assets, analyzed by category of assets, is as follows:

	1 January- 31 December 2014	1 January- 31 December 2013
Held to maturity investments	-	1.967
Total	**-**	**1.967**

Expenses from investing activities

The details of other expenses from investing activities for the years ended 31 December 2014 and 2013 are are as follows:

	1 January- 31 December 2014	1 January- 31 December 2013
Loss on sale of fixed assets	2.090	2.813
Other	-	391
Total	**2.090**	**3.204**

NOTE 27 – FINANCE INCOME/EXPENSES

	1 January- 31 December 2014	1 January- 31 December 2013
Financial income		
Foreign currency gains	52.605	11.595
Other	1.360	-
Total	**53.965**	**11.595**
Financial expenses		
Foreign currency losses	50.593	71.440
Interest expense	97.246	72.464
Other financial expenses	35.052	26.195
Total	**182.891**	**170.099**

Financial income and financial expenses relate to segments other than banking.

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NOTE 28-TAX ASSETS AND LIABILITIES

	31 December 2014	31 December 2013
Corporate and income taxes payable	1.248.286	449.777
Less: prepaid taxes	(894.696)	(345.649)
Total taxes payable	**353.590**	**104.128**

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

The Corporate Tax Law was amended as of 13 June 2006 with Law No 5520. The majority of the clauses of Law No 5520 are effective as of 1 January 2006. The corporate tax rate of the fiscal year 2014 is 20% (2013: 20%). Corporation tax is payable at a rate of 20% on the total income of the Holding after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, and investment allowance, etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed. Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, except from these corporations" dividends subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations calculate corporate tax quarterly at the rate of 20% on their corporate income and declare it until the 10th day and pay it on the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

There are numerous exemptions in the Corporate Tax Law concerning the corporations. Those related to Group are as follows:

Exemption for participation in subsidiaries

Dividend income from participation in shares of capital of another full-fledged taxpayer corporation (except for dividends from investment funds participation certificates and investment partnerships shares) are exempt from corporate tax.

Preferential right certificate sales and issued premiums exemption

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

Exemption for participation into foreign subsidiaries

The participation income of corporations participating in 10% or more of the capital of a limited liability or joint stock company which does not have its legal or business center in Turkey (except for corporations whose principal activity is financial leasing or by investment of marketable securities) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike, in their country of legal residence or business center at the rate of at least 15% (the corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

Exemption for sale of participation shares and property

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which have remained in assets for more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The proceed related to the sale transaction has to be collected up until the end of the second calendar year following the year the sale was realized.

Brokerage houses and real estate companies who are dealing with the trading and the leasing of the real estate cannot benefit from this exemption.

Exemption for Investment Incentive

The additional paragraph to Provisional Article 69 included in accordance with Law No:6009, which is related to the 25% threshold and requires the incentive amount that will be subject to investment incentive exemption in determining tax base cannot exceed 25% of the respective income, has been revoked based on the ground that it is contrary to the Constitution upon the Constitutional Court's resolution No: E. 2010/93 K. 2012/20 ("stay of execution") issued on 9 February 2012 and published in the Official Gazette No: 28208 on 18 February 2012. The related Constitutional Court's decision was published in the official Gazette No: 28719 as at 26 July 2013.

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The tax charges for comprehensive income statement items for the years ended 31 December 2014 and 2013 are as follows:

	31 December 2014			31 December 2013		
	Before Tax	Tax Charge	After Tax	Before Tax	Tax Charge	After Tax
Net unrealized fair value from available for sale financial assets	2.062.219	412.444	1.649.775	(3.010.424)	(602.085)	(2.408.339)
Net gain on available for sale financial assets transferred to the income statement	(599.241)	(119.848)	(479.393)	(781.149)	(156.230)	(624.919)
Net gain included in the income statement due to transfer of available for sale financial assets into held to maturity assets	(79.929)	(15.986)	(63.943)	(11.669)	(2.334)	(9.335)
Cash flow hedges	44.268	8.854	35.414	114.379	22.876	91.503
Gain/(loss) on net foreign investment hedge	23.584	4.717	18.867	(105.945)	(21.189)	(84.756)
Currency translation differences	(34.911)	-	(34.911)	143.364	-	143.364
Actuarial gains/losses	(18.641)	(3.728)	(14.913)	4.970	994	3.976
Other comprehensive income	**1.397.349**	**286.453**	**1.110.896**	**(3.646.474)**	**(757.968)**	**(2.888.506)**

The reconciliation of the current year tax charge for the years ended 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
Profit before tax	5.246.009	4.699.966
Expected tax charge according to parent company's tax rate %20 (2013: %20)	(1.049.202)	(939.993)
Tax rate differences of subsidiaries	364	-
Expected tax charge of the Group	**(1.048.838)**	**(939.993)**
Revenue that is exempt from taxation	27.603	92.244
Expenses that are not deductible in determining taxable profit	(48.327)	(74.140)
Timing differences not subject to tax	693	(248)
Investment allowance incentives	20.651	-
Exemption of gain on real estate sales	6.031	-
Other	69.964	(25.135)
Current year tax charge of the Group	**(972.223)**	**(947.272)**

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Deferred tax

The Group recognises deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under TAS and their statutory tax financial statements. These differences usually result from the recognition of revenue and expenses in different reporting periods for TAS and tax purposes, carry forward tax losses and investment incentive exceptions. Deferred income taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method using a principal tax rate of 20%.

Since the subsidiaries and joint ventures which are separately taxpayers presented their deferred tax assets and liabilities as net values in their financial statements, the effect of the presentation of the net amounts has been reflected to the Group's consolidated balanse sheet. Temporary differences and deferred tax assets and liabilities presented in the table below are based on the gross values.

At 31 December 2014, the Group has not recognized deferred income tax assets over carry forward tax losses in the amount of TL 66.611 which can be offset against future taxable profits for a period of five years (31 December 2013: TL 69.459). As of 31 December 2014 and 31 December 2013 carry forward tax losses and the latest annual periods are as follows:

	31 December 2014	31 December 2013
2014	1.171	38.201
2015	21.159	-
2016	-	31.258
2017	-	-
2018	44.281	-
Total	**66.611**	**69.459**

The movements in deferred income tax assets/(liabilities) for the years ended at 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
Deferred Tax Assets	477.413	495.383
Deferred Tax Liabilities	(114.976)	(107.706)
31 December	**362.437**	**387.677**

	31 December 2014	31 December 2013
1 January	387.767	94.170
Change in consolidation method due to acquisition of shares	-	46.695
Disposal of subsidiaries	6.971	-
Charged to equity	(242.711)	408.813
Currency translation differences	(3.494)	2.642
Charged to statement of profit or loss	229.008	(165.820)
Transfers to non-current assets held for sale	(1.162)	1.177
31 December	**362.437**	**387.677**

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NOTE 29-DERIVATIVE FINANCIAL INSTRUMENTS

	Fair Value	
Derivative instruments held for trading:	**Asset**	**Liability**
Foreign exchange derivative instruments		
Currency and interest rate swaps purchases and sales	910.205	798.156
Forward currency purchases and sales	45.416	128.910
Currency and interest rate futures purchases and sales	35.922	4.474
Currency options purchases and sales	234.099	248.141
Other	189.458	29.757
Total derivative instruments held for trading	**1.415.100**	**1.209.438**
Derivative instruments held for hedging:		
Currency and interest rate swap purchases and sales	284.541	105.952
Currency options purchases and sales	7.249	93
Total derivative instruments held for hedging	**291.790**	**106.045**
Total derivative instruments	**1.706.890**	**1.315.483**

31 December 2013		
	Fair Value	
Derivative instruments held for trading:	**Asset**	**Liability**
Foreign exchange derivative instruments		
Currency and interest rate swaps purchases and sales	998.700	610.806
Forward currency purchases and sales	205.316	143.100
Currency and interest rate futures purchases and sales	79.013	31.312
Currency options purchases and sales	472.704	394.617
Other purchases and sales	11.137	1.966
Total derivative instruments held for trading	**1.766.870**	**1.181.801**
Derivative instruments held for hedging:		
Currency and interest rate swap purchases and sales	630.177	63.810
Currency options purchases and sales	547	15.588
Total derivative instruments held for hedging	**630.724**	**79.398**
Total derivative instruments	**2.397.594**	**1.261.199**

Akbank and Enerjisa hedge cash flow risk arising from the financial liabilities through the use of interest rate swaps. Within the scope of cash flow hedge accounting, effective portion of the fair value changes of the hedging instrument is recognized under "Hedge Funds" within equity. Akbank also hedges its TL denominated fixed rate financial assets and foreign currency denominated financial liabilities with cross currency swaps.

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NOTE 30-RECEIVABLES FROM FINANCE SECTOR OPERATIONS

a) Banking

Loans and advances to customers	31 December 2014	31 December 2013
Consumer loans and credit cards receivables	42.109.660	41.247.665
Project finance loans	20.348.175	15.943.292
Small-scale enterprises	11.531.705	9.993.406
Health care and social services	1.266.825	6.839.242
Other manufacturing industries	8.819.469	6.031.637
Construction	11.763.192	5.163.172
Financial institutions	9.584.714	3.248.227
Telecommunication	3.607.809	3.167.176
Mining	2.778.317	2.724.094
Chemicals	2.136.492	2.122.150
Textile	3.287.312	2.068.930
Food and beverage, wholesale and retail	2.210.412	1.975.774
Automotive	1.386.585	1.946.653
Tourism	1.975.210	1.546.061
Agriculture and forestry	977.627	649.093
Electronics	445.003	334.895
Other	11.580.646	12.507.430
Non-performing loans	2.330.155	1.676.682
Total loans and advances to customers	**138.139.308**	**119.185.579**
Allowance for loan losses	(4.271.108)	(3.271.943)
Leasing receivables	3.683.321	3.209.509
Net loans and advances to customers	**137.551.521**	**119.123.145**

Effective interest rates of USD, EUR and TL denominated loans and advances to customers are 4,34% p.a. (31 December 2013: 4,67% p.a.), 4,31% p.a. (31 December 2013: 4,34% p.a.) and 12,01% p.a. (31 December 2013: 11,27% p.a.), respectively.

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The movement of loan loss provision of banking segment as of 31 December 2014 by class is as follows:

	Corporate	Commercial	Total
1 January 2014	**1.531.588**	**1.740.355**	**3.271.943**
Gross provisions	786.969	1.321.264	2.108.233
Recoveries	(143.719)	(377.426)	(521.145)
Written-off (*)	(157.997)	(429.926)	(587.923)
31 December 2014	**2.016.841**	**2.254.267**	**4.271.108**

(*) TL 252.200 of the Bank's non-performing loan portfolio were sold to Girişim Varlık Yönetimi A.Ş. at a price of TL 44.000 and TL 250.500 of the Bank's non-performing loan portfolio were sold to Efes Varlık Yönetim A.Ş. at a price of TL 41.000.

The movement of loan loss provision of banking segment as of 31 December 2013 by class is as follows:

	Corporate	Commercial	Total
1 January 2013	**1.143.279**	**1.080.824**	**2.224.103**
Gross provisions	565.974	1.198.872	1.764.846
Recoveries	(98.106)	(285.513)	(383.619)
Written-off	(79.559)	(253.828)	(333.387)
31 December 2013	**1.531.588**	**1.740.355**	**3.271.943**

The maturity schedule of loans and advances to customers at 31 December 2014 and 2013 are summarised below:

	31 December 2014	31 December 2013
Up to 3 months	39.197.718	38.189.764
3 to 12 months	29.014.030	20.047.630
Current	**68.211.748**	**58.237.394**
1 to 5 years	46.566.593	40.061.603
Over 5 years	19.089.859	17.614.639
Non-current	**65.656.452**	**57.676.242**
Total	**133.868.200**	**115.913.636**

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The repricing schedule of loans and advances to customers at 31 December 2014 and 2013 are summarised below:

	31 December 2014	31 December 2013
Up to 3 months	61.015.004	60.545.013
3 to 12 months	31.127.676	20.551.883
1 to 5 years	35.163.779	29.340.965
Over 5 years	6.561.741	5.475.775
Total	**133.868.200**	**115.913.636**

NOTE 31-PAYABLES FROM FINANCE SECTOR OPERATIONS

a) Banking

	31 December 2014			31 December 2013		
	Demand	Time	Total	Demand	Time	Total
Saving deposits	9.349.364	55.693.817	65.043.181	8.414.302	48.197.928	56.612.230
Commercial deposits	9.318.933	29.662.363	38.981.296	8.302.564	32.579.926	40.882.490
Bank deposits	501.286	13.082.116	13.583.402	681.270	10.733.996	11.415.266
Funds provided from repo transactions	-	28.408.773	28.408.773	-	22.898.256	22.898.256
Other	615.793	3.387.864	4.003.657	902.285	1.976.561	2.878.846
Total	**19.785.376**	**130.234.933**	**150.020.309**	**18.300.421**	**116.386.667**	**134.687.088**

Effective interest rates of USD, EUR and TL denominated customer deposits are 1,19% p.a. (31 December 2013: 1,53% p.a.), 0,77% p.a. (31 December 2013: 1,28% p.a.) and 9,89% p.a. (31 December 2013: 6,55% p.a.).

As at 31 December 2014 and 2013, the contractual maturity date and contractual repricing schedules based on the remaining period of banking customer deposits are as follows:

	31 December 2014	31 December 2013
Demand	17.572.163	18.300.421
Up to 3 months	106.273.793	91.659.460
3 to 12 months	14.001.312	13.409.007
1 to 5 years	8.574.579	6.732.081
Over 5 years	3.598.462	4.586.119
Total	**150.020.309**	**134.687.088**

NOTE 32-MUTUAL FUNDS

As of 31 December 2014, the Group manages 44 (31 December 2013: 51) mutual funds with unaudited total value of TL 3.233.211 (31 December 2013: 2.982.884). The participating certificates of these funds which were established under Capital Markets Board Regulations are preserved at Istanbul Settlement and Custody Bank Inc.

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NOTE 33-EARNINGS PER SHARE

Earnings per share for each class of share disclosed in the consolidated statements of income is determined by dividing the net income attributable to that class of share by the weighted average number of shares of that class that have been outstanding during the year.

	31 December 2014	31 December 2013
Earnings per share in full TL	10,19	8,49
Earnings per share of continuing operations in full TL-ordinary share ('000)	9,81	8,05
Weighted average number of shares with TL 0,01 face value each-ordinary shares	204.040.393.100	204.040.393.100

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and revaluation surplus calculated before 1 January 2004. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and for each earlier year. When the number of ordinary shares outstanding increases as a result of bonus shares after the balance sheet date but before the issue of financial statements, the earnings per share calculation is based on the new number of shares.

There were no differences between the basic and diluted earnings per share for any class of shares for any of these periods.

NOTE 34-RELATED PARTY DISCLOSURES

Key management personnel compensation:

The Group defined its key management as board of directors, general manager, general secretary, group chiefs, head of departments and group directors belonging to A group and over. Short term benefits include wages, bonuses, social security, health insurance, unused vacation, premium bonuses and incentive premiums. Other long term benefits include private pension system payments. Benefits resulted from discharge include severance pay and unused vacation payments for executive management who is discharged as a result of transfer or retirement.

The detailed schedule of compensation paid or payable to key management for the years ended 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
Short term benefits	19.774	18.116
Benefits resulted from termination	655	315
Other long term benefits	260	251
Total	**20.689**	**18.682**

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NOTE 35-NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

35.1 Financial Instruments and Financial Risk Management

35.1.1 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by individual Subsidiaries and Joint Ventures under policies, approved by their Board of Directors.

35.1.1.1 Foreign Exchange Risk

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency assets and liabilities to local currency. These risks are monitored and limited by analysing foreign currency position. The Group aims to lower foreign exchange risk arising from assets and liabilities by using swap and forward derivative instruments.

The difference between the assets and liabilities of Akbank both denominated in foreign currency is defined as the "Net Foreign Currency ("FC") position" and is the exposure to foreign currency risk. Another dimension of the foreign exchange risk is the change in the value of the foreign currencies themselves within the net FC position (cross rate risk). The Bank keeps the amount exposed to foreign exchange risk within the limits determined by the Risk Management Committee. The Risk Management Committee monitors the general economic conditions and developments in the markets and sets new limits when necessary. These limits are set and monitored separately for the net FC position and for the cross rate risk. When necessary swap and forward contracts are used as a tool to hedge the foreign exchange risk.

The Group is exposed to foreign exchange risk arising primarily from the EUR, USD and GBP.

Foreign currency denominated assets and liabilities held by the Group before consolidation eliminations at 31 December 2014 and 2013 terms of TL are as follows:

	31 December 2014	31 December 2013
Assets	100.539.856	87.512.789
Liabilities	(111.100.362)	(103.153.412)
Net foreign currency balance sheet position	**(10.560.506)**	**(15.640.623)**
Net foreign currency position of off-balance sheet derivative financial instruments	**11.017.204**	**16.029.519**
Net foreign currency balance sheet and off-balance sheet position	**456.698**	**388.896**

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31 December 2014

	Total TL Equivalent	USD	EUR	GBP	Other
Assets:					
Cash and cash equivalents	5.237.279	3.761.304	1.278.393	50.427	147.155
Financial assets	21.237.202	16.197.318	5.039.884	-	-
Receivables from financial operations	56.933.096	38.335.141	18.539.364	33.465	25.126
Reserve deposits at Central Bank	16.334.281	10.072.841	2.994.356	-	3.267.084
Trade receivables	581.228	285.920	215.497	10.932	68.879
Other current assets	216.770	80.772	63.383	129	72.486
Total Assets	**100.539.856**	**68.733.296**	**28.130.877**	**94.953**	**3.580730**
Liabilities:					
Funds borrowed and debt securities in issue	28.999.873	20.682.537	8.274.882	7.528	34.926
Customer deposits	81.019.266	55.014.991	22.532.383	1.272.980	2.198.912
Trade payables	259.682	143.468	68.492	263	47.459
Other payables and provisions	821.542	425.574	308.404	42.468	45.096
Total Liabilities	**111.100.363**	**76.266.570**	**31.184.161**	**1.323.239**	**2.326.393**
Net foreign currency position of off-balance sheet derivative financial instruments	**11.017.204**	**7.760.081**	**3.231.786**	**1.236.042**	**(1.210.705)**
Net foreign currency position	**456.697**	**226.807**	**178.502**	**7.756**	**43.632**
Net foreign currency monetary position	**456.697**	**226.807**	**178.502**	**7.756**	**43.632**

Net profit effect of the consolidated to the total net foreign currency position is TL 886.484 as of 31 December 2014 (Akbank and Philsa-Philip Morrissa excluded).

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31 December 2013

	Total TL Equivalent	USD	EUR	GBP	Other
Assets:					
Cash and cash equivalents	6.294.468	4.276.373	1.889.346	36.111	92.638
Financial assets	14.953.479	10.073.776	4.879.703	-	-
Receivables from financial operations	48.632.089	32.379.412	16.188.976	32.539	31.162
Reserve deposits at Central Bank	16.569.052	8.796.173	4.881.266	-	2.891.613
Trade receivables	827.201	367.857	390.768	6.824	61.752
Other current assets	236.500	85.652	67.558	453	82.837
Total Assets	**87.512.789**	**55.979.243**	**28.297.617**	**75.927**	**3.160.002**
Liabilities:					
Funds borrowed and debt securities in issue	25.539.083	18.279.795	7.251.297	7.991	-
Customer deposits	75.932.324	48.175.948	23.894.618	1.137.300	2.724.458
Trade payables	476.588	158.842	248.350	254	69.142
Other payables and provisions	1.205.417	464.733	695.627	1.299	43.758
Total Liabilities	**103.153.412**	**67.079.318**	**32.089.892**	**1.146.844**	**2.837.358**
Net foreign currency position of off-balance sheet derivative financial instruments	**16.029.519**	**10.791.297**	**4.428.082**	**1.079.508**	**(269.368)**
Net foreign currency position	**388.896**	**(308.778)**	**635.807**	**8.591**	**53.276**
Net foreign currency monetary position	**388.896**	**(308.778)**	**635.807**	**8.591**	**53.276**

Net profit effect of the consolidated to the total net foreign currency position is TL 1.056.009 as of 31 December 2014 (Akbank and Philsa-Philip Morrissa excluded).

Change of foreign currency has no material effect on financial statements because foreign exchange risk of the Bank is not material.

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The foreign exchange risk of Group companies other than that of the banking segment for the years ended 31 December 2014 and 2013 is summarized as follows:

31 December 2014	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%				
USD net assets/liabilities	(17.240)	17.240	-	-
Hedged items (-)	-	-	-	-
USD net effect	**(17.240)**	**17.240**	**-**	**-**
Change in EUR against TL by 10%				
EUR net assets/liabilities	(21.166)	21.166	-	-
Hedged items (-)	-	-	-	-
EUR net effect	**(21.166)**	**21.166**	**-**	**-**
Change in GBP against TL by 10%				
GBP net assets/liabilities	340	(340)	-	-
Hedged items (-)	-	-	-	-
GBP net effect	**340**	**(340)**	**-**	**-**
Change in other currency against TL by 10%				
Other currency net assets/liabilities	4.826	(4.826)	-	-
Hedged items (-)	-	-	-	-
Other currencynet effect	**4.826**	**(4.826)**	**-**	**-**
	(33.240)	**33.240**	**-**	**-**

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31 December2013	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%				
USD net assets/liabilities	(7.263)	7.263	-	-
Hedged items (-)	-	-	-	-
USD net effect	**(7.263)**	**7.263**	**-**	**-**
Change in EUR against TL by 10%				
EUR net assets/liabilities	(21.078)	21.078	-	-
Hedged items (-)	-	-	-	-
EUR net effect	**(21.078)**	**21.078**	**-**	**-**
Change in GBP against TL by 10%				
GBP net assets/liabilities	109	(109)	-	-
Hedged items (-)	-	-	-	-
GBP net effect	**109**	**(109)**	**-**	**-**
Change in other currency against TL by 10%				
Other currency net assets/liabilities	4.861	(4.861)	-	-
Hedged items (-)	-	-	-	-
Other currencynet effect	**4.861**	**(4.861)**	**-**	**-**
	(23.371)	**23.371**	**-**	**-**

35.1.1.2 Interest Rate Risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rate expose the Group to fair value interest rate risk. During 2014 and 2013, the Group's borrowings at floating rates are denominated in TL, USD, EUR and GBP.

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The interest rate risk of Group companies other than that of the banking segment for the years ended 31 December 2014 and 2013 is summarized below as follows: (Please refer to Note 35.1.1.5 for banking industrial segment).

	31 December 2014	31 December 2013
Fixed interest rate financial instruments		
Financial assets	52.413	116.142
Financial assets at fair value through profit of loss	-	-
Available-for-sale financial assets	-	-
Time deposits	52.413	116.142
Financial liabilities	393.939	753.242
Floating interest rate financial instruments		
Financial assets	-	-
Financial liabilities	641.927	531.812

Group composed various scenarios for borrowings issued at floating rates taking into account hedging position, alternative funding and renew state of positions. According to these scenarios: (Please refer to Note 35.1.1.5 for banking industrial segment).

At 31 December 2014, if the annual interest rate on TL denominated floating rate borrowings had been higher/lower by 10% with all other variables held constant, income before tax for the year would have been TL 1.099 (31 December 2013: TL 4.720) lower/higher, mainly as a result of higher interest expense on floating rate borrowings.

At 31 December 2014, if the annual interest rate on USD denominated floating rate borrowings had been higher/lower by 1% with all other variables held constant, income before tax for the year would have been TL (4) (31 December 2013: TL 677) lower/higher, mainly as a result of higher interest expense on floating rate borrowings.

At 31 December 2014, if the annual interest rate on EUR denominated floating rate borrowings had been higher/lower by 1% with all other variables held constant, income before tax for the year would have been TL 191 (31 December 2013: TL 468) lower/higher, mainly as a result of higher interest expense on floating rate borrowings.

35.1.1.3 Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business the Group aims to maintaining flexibility in funding by keeping committed credit lines available.

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i) Banking industrial segment

A major objective of Akbank's asset and liability management is to ensure that sufficient liquidity is available to meet Akbank's commitments to customers and to satisfy Akbank's own liquidity needs. The ability to fund the existing and prospective debt requirements is managed by maintaining sufficient cash and marketable securities. The primary funding sources of Akbank are equity placed in interest bearing assets, well-distributed and stable deposits and medium to long term borrowings obtained from international markets.

In spite of a substantial portion of deposits from individuals being short-term, diversification of these deposits by number and type of depositors together with the past experience of Akbank indicate that these deposits will provide a long-term and stable source of funding for Akbank.

As of 31 December 2014 and 2013 the contractual cash flows of the non-derivative financial liabilities of the Group companies banking segment are as follows:

	31 December 2014						
Liabilities	**Book value**	**Contructual Cash flows**	**Up to 1 month**	**1-3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
Customer deposits	150.703.714	153.372.079	102.437.008	23.086.439	14.456.641	9.456.739	3.935.252
Funds borrowed and debt securities in issue	31.809.785	36.504.843	1.023.407	6.685.320	13.574.373	9.742.241	5.479.502
Interbank money market deposits	441.722	441.722	441.722	-	-	-	-
	182.955.221	**190.318.644**	**103.902.137**	**29.771.759**	**28.031.014**	**19.198.980**	**9.414.754**

	31 December 2013						
Liabilities	**Book value**	**Contructual Cash flows**	**Up to 1 month**	**1-3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
Customer deposits	134.687.089	137.650.478	85.228.297	26.484.249	13.976.241	7.104.844	4.856.847
Funds borrowed and debt securities in issue	28.626.442	31.150.230	1.356.026	5.271.058	11.727.389	11.281.504	1.514.253
Interbank money market deposits	331.154	331.154	331.154	-	-	-	-
	163.644.685	**169.131.862**	**86.915.477**	**31.755.307**	**25.703.630**	**18.386.348**	**6.371.100**

ii) Other industrial segment

The table below depicts the cash outflows the Group companies other than that of the banking segment will pay for the financial liabilities in the balance sheet in accordance with the remaining maturities. The amounts in the table are contractual and non-discounted. The Group performs its liquidity risk management by considering expected non-discounted cash flows.

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As of 31 December 2014 and 2013 the contractual cash flows of the non-derivative financial liabilities of the Group companies other than that of the banking segment are as follows:

31 December 2014[(1)(2)]	Book value	Contructual Cash flows	Up to 3 months	3-12 months	1-5 years	Over 5 years
Financial liabilities	1.127.052	1.133.945	329.007	450.607	235.598	118.733
Financial lease obligations	17.607	19.457	220	659	4.002	14.576
Trade payables	1.162.728	1.137.695	1.108.681	29.014	-	-
Payables from insurance operations	-	-	-	-	-	-
Othe payables	77.902	80.557	69.156	1.137	10.264	-
	2.385.289	**2.371.654**	**1.507.064**	**481.417**	**249.864**	**133.309**

31 December 2013[(1)(2)]	Book value	Contructual Cash flows	Up to 3 months	3-12 months	1-5 years	Over 5 years
Financial liabilities	1.285.054	1.377.978	349.809	463.194	513.700	47.476
Financial lease obligations	22.106	24.068	4.634	574	2.462	-
Trade payables	1.197.170	1.196.479	618.356	77.637	4.085	15.215
Payables from insurance operations	-	-	494.227	W5.W203	1.952	-
Othe payables	61.493	62.076	27.892	4.110	12.508	3.039
	2.565.823	**2.660.601**	**1.494.918**	**550.718**	**534.707**	**65.730**

(1) Maturity analysis is performed for only financial assets. Legal obligations are not considered in the analysis.

(2) The aforementioned cash flows are contractual and non-discounted amounts. Since, discounted amounts for the balances with a maturity of less than 3 months are immaterial, the discounted amounts are equal to the book value.

35.1.1.4 Credit Risk

i) Banking industrial segment

Credit risk of the banking industrial segment is the risk that the counterparties of Akbank may be unable to meet the terms of their agreements. Akbank monitors this risk by reference to credit risk ratings and by limiting the aggregate risk to any individual counterparty, group of companies and industry. Credit risks are determined for each individual customer, enterprise, business group and risk groups separately. While determining credit risk, criteria such as the customers' financial strength, commercial capacities, sectors, geographic areas and capital structure are evaluated. Analyses of the financial position of the customers are based on the statements of account and other information in accordance with the related legislation. Previously determined credit limits are constantly revised according to changing conditions. The type and amount of collateral and guarantees to be obtained are specified on a customer basis during the determination of credit limits.

During loan extensions, limits determined on a customer and product basis are essentially followed up; information on risk and limits is closely monitored.

There are risk control limits set for the market risks and credit risks arise from forward and option agreements and other similar agreements.

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When necessary, derivative instruments are exercised to control and to offset credit risks that can especially originate from foreign exchange and interest rate fluctuations.

Non-cash loans transformed into cash loans are included in the same risk group as cash loans which are not collected upon maturity. Credit risk management is applied for all positions involving counterparty risk.

Rescheduled or restructured loans are followed in their relevant groups until all receivables from the loans are collected. Monitoring also continues until the receivables from the loans are completely collected.

Akbank considers that long-term commitments are more exposed to credit risk than short-term commitments, and points such as defining risk limits for long-term risks and obtaining collateral are treated in a wider extent than short-term risks.

Akbank's banking activities in foreign countries and credit transactions do not constitute an important risk in terms of the related countries' economic conditions and activities of customers and companies. When considered within the financial activities of other financial institutions, Akbank as an active participant in the national and international banking market is not exposed to a significant credit risk.

Akbank assesses the credit quality and assigns an internal risk rating to all borrowers and other counterparties based on Advanced Internal Rating Based Approach (Advanced IRB Approach).

The default probabilities of counterparties are calculated by using scoring tools tailored to various categories of counterparty and are derived credit rating for corporate and commercial, SME, consumer and credit card loan portfolios.

Scoring systems calculate the risk of default for different types of customers and form different rating systems. The rating tool concentration by risk classes are as follows:

	31 December 2014	31 December 2013
Above average	41,80%	37,51%
Average	48,04%	48,26%
Below average	8,16%	12,26%
Unrated	2,00%	1,97%

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The credit risks of the consumer loans and credit cards and financial lease receivables given by rating system for the period ended 31 December 2014 and 2013 are summarized below as follows:

31 December 2014	Corporate loans	Consumer loans and credit cards	Financial lease receivables	Total
Standard loans	90.070.595	41.465.234	3.651.128	135.186.957
Close monitoring loans	1.835.940	2.437.384	18.332	4.291.656
Non Performing loans	751.403	1.578.752	82.287	2.412.442
Total	**92.657.938**	**45.481.370**	**3.751.747**	**141.891.055**
Provisons	**(2.016.841)**	**(2.254.267)**	**(68.426)**	**(4.339.534)**
Net	**90.641.097**	**43.227.103**	**3.683.321**	**137.551.521**

31 December 2013	Corporate loans	Consumer loans and credit cards	Financial lease receivables	Total
Standard loans	73.625.757	40.332.466	3.190.167	117.148.390
Close monitoring loans	1.446.216	2.104.458	13.820	3.564.494
Non Performing loans	543.860	1.132.822	54.984	1.731.666
Total	**75.615.833**	**43.569.746**	**3.258.971**	**122.444.550**
Provisons	**(1.531.588)**	**(1.740.355)**	**(49.462)**	**(3.321.405)**
Net	**74.084.245**	**41.829.391**	**3.209.509**	**119.123.145**

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The aging analysis of the loans under close monitoring for the year ended 31 December 2014 and 2013 are as follows:

31 December 2014	Corporate loans	Consumer loans and credit cards	Financial lease receivables	Total
Past due up to 1 month	686.229	1.621.594	8.821	2.316.644
Past due 1-2 months	230.447	518.661	807	749.915
Past due 2-3 months	919.264	297.129	2.647	1.219.040
Leasing payment receivables (uninvoiced)	-	-	6.057	6.057
	1.835.940	**2.437.384**	**18.332**	**4.291.656**

31 December 2013	Corporate loans	Consumer loans and credit cards	Financial lease receivables	Total
Past due up to 1 month	1.207.039	1.871.823	10.276	3.089.138
Past due 1 - 2 months	169.913	176.690	1.914	348.517
Past due 2 - 3 months	69.264	55.945	618	125.827
"Leasing payment receivables (uninvoiced)"	-	-	1.012	1.012
	1.446.216	**2.104.458**	**13.820**	**3.564.494**

Maximum exposure to credit risk of banking industrial segment:

	31 December 2014	31 December 2013
Loans and advances to banks	24.832.131	22.529.781
Loans and advances	133.868.200	115.913.636
Consumer loans and advances	43.227.103	41.829.391
Corporate loans and advances	90.641.097	74.084.245
Financial lease receivables	3.683.321	3.209.509
Trading financial assets (*)	54.896	66.363
Trading purpose derivative financial assets	1.410.739	1.766.870
Available for sale and held to maturity financial assets	48.101.547	45.058.425
Other assets	543.094	595.924
Total	**212.493.928**	**189.140.508**

(*) Share certificates are not included.

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The Moody's rating analysis of trading securities, available for sale financial assets and held to maturity financial assets of the banking industrial segment for the years ended for 31 December 2014 and 2013 are as follows:

31 December 2014	Assets held at fair value through profit or loss	Available for sale financial assets	Held to maturity financial assets	Total
Aaa	-	73.883	-	73.883
Aa1, Aa2, Aa3	680	-	-	680
A1, A2, A3	16.593	119.431	-	136.024
Baa1, Baa2, Baa3	37.623	36.699.503	10.800.111	47.537.237
Ba1	-	289.512	-	289.512
Ba2 (*)	-	119.107	-	119.107
Total	**54.896**	**37.301.436**	**10.800.111**	**48.156.443**

31 December 2013	Assets held at fair value through profit or loss	Available for sale financial assets	Held to maturity financial assets	Total
Aaa	-	-	-	-
Aa1, Aa2, Aa3	6.138	-	-	6.138
A1, A2, A3	17.883	452.596	-	470.479
Baa1, Baa2, Baa3	42.342	32.312.917	12.153.453	44.508.712
Ba1	-	69.696	-	69.696
Ba2 (*)	-	69.763	-	69.763
Total	**66.363**	**32.904.972**	**12.153.453**	**45.124.788**

(*) Government bond and treasury bills of Turkish Treasury.

The geographical distribution of the financial assets of banking industrial segment for the years ended 31 December 2014 and 2013 are summarized as follows:

31 December 2014	Turkey	USA	EU Countries	Non-EU Countries	Total
Loans and advances to banks	20.848.982	256.660	3.678.085	48.404	24.832.131
Loans and advances	132.605.709	-	664.892	597.599	133.868.200
Consumer loans and advances	*43.227.103*	-	-	-	*43.227.103*
Corporate loans and advances	*89.378.606*	-	*664.892*	*597.599*	*90.641.097*
Financial lease receivables	3.683.321	-	-	-	3.683.321
Trading financial assets	54.896	-	-	-	54.896
Trading purpose derivative financial assets	538.176	82.311	779.611	10.641	1.410.739
Available for sale and held to maturity financial assets	47.234.925	16.368	815.275	34.979	48.101.547
Other assets	533.474	-	7.821	1.799	543.094
Total	**205.499.483**	**355.339**	**5.945.684**	**693.422**	**212.493.928**

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31 December 2013	Turkey	USA	EU Countries	Non-EU Countries	Total
Loans and advances to banks	17.005.385	862.703	4.222.153	439.540	22.529.781
Loans and advances	114.566.665	-	964.143	382.828	115.913.636
Consumer loans and advances	*41.829.391*	-	-	-	*41.829.391*
Corporate loans and advances	*72.737.274*	-	*964.143*	*382.828*	*74.084.245*
Financial lease receivables	3.209.509	-	-	-	3.209.509
Trading financial assets	65.360	-	-	-	65.360
Trading purpose derivative financial assets	927.127	1.684	823.109	14.950	1.766.870
Available for sale and held to maturity financial assets	30.009.332	129.182	612.582	-	30.751.096
Other assets	571.628	-	22.681	1.615	595.924
Total	**166.355.006**	**993.569**	**6.644.668**	**838.933**	**174.832.176**

The industrial distribution of the financial assets of banking sector for the years ended 31 December 2014 and 2013 are summarized as follows:

	Financial institutions	Public sector	Wholesale and retail trade	Manufacturing	Other	Individual	Total
Loans and advances to banks	24.832.131	-	-	-	-	-	24.832.131
Loan and advances	10.326.867	2.236.896	26.701.946	36.926.917	14.448.471	43.227.103	133.868.200
Consumer loans	-	-	-	-	-	*43.227.103*	*43.227.103*
Corporate loans	*10.326.867*	*2.236.896*	*26.701.946*	*36.926.917*	*14.448.471*	-	*90.641.097*
Financial lease receivables	111.450	-	74.058	289.921	3.207.892	-	3.683.321
Trading financial assets	13.334	11.016	-	17.192	13.354	-	54.896
Derivative financial instruments	955.325	-	-	-	445.768	9.646	1.410.739
Available for sale and assets held for sale financial assets	4.312.097	43.238.019	-	-	551.431	-	48.101.547
Other assets	543.094	-	-	-	-	-	543.094
31 December 2014	**41.094.298**	**45.485.931**	**26.776.004**	**37.234.030**	**18.666.916**	**43.236.749**	**212.493.928**
31 December 2013	**32.360.963**	**30.649.246**	**20.448.212**	**37.110.542**	**12.276.924**	**41.986.289**	**174.832.176**

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ii) Other industrial segment

Credit risk for the other than that of the banking segment arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

The credit risks of the financial instruments of Group companies other than that of the banking segment for the years ended 31 December 2014 and 2013 is summarized below as follows:

31 December 2014	Trade receivables	Receivables from insurance operations	Other receivables [*]	Bank deposits	Derivative instruments
Maximum credit risk exposure as of reporting date (A+B+C+D)	**23.807.352**	**589**	**61.366.141**	**48.852.392**	**3.041**
Collateralized or secured with guarantees part of maximum credit	588.528	-	61.335	48.804	-
A. Neither past due nor impaired	968.364	-	31.559	48.302	2.992
B.Restructed otherwise accepted as past due and impaired	22.745.744	-	61.334.582	48.804.029	-
C. Past due but not impaired net book value	84.865	-	-	-	-
guaranteed amount by commitment	20.027	-	-	-	-
D. Net book value of impaired assets	8.379	589	-	61	49
-Past due (Gross amount)	58.581	-	754	-	-
-Impairment	(50.202)	589	(754)	61	49
-Collateralized or guaranteed part of net value	(12.216)	-	-	-	-

[*] Tax and other receivables are not included.

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31 December 2013	Trade receivables	Receivables from insurance operations	Other receivables (*)	Bank deposits	Derivative instruments
"Maximum credit risk exposure as of reporting date (A+B+C+D)"	**1.202.722**	**-**	**43.993**	**51.854**	**-**
"Collateralized or secured with guarantees part of maximum credit"	652.940	-	30.672	8.671	-
A. Neither past due nor impaired	1.105.946	-	43.986	51.854	-
"B. Restructured otherwise accepted as past due and impaired "	-	-	-	-	-
"C. Past due but not impaired net book value"	134.048	-	7	-	-
Guaranteed amount by commitment	42.356	-	-	-	-
"D. Net book value of impaired assets"	(37.272)	-	-	-	-
- Past due (Gross amount)	27.389	-	-	-	-
- Impairment	(64.660)	-	-	-	-
"-Collateralized or guaranteed part of net value"	2.821	-	-	-	-

(*) Tax and other legal receivables are not included.

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35.1.1.5 Value at Risk

Stress tests provide an indication of the potential size of losses that could arise in extreme conditions. The stress tests carried out by Risk Management, also indicated in the Market Risk Policy of Akbank, include interest rate stress testing. Interest rate risk for all banking transactions outside the trading portfolio are followed under interest rate risk related to the banking book. Asset Liability Committee (ALCO) performs daily management of interest rate risk in accordance with the risk limits set by the Executive Risk Committee in relation to interest rate sensitivities of the banking book. ALCO meetings are held on a weekly basis.

The interest rate risk arising from banking book is calculated and reported on a monthly basis according to "Regulation on Measurement and Evaluation of Interest Rate Risk in Banking Accounts with Standard Shock Method" published in the Official Gazette no. 28034 on 23 August 2011.

As of 31 December 2014, the fair value changes of Turkish Lira and foreign exchange after performing 500 and 200 basis points in the account balances subject to the calculation is as follows;

		31 December 2014		31 December 2013	
Currency	Applied Schock (+/-x basis points)	Gains/Losses	Gains/Shareholders Equity-Losses/ Shareholders' Equity	Gains/Losses	Gains/Shareholders Equity-Losses/ Shareholders' Equity
TL	-400	3.327.669	11,79%	2.720.119	11,35%
TL	500	(3.481.510)	(12,33)%	(2.822.999)	(11,78)%
US Dollar	-200	583.134	2,07%	433.706	1,81%
US Dollar	200	(609.306)	(2,16)%	(339.961)	(1,42)%
Euro	-200	73.285	0,25%	299.027	1,24%
Euro	200	(330.476)	(1,17)%	(348.120)	(1,45)%
Total (for negative shocks)		**3.984.088**	**14,11%**	**3.452.852**	**14,40%**
Total (for positive shocks)		**(4.421.292)**	**(15,66)%**	**(3.511.080)**	**(14,65)%**

Akbank considers foreign exchange risk and interest rate risk as two significant factors of market risk. Market risk is measured by two method named as "Inherent method" and "Standard method".

According to the "inherent method", the market risk related to the trading portfolio is measured through the Value at Risk (VaR) approach, which takes into consideration diverse risk factors. To calculate the VaR, the Bank uses the variance-covariance, historical simulation and Monte Carlo simulation methods. The software used for this purpose is able to make calculations based on forward efficiency curves and volatility models. The VaR model is based on the assumption of a 99% confidence interval and a 10-day retention period. VaR analyses are reported daily to senior management and are also used as a risk parameter and limit management tool for the bond portfolio. The Risk Management Committee sets risk limits for market risk and closely monitors the risk limits in the light of market conditions. The risk limits are under authorization bounders and control efficiency is increased.

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Reinforced with scenario analyses and stress testing, VaR analyses also take into consideration the impact of events and market fluctuations that are unexpected and highly improbable but engender great consequences. The outputs of the model are regularly checked by back-tests.

According to the "standard method", market risk is measured on securities portfolio basis in a way that includes the Group's exchange risk daily and weekly, and reported to the senior management.

The average market risk table of Akbank is as follows;

		31 December 2014	
	Average	Maximum	Minimum
Interest Rate Risk	66.069	81.004	53.173
Share Certificates Risk	1.630	999	466
Currency Risk	11.866	84.774	-
Commodity Risk	-	-	-
Settlement Risk	2	-	-
Option Risk	5.725	4.577	1.354
Counterparty Credit Risk	81.610	136.206	46.572
Total Amount Subject to Risk	**166.902**	**307.560**	**101.565**

35.1.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. Net debt is calculated as the total liability less cash and cash equivalents and tax liabilities (current period and deferred income tax liabilities).

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The net liability/invested capital ratios at 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
Total financial liabilities	192.817.096	174.005.542
Cash and cash equivalents	7.518.753	5.566.531
Net liability	185.298.343	168.439.011
Equity	36.857.880	32.014.657
Invested capital	222.156.223	200.453.668
Net liability/invested capital ratio	83%	84%

NOTE 36-FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

The estimated fair values of financial instruments have been determined by the Holding and its Subsidiaries and Joint Ventures using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Holding and its Subsidiaries and Joint Ventures could realise in a current market exchange.

For all other segments other than those of the banking segment the following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Financial assets

The fair value of the foreign currency denominated amounts, which are translated by using the exchange rates prevailing at period-end, is considered to approximate their fair value.

The fair values of certain financial assets carried at cost including cash and due from banks, deposits with banks and other financial assets are considered to approximate their respective carrying values due to their short-term nature. The fair value of investment securities has been estimated based on the market prices at balance sheet dates.

The trade receivables along with the related allowances for uncollectibility are carried at amortised cost using the effective yield method, and hence are considered to approximate their fair values.

Financial liabilities

The fair value of short-term funds borrowed and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Long-term borrowings, which are principally at floating rates and denominated in foreign currencies, are translated at year-end exchange rates and accordingly their carrying amounts approximate their fair values.

Trade payables are stated at their fair values and accordingly their carrying amounts approximate their fair values.

Derivative financial instruments

The fair value of forward foreign exchange contracts and currency/interest rate swaps is estimated based on quoted market rates prevailing at the balance sheet date.

Fair values of the financial assets and liabilities of the Group's banking segment as of 31 December 2014 and 2013 are as follows:

Fair value hierarchy of the financial assets and liabilities of the Group carried at fair value is as stated below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
Level 3: Inputs for the asset or liability that are not based on observable market data.

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i) Banking industrial segment

Fair values of the financial assets and liabilities of the Group's banking segment as of 31 December 2014 and 2013 are as follows:

	31 December 2014			
	Level 1	**Level 2**	**Level 3**	**Total**
Held for trading securities	**54.964**	**-**	**-**	**54.964**
-Government bonds	8.525	-	-	8.525
-Eurobonds	2.491	-	-	2.491
-Foreign govermnet bonds	-	-	-	-
-Treasury bonds	-	-	-	-
-Share certificates	68	-	-	68
-Other	43.880	-	-	43.880
Available for sale securities	**37.370.398**	**220.947**	**-**	**37.591.345**
-Government bonds	21.283.380	-	-	21.283.380
-Eurobonds	11.154.528	-	-	11.154.528
-Treasury bonds	-	-	-	-
-Foreign govermnet bonds	-	-	-	-
-Mutual funds	289.909	-	-	289.909
-Listed shares	-	-	-	
-Other	4.642.581	220.947	-	4.863.528
Trading derivative financial assets	**35.922**	**1.374.817**	**-**	**1.410.739**
Hedging derivative financial assets	**-**	**284.541**	**-**	**284.541**
Total Assets	**37.461.284**	**1.880.305**	**-**	**39.341.589**
Trading derivative financial instruments	**4.475**	**1.202.738**	**-**	**1.207.213**
Hedging derivative financial instruments	**-**	**105.952**	**-**	**105.952**
Total liabilities	**4.475**	**1.308.690**	**-**	**1.313.165**

Share certificates classified as available for sale that are not traded in an active market and whose fair value can not be reliably determined are stated at cost less any impairment losses on the consolidated financial statements.

There are no transfers between the first and the second levels in the current year.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	31 December 2013			
	Level 1	Level 2	Level 3	Total
Held for trading securities	**123.737**	**-**	**-**	**123.737**
-Government bonds	7.746	-	-	7.746
-Eurobonds	2.149	-	-	2.149
-Government bonds denominated in foreign currency	-	-	-	-
-Treasury bills	-	-	-	-
-Share certificates	58.377	-	-	58.377
-Other	55.465	-	-	55.465
Available for sale securities	**30.480.994**	**270.102**	**-**	**30.751.096**
-Government bonds	20.536.281	-	-	20.536.281
-Eurobonds	6.888.515	-	-	6.888.515
-Treasury bills	-	-	-	-
-Government bonds denominated in foreign currency	-	-	-	-
-Mutual funds	248.690	-	-	248.690
-Equity securities	91	-	-	91
-Other	2.807.417	270.102	-	3.077.519
Trading derivative financial assets	**79.013**	**1.687.857**	**-**	**1.766.870**
Hedging derivative financial assets	**-**	**630.724**	**-**	**630.724**
Total Assets	**30.683.744**	**2.588.683**	**-**	**33.272.427**
Trading derivative financial instruments	**31.312**	**1.147.436**	**-**	**1.178.748**
Hedging derivative financial instruments	**-**	**63.810**	**-**	**63.810**
Total liabilities	**31.312**	**1.211.246**	**-**	**1.242.558**

Share certificates classified as available for sale that are not traded in an active market and whose fair value can not be reliably determined are stated at cost less any impairment losses on the consolidated financial statements.

There are no transfers between the first and the second levels in the current year.

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ii) Other industrial segment

	31 December 2014			
	Level 1	Level 2	Level 3	Total
Held for trading securities	-	-	-	-
Available for sale securities	-	-	-	-
Derivatives held for trading	-	5.930	-	5.930
Derivatives held for hedging	-	5.066	-	5.066
Total Assets	**-**	**10.996**	**-**	**10.996**
Derivatives held for trading	-	1.890	-	1.890
Derivatives held for hedging	-	336	-	336
Total Liabilities	**-**	**2.226**	**-**	**2.226**

	31 December 2013			
	Level 1	Level 2	Level 3	Total
Held for trading securities	-	-	-	-
Available for sale securities	-	-	-	-
Derivatives held for trading	-	3.053	-	3.053
Derivatives held for hedging	-	15.588	-	15.588
Total Assets	**-**	**18.641**	**-**	**18.641**
Derivatives held for trading	-	-	-	-
Derivatives held for hedging	-	-	-	-
Total Liabilities	**-**	**-**	**-**	**-**

Share certificates classified as available for sale that are not traded in an active market and whose fair value can not be reliably determined are stated at cost less any impairment losses on the consolidated financial statements.

There are no transfers between the first and the second levels in the current year.

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Classification of financial instruments and fair value

31 December 2014	Note	Held to maturity securities	Loan andreceivables (include cash and cash equivalents)	Available for sale financial assets	Financial liabilities measured at fair value	Booking value	Fair value
Financial assets							
Cash and cash equivalents	5	-	7.518.753	-	-	7.518.753	7.518.753
Trade receivables	8	-	1.083.651	-	-	1.083.651	1.083.651
Other financial assets (*)	6, 9	10.800.186	698.660	37.608.207	-	49.107.053	49.509.601
Receivables from financial operations	30	-	137.551.521	-	-	137.551.521	140.149.877
Financial liabilities							
Financial payables	7	-	-	-	33.718.100	33.718.100	33.297.755
Trade payables	8	-	-	-	1.809.699	1.809.699	1.809.699
Other financial liabilities (**)	9	-	-	-	3.634.546	3.634.546	3.634.546
Payables from financial operations	31	-	-	-	150.020.309	150.020.309	150.430.887

31 December 2013	Note	Held to maturity securities	Loan andreceivables (include cash and cash equivalents)	Available for sale financial assets	Financial liabilities measured at fair value	Booking value	Fair value
Financial assets							
Cash and cash equivalents	5	-	5.566.531	-	-	5.566.531	5.566.531
Trade receivables	8	-	1.252.409	-	-	1.252.409	1.252.409
Other financial assets (*)	6, 9	12.153.454	2.621.477	33.169.353	-	47.944.284	47.774.276
Receivables from financial operations	30	-	119.123.145	-	-	119.123.145	118.272.480
Financial liabilities							
Financial payables	7	-	-	-	30.231.602	30.231.602	29.587.246
Trade payables	8	-	-	-	1.919.090	1.919.090	1.919.090
Other financial liabilities (**)	9	-	-	-	3.944.312	3.944.312	3.944.312
Payables from financial operations	31	-	-	-	134.687.088	134.687.088	134.410.975

(*) Other financial assets consist of other receivables, time deposits and securities held for to maturity.
(**) Other inancial liabilities consist of other payables.

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NOTE 37-EVENTS AFTER THE REPORTING PERIOD

Operating transfer agreement has been signed at 2 February 2014 between Carrefoursa, one of the subsidiary of the Group, and İsmar Marketler Zinciri Gıda ve Tüketim Mal. San. ve Tic. A.Ş. ("İsmar") for the purpose of transfering 26 supermarkets which had been operating by İsmar. Transfer process will be completed after legal permissions are taken.

The real estate in İzmir owned by Carrefoursa which is one of the subsidiary of the Group has agreed to be sold to third parties and the related sale transaction has been realized at 11 February 2015.

Enerjisa which is one of the joint venture of the Group targets to reach 5.000 MW installed capacity in the medium term. Portfolio optimizaton work about scale economy and effective usage of the resources has been performed for determing the priorities related with realization of the targets. As a result of this work, assets which are not compatible with the portfolio targets agreed to be sold. Sale process with prepatory work has started at the second half of 2014. Within this scope, share transfer of Gazipaşa and Birkapılı hidroelectric plants has actualized at Februay 2015 in consequence with the approval of EPDK.

Kordsa Global which is one of the subsidiary of the Group starts to the construction of Kompozit Teknolojiler Mükemmeliyet Merkezi with approximate 10.000 square meter closed area at Teknopark İstanbul A.Ş. (İstanbul Teknoloji Geliştirme Bölgesi). Investment Incentive Certificate for related investment was given by the Ministry of Economy with an amount of 36 M TL at 4 December 2014. In accordance with the certificate taken, the project which has been taken into the scope of "priority investments" benefits from 5. Zone supports. The project is planned to be finalized at the first half of 2016.

The share transfer agreement has signed at 13 January 2015 related with the sale of shares to Erdemoğlu Holding A.Ş which represents the %51 of the company capital owned by SASA Polyester Sanayi A.Ş. which is one of the subsidiary of the the Group. Due to the share transfer agreement, transfer fee for %51 of the Company's shares on SASA Polyester Sanayi A.Ş. is 102 Million Dolars exempt adjustments. Share transfer fee was determined with bargain and all amount will be collected at the closing day of the share transfer realized. Transfer of stocks will be realized after permissions are taken from related authorities.

Akbank T.A.Ş. which is one of the subsidiary of the Group sold part of the non performing loans with an amount of 248.5 Thousand TL to Girişim Varlık Yönetimi A.Ş..

In compliance with decision taken at the Akbank T.A.Ş. board meeting which is one of the subsidiary of the Group at 26 February 2015; with respect to the net profit of 3.159.678 TL provided by operations of the Bank for the year of 2014;

- Payment of cash gross dividend of 569.600 TL to the shareholders at 31 December 2014 corresponds the %14,24 of the total paid in capital which comprises of 200.000 TL first cash gross dividend which corresponds with % 5 of the 4.000.000 TL paid in capital of the Bank and 369.600 TL second cash gross dividend,

- Beginning of the payments for cash dividends as of 30 March 2015,

- Due to the Corporate Tax Law Article 5, paragraph 1 (e) and (f), transfer of 4.505 TL to "Special Funds" which held exempt from corporate tax and transfer of remaining amount to "Extraordinary Reserves" after allocating 36.960 TL to "Legal Reserves" has been decided to be proposed to the General Assembly by the Board of Directors.

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