HACI ÖMER SABANCI HOLDİNG A.Ş.

ANNUAL REPORT 2015

2015 AT A GLANCE

BANKING

AKBANK

Loans

TL **153** BILLION

(2014: TL 136 Billion)

Capital Adequacy Ratio

14.5%

Return on Equity

12.1%

Highlights

- Strong capital structure with 14.5% capital adequacy ratio
- Low ratio of non-performing loans at 2.2%
- High efficiency with 1.7% operational expenses /assets ratio
- The first bank in Turkey named as "The Most Valuable Brand of Turkey" by Brand Finance
- The first Turkish bank named as "The Best Cash Management Bank In Europe" by EMEA Finance

INSURANCE

AKSigorta

AVIVASA Emeklilik ve Hayat

Combined Net Sales

TL **1.9** BILLION

(2014: TL 2.0 Billion)

Combined EBITDA

TL **81** MILLION

(2014: TL 47 Million)

Consolidated Net Profit

TL **27** MILLION

(2014: TL 41 Million)

Highlights

- Strong management of distribution channels and balanced product portfolio

Avivasa

- Sector leader with the size of its total BES funds of TL 9.2 billion as of December 2015

Aksigorta

- New alliances
- The share of the premium production in non-motor branches increasing by 7.5 points and reaching 52%

ENERGY

ENERJiSA

Combined Net Sales

TL **11.8** BILLION

(2014: TL 11.0 Billion)

Combined EBITDA

TL **1.8** BILLION

(2014: TL 834 Million)

Consolidated Net Profit

TL **142** MILLION

(2014: TL -83 Million)

Highlights

- Strong portfolio composed of electricity production, distribution and sales operations
- 119% increase in operational profitability in 2015
- Distribution services provided to 20 million people
- Successful integration of Ayedaş and Toroslar regions after the Başkent distribution region
- Finalizing the negotiations on the new tariff period for distribution (2016-2020)
- Value increase with optimization activities
- Customer focused and new brand identity

CEMENT

Combined Net Sales

TL **2.6** BILLION

(2014: TL 2.5 Billion)

Combined EBITDA

TL **776** MILLION

(2014: TL 686 Million)

Consolidated Net Profit

TL **226** MILLION

(2014: TL 187 Million)

Highlights
- Leadership in main regions where activities are carried out
- Important advantages both in the country and in the field of export, with the strong logistic network and ports and terminals owned

Akçansa
- A record level of 6.2 mt cement and clinker sales figure

Çimsa
- Target to strengthen the current position with Afyon Cement Factory and Eskişehir White Clinker Production Line investments

RETAIL

Combined Net Sales

TL **7.1** BILLION

(2014: TL 6.1 Billion)

Combined EBITDA

TL **33** MILLION

(2014: TL 232 Million)

Sales Area

813,573 m^2

(2014: 543,942 m^2)

Highlights
- Net sales up 16%

Carrefoursa
- Store network expanding from 40 to 58 cities with the 446 new markets

Teknosa
- Online sales performance reaching 14% of the total turnover
- Market leader with TL 3.2 billion net turnover

INDUSTRY

Combined Net Sales

TL **5.1** BILLION

(2014: TL 4.8 Billion)

Combined EBITDA

TL **1.0** BILLION

(2014: TL 812 Million)

Consolidated Net Profit

TL **520** MILLION

(2014: TL 418 Million)

Highlights
- 25% increase in operational profitability in 2015

Brisa
- Customer Oriented Services Innovation Award

Kordsa
- First in Innovation Strategy throughout Turkey within the scope of InovaLİG Awards

Temsa Motor Vehicles
- L200: the most preferred pick-up model in Turkey

HACI ÖMER SABANCI HOLDİNG A.Ş. AGENDA FOR THE ORDINARY GENERAL ASSEMBLY MEETING

HACI ÖMER SABANCI HOLDİNG A.Ş. Agenda for the 2015 Ordinary General Assembly Meeting to Be Held on March 29, 2016, at 2.00 p.m

1. Opening and formation of the Meeting Council,

2. Reading and discussion of the 2015 Annual Report of the Board of Directors,

3. Reading the 2015 Auditor's Reports,

4. Reading, discussion and approval of the 2015 financial statements,

5. Release of the members of the Board of Directors with regard to the 2015 activities,

6. Determination the usage of the 2015 profit and rate of divindend to be distributed,

7. Election of the members of the Board of Directors, determination of their duty term,

8. Determination of monthly gross fees to be paid to the members of the Board of Directors,

9. Informing the General Assembly regarding the donations and grants made by the Company in 2015 and determination of an upper limit for donations to be made in 2016,

10. Informing the General Assembly about the share-buyback program of our shares by our subsidiary EXSA Export Sanayi Mamulleri Satış ve Araştırma A.Ş., approving the share-buyback program.

11. Election of the Auditor and Group Auditor,

12. Granting permission to the Chairman and members of the Board of Directors for the activities under the articles 395 and 396 of the Turkish Commercial Code.

The Sabancı Group companies aim to contribute to sustainable, technology-based, value added-centered growth in the national economy. Within this scope, our aim is to make TL 5 billion investment in 2016 in our current business areas.

At Sabancı Group, we strive to fulfill our responsibilities in line with the vision of creating a long-lasting competitive edge.

Enerjisa provides energy generation, distribution, trade, wholesale and retail sales services in Turkey's rapidly growing energy sector.

Sabancı Group translates its significant economic and industrial clout into social and cultural support and solutions via the Sabancı Foundation, one of the largest family foundations in Turkey today.

THE SABANCI GROUP IN BRIEF

Sabancı Group companies are leaders of their respective industries. Sabancı Holding stock as well as the shares of its 11 subsidiaries are listed on Borsa Istanbul (BIST).

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 11 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, E.ON, Heidelberg Cement, Marubeni 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 2015, the combined revenue of Sabancı Holding was TL 48 billion (US$ 17.6 billion) with operating profit of TL 5,354 million (US$ 2.0 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.

LETTER FROM THE CHAIRMAN

At Sabancı Group, we strive to fulfill our responsibilities in line with the vision of creating long-lasting competitive edge.

Güler Sabancı
Chairman

Esteemed shareholders, business partners and dear employees:

Sabancı Group is one of Turkey's most prestigious corporations and a pillar of the Turkish economy. We strive to fulfill our responsibilities in line with the vision of creating a long-lasting competitive edge.

2015 was a year when our operational profitability rose, and we reached our targets in all the sectors we operate in. Our goal is to add to our long list of achievements in 2016 in keeping with our motto "Sabancı of Turkey" and to create more value for our nation, the environment and shareholders.

An analysis of the growth dynamics in the world economy shows that they are mainly shaped by technological advancements. Distinctions between the service sector and manufacturing are on the verge of disappearing. We are face to face with new cost components more important than traditional ones. Today, cost competition turns on "information competition." The world today is discussing the advent of the Fourth Industrial Revolution. In the medium term, Turkey's top priority is to adapt all of its systems to this transformational shift.

On the domestic front, as part of the reform plan unveiled by the government, we are keeping a close watch on policies that will reinforce democracy and social peace, rule of law, free markets, and restore confidence in the markets. We believe that the coming year has immense opportunities in store for Turkey. The reforms set to be implemented will respond to the need for an ambitious transformation in production and for the creation of new job opportunities.

One of the most positive developments in the last days of 2015 was the favorable turn in Turkey's relations with the EU and the opening of a new accession chapter after a two year lull.

Furthermore, I believe that Turkey's successful 2015 presidency of G20/B20 will bring about important advantages in the period ahead with regard to the country's position globally.

Sabancı Group, meanwhile, achieved many of its objectives in 2015.

We ended the year with the successful results we achieved in all our Companies. In the upcoming period, the issues such as sustainability, innovation, participation of women in working life, and social awareness will continue to be our priorities. With our innovation culture and our operational excellence approach, we will continue to run towards our targets always as a "pioneer" and "example" in every business we make, and every sector where we carry out our activities.

On behalf of Sabancı Group, I extend my heartfelt gratitude to our workforce, business partners, clients and shareholders for their contributions to our strong results for 2015.

Güler Sabancı
Chairman

LETTER FROM THE CHIEF EXECUTIVE OFFICER

As Sabancı Group Companies, our target is to make contribution and ensure that our country's economy develops sustainably, using technology, and focusing on value added. Within this scope, our aim is to make TL 5 billion investment in 2016 in our current business areas.

Zafer Kurtul
Board Member and CEO

Esteemed Shareholders,

Valued Partners and Employees,

2015 was marked with uncertainties about the Fed's interest normalization policy, the slowing Chinese economy, the ongoing plunge in oil prices and various geopolitical developments, which all spelled trouble for the global economy. Over half of total foreign capital, which had arrived in emerging markets due to expansionary monetary policies adopted by advanced economies in the post-crisis era, rushed out in a single year. This huge capital outflow caused developing country currencies to sharply depreciated vis-a-vis the US$. In 2015, the Turkish lira lost 25% of its value against the US$, while domestic interest rates rose to 11%. During the year, important domestic and overseas political developments, deplorable terrorist attacks in both Turkey and elsewhere around the world, and uncertainties related to the country's election process also resulted in exchange rate fluctuations and rising interest rates.

Despite all these developments and the downtrend in real sector business confidence, economic activity remained rather resilient in Turkey. We expect that the country closed 2015 with real growth of 3.9%. This economic expansion was bolstered by consumer spending while investments remained relatively stable; net exports, on the other hand, negatively affected growth. Inflation ended the year at 8.8% largely due to the depreciation of the TL and significantly higher food prices.

Sabancı Holding 2015 Performance and Expectations

Sabancı Holding achieved its targets in 2015. The Group's combined net sales increased 9% over the prior year, climbing to TL 48 billion. Sabancı Holding posted consolidated operating profit of TL 5,354 million and net profit of TL 2,236 million. During the same period, our non-banking consolidated profitability rose 25% over the previous year, thanks to the profitability of our energy business. The Group's investments totaled TL 3.7 billion in 2015. I would like to extend my gratitude to our nearly 64,000-strong workforce and celebrate them for their many contributions to achieving this great success.

Key developments in the Group's strategic business areas and companies include the following:

In 2015, Akbank reported total cash and non-cash loans of over TL 185 billion, TL 113 billion of which consisted of corporate and SME loans, up 22% over the previous year. Assets were also up 15% to TL 252 billion. While maintaining this robust performance, Akbank managed to keep its NPL ratio to just 2.2%. The Bank expanded its loan allocation capacity with a 22% increase in deposits. Focused on integrating digitalization and mobilization into business processes productively and efficiently, Akbank now conducts 92% of its total banking transactions outside the branch. Mobile banking is one of the main pillars of the bank's strategy of achieving growth through sustainable profitability.

Enerjisa accounts for US$ 11 billion of the total US$ 66 billion of investment undertaken in the Turkish electricity sector over the last decade. In 2015, the Company posted solid results thanks to high hydroelectric power generation and optimization operations. Investments in the distribution grid translated into strong profits. Due to high volume and rising collections, the operational profitability of our electricity retail company increased during the year. Construction of the Tufanbeyli Power Plant, which will run on domestic natural resources, is now complete. Enerjisa closed the year in the black.

In 2015, the world cement industry offset the slowing consumption in China by achieving rises in other markets. Last year, important mergers took place among global cement companies. The merger of Lafarge and Holcim created a world market leader with a production capacity of 387 million tons. Our partner in Akçansa, HeidelbergCement acquired Italcementi and the Central European assets of Cemex. As a result, HeidelbergCement became the world's second biggest cement company with a total capacity of 200 million tons.

Sabancı Holding achieved its targets in 2015. The Group's combined net sales increased 9% over the prior year, climbing to TL 48 billion. Sabancı Holding posted consolidated operating profit of TL 5,354 million and net profit of TL 2,236 million. During the same period, our non-banking consolidated profit rose 25% over the previous year, thanks to the profitability of our energy business.

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LETTER FROM THE CHIEF EXECUTIVE OFFICER

Sabancı Group's objective in the cement sector is to grow profitably, and increase the weight of our cement subsidiaries in the overall portfolio.

Sabancı Group's objective in the cement sector is to grow profitably, and increase the weight of our cement subsidiaries in the overall portfolio. In the cement business, we are expending efforts to expand the Company's overseas footprint and become a regional player. Cement subsidiaries Akçansa and Çimsa demonstrated a superior performance in 2015 and continued to lead the pack in the Turkish market. In collaboration with our partner in Akçansa, HeidelbergCement, we deliver our products and services to diverse regions, including the USA, West Africa and the Mediterranean basin. We are the biggest provider to the US market of low-alkali cement, which we produce at our Çanakkale facility. At Afyon Çimento, we initiated a new US$ 165 million plant investment which is expected to be commissioned in May 2016. At the Çimsa Eskişehir factory, a capital investment of US$ 55 million in white cement has been approved. This investment will give the facility the flexibility to switch between the production of gray or white clinker, in response to global market demands. As a result, we plan to achieve a 35% expansion in our production capacity of white clinker, a product segment in which we are one of the global leaders, exporting to 60 nations.

Since 2014, when we assumed management of Carrefoursa, we have worked to give the brand a more accessible, modern and authentic image as well as more profitable operations. In 2015, we upgraded Carrefoursa's logistics and IT systems infrastructure. We opened 202 new supermarkets. We also added 61 new retail stores to our portfolio through acquisitions. In addition, we acquired an 85% stake in Kiler for TL 429.6 million, adding its 196 supermarket network to our chain. In 2015, the Company successfully managed rapid growth and change simultaneously. In 2016, we plan to move forward with the integration of the Kiler acquisition.

Operating with the motto "Technology for Everyone" since 2000, Teknosa went through a rough patch in 2014 and 2015 due to a changing regulatory environment, the sharp rise in foreign currency exchange rates and a fall in consumer confidence. In addition to the overall hardship in the market, customers now expect a "full service provider" in technology purchases. We are restructuring our multi-channel business model at Teknosa so that online sales will account for 25% of overall sales. We are focusing on customer finance and after-sales services. In 2015, we appointed a new senior management team to manage the Company's transformation process.

Having grown to a fund volume of about TL 9.2 billion including state contributions, Avivasa has risen to the market position with a 19.2% share in the private pension sector where 19 companies operate. Avivasa, which went public in late 2014, continues to demonstrate a successful performance. Despite the overall drop in Borsa Istanbul, Avivasa's stock rose 20% in the year following its IPO. In Turkey, only 9% of individuals over 18 years have a private pension plan. We support the government's efforts to initiate an automatic participation system to increase the low rate of savings and share our global know-how with this public-private partnership scheme to contribute to the healthy expansion of the industry.

Due to rising claims in the traffic segment and legislative changes, Aksigorta recorded a lower rate of profitability than the prior year. In segments other than the mandatory traffic insurance, Aksigorta grew profitably, and above the sector average; the company continues striving to create a well-balanced portfolio. We compete effectively with our rivals via accurate pricing, high quality service and differentiated products. The first of its kind in Turkey, the Aksigorta-Acıbadem Sigorta partnership not only helps us share insurance risk in the health branch, but also carry out joint sales and marketing efforts. We will capitalize on Acıbadem Sigorta's competence in the operational and technical infrastructure services for these products.

The Industry Group increased its total combined profit by 15% over the prior year, by striking a successful price balance in 2015 thanks to leveraging the downtrend in raw material prices coupled with delivering entrepreneurial products and services.

Kordsa Global commissioned its US$ 100 million Indonesian factory in early 2015, doubling its cloth production capacity. At year's end, the facility reached full capacity utilization. Kordsa Global remains the sector's technology leader with various new products designed in its R&D center in İzmit, adding momentum to its growth drive. Kordsa Global held its second public offering on Borsa Istanbul, bringing the ratio of its free-floating shares up to 29%.

The leader of the Turkish tire market with the brands Bridgestone, Lassa, Dayton, Firestone, Bandag and Energizer, Brisa successfully fosters a culture of innovation, while delivering customized, accessible solutions that boost sustainability. Using innovative sales channels and services such as OtoPratik, ProPratik, Lastiğim, lastik.com.tr, Probox, Profleet, Mobilfix and Filofix, the Company meets all the travel-related needs of its retail and corporate customers.

With its record production and export figures, Temsa Otobüs increased its operational profitability by 39%. The Company increased its EBITDA to double-digit levels, and rolled out eight new products in 2015. Temsa Otobüs is working to become the industry's most innovative and entrepreneurial company. In addition to its strong position in Europe, Temsa Otobüs strengthened its position in the US even more. Our busses in the US carry the Silicon Valley, and we are proud of the success of a brand from Turkey to be on the roads of the United States.

In 2016, the economic rebalancing process in China, low oil prices, geopolitical uncertainties and the Fed's decision to rise interest rates will continue to affect the global economy. We anticipate domestic economic growth to depend largely on consumption while investments recover at a slower pace. The most important issue affecting the Turkish economy's long term performance beyond 2016 is the economic structural reform agenda. We believe that the reforms to be implemented will greatly assist in making Turkey's economy more stable and resistant to external shocks, increase its global competitiveness, and boost its potential to yield high value-added, export-oriented products. As a result, Turkey will be better able to maintain higher sustainable growth rates and become a more affluent economy.

In 2016, the Group plans to make best use of technological advancements to maintain its profitable growth drive while focusing on new products and export markets.

Sabancı Group companies aim to help build a sustainable and technology-oriented national economy focused on achieving growth through value-added products. To this end, we plan to invest TL 5 billion in our current business lines.

I would like to extend my gratitude to our nearly 64 thousand employees, as well as our customers, business partners and shareholders for their contributions to our successful results.

Best regards,

Zafer Kurtul
Board Member and CEO

In 2016, Sabancı Group plans to make best use of technological advancements to maintain its profitable growth drive while focusing on new products and export markets.

BOARD OF DIRECTORS
(ELECTED FOR THE PERIOD MARCH 2015-MARCH 2016)

Güler Sabancı
Chairman

Erol Sabancı
Vice Chairman

Sevil Sabancı Sabancı
Board Member

Serra Sabancı
Board Member

Suzan Sabancı Dinçer
Board Member

Zafer Kurtul
Board Member and CEO

A. Zafer İncecik
Board Member

Işın Çelebi
Board Memberi

Zekeriya Yıldırım
Board Member

Güler SABANCI
Chairman
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.

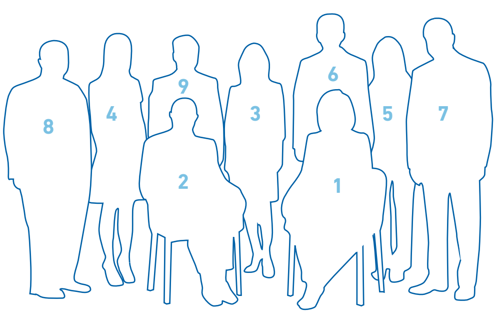
Erol SABANCI
Vice Chairman
Erol Sabancı was born in Kayseri in 1938 and graduated from Manchester College of Commerce in the UK. In addition to his position as the Vice Chairman of Sabancı Holding, he is also the Honorary Chairman and Consultant to the Board and a Board Member of Akbank where he has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

Sevil Sabancı SABANCI
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 SABANCI
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.

Suzan SABANCI DİNÇER
Board Member
Suzan Sabancı Dinçer is the Chairman and Executive Board Member of Akbank. She holds a BA in Finance from Richmond College in the UK and an MBA from Boston University in the USA. Mrs. Sabancı Dinçer is a Member of the Institute of International Finance Board of Directors and Emerging Markets Advisory Board, Harvard University's Global Advisory Council, Harvard Business School's Global Leaders Circle, and the Harvard Business School's Middle East, North Africa, and Central Asia Advisory Board (MCAB). Mrs. Sabancı Dinçer is also on the Board of Directors of the Global Relations Forum and a TÜSİAD (Turkish Industry and Business Association) Member. She is also the Luxembourg Honorary Consul in Istanbul.

BOARD OF DIRECTORS



Güler SABANCI Chairman **(1)**
Erol SABANCI Vice Chairman **(2)**
Sevil Sabancı SABANCI Board Member **(3)**
Serra SABANCI Board Member **(4)**
Suzan SABANCI DİNÇER Board Member **(5)**
Zafer KURTUL Board Member and CEO **(6)**
Dr. A. Zafer İNCECİK Board Member **(7)**
Doç. Dr. Işın ÇELEBİ Board Member **(8)**
Zekeriya YILDIRIM Board Member **(9)**

SABANCI HOLDING MANAGEMENT

Audit Committee
Işın Çelebi
A. Zafer İncecik

Corporate Governance Committee
A. Zafer İncecik
Sevil Sabancı Sabancı
Serra Sabancı
Mevlüt Aydemir
Levent Demirağ

Risk Committee
Zekeriya Yıldırım
Sevil Sabancı Sabancı
Mevlüt Aydemir

CEO, Strategic Business Unit Presidents

Zafer Kurtul (1)
Board Member and CEO

Barış Oran (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

Mehmet Hacıkamiloğlu (8)
Cement

Mehmet N. Pekarun (9)
Industrials

Corporate Management
Faruk Bilen
Consultant

Mevlüt Aydemir
Consultant

Nedim Bozfakıoğlu (10)
Secretary General

Bülent Bozdoğan
Head of Internal Audit

Levent Demirağ
Head of Tax, Accounting and Legal

Ahmet Güzeltuna
Chief Advisor, Labor Relations

Burcu Tokmak
Director, CEO Office

Eren Mantaş
Director, Financial Planning, Analysis and Investor Relations

Fezal Okur
Director, Strategy and Business Development

Filiz Karagül Tüzün (11)
Director – Corporate Communication

Gökhan Eyigün
Director, Strategy and Business Development

Güven Oktay
Director, Compliance

İlker Yıldırım
Director, Accounting

Kadri Özgüneş
Director, Cement

Olcay Gürdal
Security Coordinator

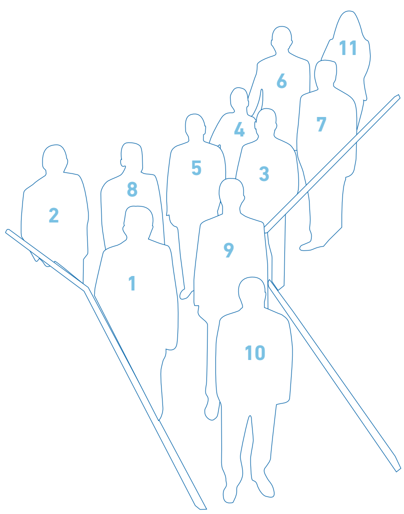
Ömer Faruk Görener
Director, Corporate Communication

Ruba Unkan
Chief Legal Counsel

Şerafettin Karakış
Director, Tax Management

Tevfik Eren
Director, Industrials

Tülin Şağul
Director, Planning, Reporting and Finance



* Faruk Bilen was the CFO until January 22, 2016.

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. Prior, he served in executive positions at Citibank, BNP-Ak-Dresdner Bank and Societe Generale. Mr. Kurtul has a bachelor's 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 and Board Member of Sabancı Group as of July 19, 2010.

Dr. A. Zafer İNCECİK
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.

Assoc. Prof. Dr. Işın ÇELEBİ
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 YILDIRIM
Board Member
Zekeriya Yıldırım was born in 1944. He has a bachelor's degree from Istanbul University in Economics and a master's degree from Vanderbilt University (Nashville, Tennessee, USA). He is the Chairman of Yıldırım Consulting. Previously, he worked for the Turkish Central Bank and the Ministry of Finance and served as a Board Member at Doğan Holding between 2008 and 2010. He is a Member of the TÜSİAD High Advisory Council's Board of Governors. Mr. Yıldırım has been a Board Member at Sabancı Holding since May 2012.

VISION, MISSION STATEMENT AND MANAGEMENT APPROACH

Vision

CREATING SUSTAINABLE ADVANTAGE THROUGH DIFFERENTIATION

Mission

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 558 face to face meetings at our headquarters in Istanbul, as well as in major international financial centers, including London, New York, Boston, San Francisco, Chicago, Atlanta, Zurich, Geneva, Frankfurt, Stockholm, Paris, Vienna, Warsaw, Copenhagen, Montreal, 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 2015, 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 558 face to face meetings at our headquarters in Istanbul, as well as in major international financial centers, including London, New York, Boston, San Francisco, Chicago, Atlanta, Zurich, Geneva, Frankfurt, Stockholm, Paris, Vienna, Warsaw, Copenhagen, Montreal, Dubai and Abu Dhabi. Consequently, we have achieved an increase in coverage locally and internationally. Additionally, in April, one day conference, "Sabancı at the City" was organized in London; with the participation of Sabancı Holding and listed Sabancı Group Companies, a total of 42 meetings were held. In 2015, insurance 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.

In 2016, 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.

PERCENTAGE OF FREE FLOAT

Banking
Akbank **51%**

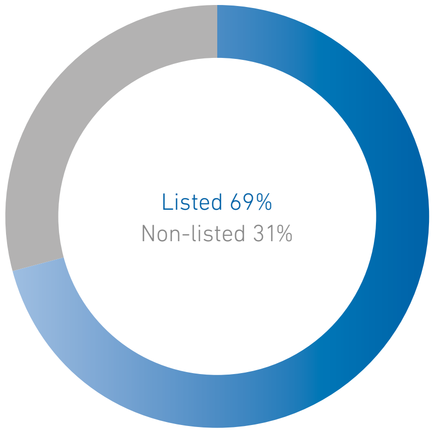
Insurance
Aksigorta **28%**
Avivasa **20%**

Cement
Akçansa **21%**
Çimsa **41%**

Retail
Teknosa **12%**
Carrefoursa **2%**

Industrials
Kordsa Global **29%**
Brisa **10%**
Yünsa **36%**

Share of 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...

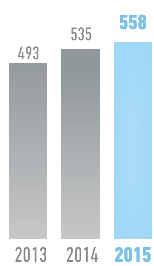
Internalized corporate governance practices...

The investor relations agenda, in accordance with the Capital Markets Board (CMB)'s Corporate Governance Principles, is managed by the Investor Relations Unit. In 2015, 558 one-on-one meetings were held with investors and analysts; telephone conversations took place with about 500 institutional investors and analysts to answer their questions. In addition, over 100 emails from shareholders were responded to during the year.

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**

TOTAL INVESTOR AND ANALYST MEETINGS



RISK MANAGEMENT

In order to maximize shareholder value and ensure the sustainability of Sabancı Group, Group companies embrace and implement corporate risk management principles in order to manage possible deviations from strategic and financial targets in line with the Group's risk approach.

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.

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. In 2015, the Holding Risk Committee closely monitored legislative changes that may potentially shape the energy business, which has significant weighting in Sabancı Holding's consolidated financials. One issue monitored in particular is that related to the Third Tariff period, spanning from 2016 to 2020, in the area of retail electric sales and distribution.

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 Member of the Board of Directors Ms. Sevil Sabancı Sabancı and Consultant 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 six times in 2015 and presented its evaluations for the information of the Board of Directors.

Sabancı Holding's portfolio management approach targets areas that could provide a competitive edge and dedicates shareholders' equity to fast-growing, highly profitable and sustainable operations.

HUMAN RESOURCES

At Sabancı Group, the main objective of human resources management is to formulate and implement human capital strategies that will move the Group forward to realize its vision and achieve strong business results.

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.

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 2015, which was the fifth year of future forums, five companies participated in this program with 17 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 12 managers and executives in 2015.

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

43 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.

61 Mentors and 61 Mentees have attended the mentorship program, another leadership development initiative of the Group, in 2015. The program has been held for the last 7 years. Additionally, 15 Group managers met with Sabancı University students as part of a mentorship program.

In 2015, 31 Group managers participated in the Corporate Governance program designed for senior management.

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.

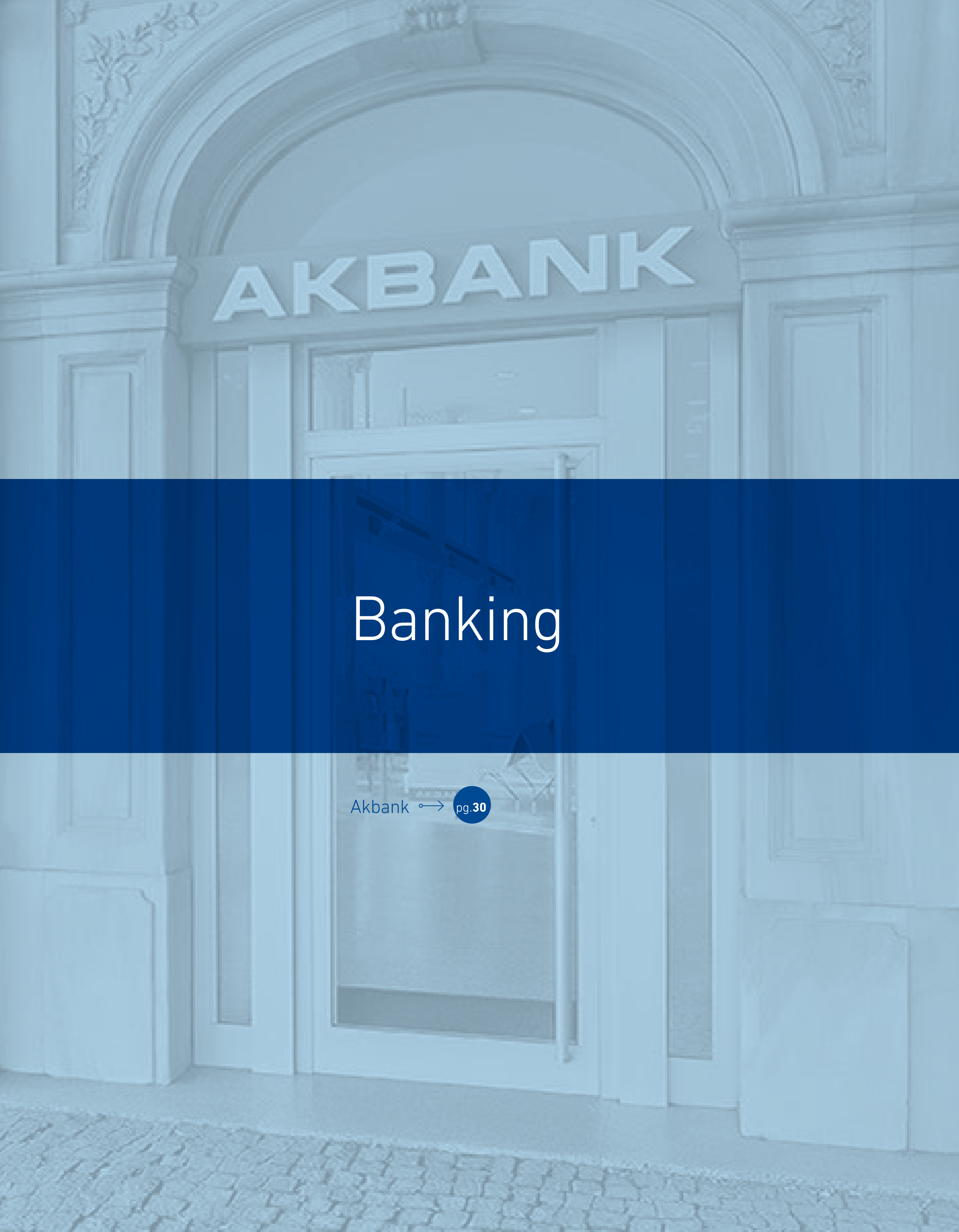
Reward and Recognition
Human Resources Management strives to:
- Offer a competitive compensation package to attract top talent and strengthen the commitment of existing employees;
- Encourage accountability;
- Reward outstanding employee contributions and performance;
- Provide a level of compensation 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,
- Continuously develop 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, designed to cultivate Sabancı Group's leaders of tomorrow, has been conducted for 10 years. In 2015, 12 managers participated in the program. 14 executives took part in SA-EXE, a simulation-enhanced program organized for Vice Presidents and Directors to invest in our future corporate leaders.

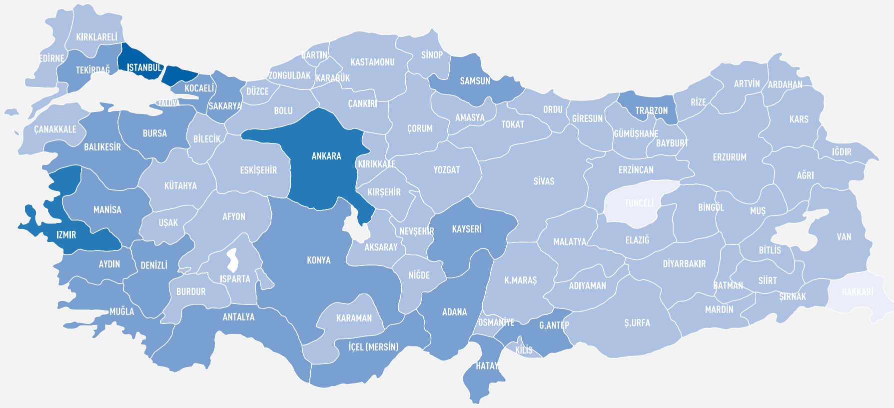
In 2015, Akbank continued to focus on maintaining a high-quality loan portfolio. Due to the effective risk management policies implemented at the Bank, Akbank's non-performing loans ratio is well below the sector average at 2.2%.



Banking

Akbank pg.30

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,
- √ 901 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 14.5%,
- √ SUPERIOR ASSET QUALITY,
- √ LOW NON-PERFORMING LOANS RATIO OF 2.2%,
- √ HIGH LEVEL OF EFFICIENCY WITH AN OPERATIONAL COSTS/ASSETS RATIO OF 1.7%,
- √ POTENTIAL FOR FASTER GROWTH THANKS TO LOW LEVERAGE.

Effective Risk Management

Since trust is such a fundamental issue in business, especially today, Akbank continues its efforts to calculate and report risk in the most efficient manner, using effective risk measurement methods and techniques. Akbank closely monitors economic and financial developments globally, Basel 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.

Robust Capital Structure

At US$ 9.2 billion, Akbank's free capital is the highest in the Turkish banking industry. Akbank's capital adequacy ratio at 14.5%, is much higher than the Turkish banking sector's recommended ratio 12%.

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 3.1%, this ratio stands at 2.2% for Akbank. Furthermore, Akbank currently sets aside 171% 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 (9.0x) 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 2015. Breaking more new ground with overseas bond market transactions in 2015, Akbank continued to pave the way for the sector in foreign borrowing.

In 2015, Akbank's International Banking Department continued to provide clients fast, effective services in foreign trade, payments and investment projects, thanks to a robust correspondent network located across 155 countries. The Department continued to offer financing at various maturity terms and under convenient terms via the export loan agencies of a number of countries.

14.5%

Akbank's capital adequacy ratio at 14.5%, is much higher than the Turkish banking sector's recommended ratio 12%.

2.2%

The non-performing loans ratio stood at 3.1% across the banking sector as a whole in 2015, versus 2.2% at Akbank.

AKBANK

252

TOTAL ASSETS
(TL BILLION)

3,229

NET PROFIT
(TL MILLION)

In 2015, 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 main operations are retail and private banking, commercial banking, SME banking, corporate and investment banking, foreign currency exchange, international banking services, money markets and securities (treasury) transactions. In addition to traditional banking activities, the bank's branches provide insurance brokerage services on behalf of Aksigorta A.Ş. and Avivasa Emeklilik ve Hayat A.Ş.

Conducting its activities via the Head Office in Istanbul and 23 regional offices across the country, Akbank has a strong, extensive distribution network composed of over 900 branches and 14 thousand employees in Turkey. Aside from the conventional distribution branch channel, Akbank delivers services to clients via Akbank Direkt Internet, Akbank Direct Mobile, Call Center, about 4,150 ATMs, over 420 thousand POS terminals and other high-tech channels.

Akbank conducts its overseas operations via subsidiaries in Germany (Akbank AG) and Dubai (Akbank Dubai Limited), as well as a branch located in Malta.

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. Akbank Direkt is also a pioneer in introducing cutting edge technologies to the industry and Turkey. To this end, Akbank develops new products and channels customized to meet clients' financial needs, rolling out groundbreaking innovations to the Turkish banking sector. While the bank launched such pioneering offerings as Büyük Kırmızı Ev (Big Red House) and iPad Banking Branch in Turkey, it also introduced products and services that are global breakthroughs, including Kredi Makinesi (Loan Machine) and Cep Kredi (Mobile Loan), which allows customers to obtain a loan without having to visit a branch.

At the Best Digital Bank Awards organized by Global Finance magazine, Akbank was named "The Best Digital Bank in Western Europe" in the Retail Banking category, in recognition of its superior, top-quality technologies integrated with its business lines.

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.

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

www.akbank.com

the Turkish economy and banking industry were desperately searching for ways to leave the crisis behind. The management, changes and growth strategy that made Akbank a lecture topic and a reference case on how to manage and grow through times of economic crisis.

In 2015, Harvard University carried out a research study focusing on Akbank's digital banking achievements. The study underlined that digital banking will gain in importance in the future, and that the young Turkish population, with their access to smartphones and the Internet, will shift from using branches to mobile banking. The Harvard research study pointed out the cost benefits of Akbank Direkt and suggested that automation of transactions would minimize human errors, ushering in a whole new era in banking.

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 2015, Akbank reported consolidated net profit of TL 3,229 million (approximately US$ 1,186 million) and total consolidated assets of approximately TL 252 billion (US$ 88 billion). The consolidated capital adequacy ratio of Akbank, standing at 14.5%, 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 13% to TL 153 billion in 2015. Owing to its effective risk management policies, the Bank's non-performing loan (NPL) ratio of 2.2% is significantly below the sector average.

Akbank was recognized by Brand Finance as the "Most Valuable Banking Brand in Turkey" for the fourth consecutive year in "The Global Banking 500-2015" report. In 2015, Akbank became the only Turkish bank included in "Turkey's Most Valuable Brands" compilation by Brand Finance magazine.

In addition, Euromoney, Global Finance, World Finance and EMEA Finance also named Akbank as the Best Bank in Turkey.

Furthermore, the Bank was chosen as "Europe's Best Cash Management Bank" by EMEA Finance, the first Turkish bank to receive this honor.

Founded in 1996 in accordance with the Capital Markets Law and other applicable legislation to engage in capital markets operations, Ak Yatırım Menkul Değerler A.Ş. (Ak Investment) is a wholly-owned subsidiary of Akbank. On October 15, 2015, Ak Investment was licensed by CMB as a "Brokerage Firm with Broad Authority."

Ak Investment serves retail and corporate clients with its well-experienced sales team, content-rich research reports and customer-oriented service approach. Ak Investment delivers its domestic and overseas capital markets products via central sales teams and branch locations across 11 Turkish provinces, with an innovative and broad-based perspective. Ak Investment offers trading services in Turkish capital markets instruments to domestic retail and corporate clients via the Domestic Sales Department, and to domestic and foreign corporate clients via the Corporate Sales and Trading Department.

The Research Department regularly issues reports and bulletins in English and Turkish, and delivers these to domestic and foreign investors, playing a key role in customer decision-making.

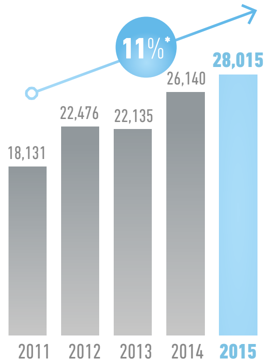
A wholly-owned subsidiary of Akbank, Ak Asset Management was established in 2000 in order to provide capital markets asset management services to institutional and individual investors. The company's activities include the management of pension funds, private assets and investment funds. Ak Asset Management is the leader of the pension fund management sector.

The well-established pioneer of the Turkish leasing sector, Aklease is a 99.99%-owned subsidiary of Akbank, and has conducted business operations since 1988.

Over the last decade, Aklease outgrew the sector by 55% in an uninterrupted expansion drive. Today it supports manufacturing and service companies of varying sizes with 12 branch locations, robust capital base, specialized human resources, vast funding network and transparent management philosophy. Aklease both finances new equipment and machinery investments, and refinances ongoing investments, through high quality, fast, innovative leasing solutions.

Akbank shares are listed on Borsa Istanbul with a free float ratio of 51.1%. The Bank's Level 1 ADRs are traded on the OTC market in the United States. As of December 31, 2015 Akbank's market capitalization stood at US$ 9.2 billion.

SHAREHOLDERS' EQUITY
TL MILLION



* 2011-2015 CAGR

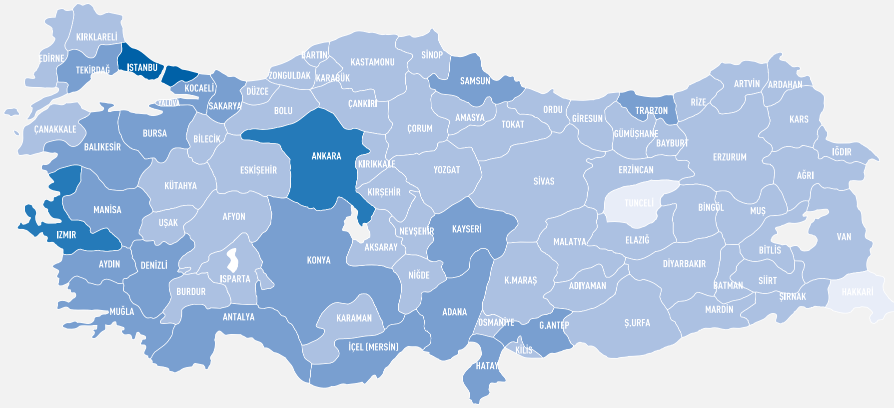
Akbank was recognized by Brand Finance as the "Most Valuable Banking Brand in Turkey" for the fourth consecutive year in "The Global Banking 500-2015" report. In 2015, Akbank became the first bank included in "Turkey's Most Valuable Brands" compilation by Brand Finance magazine.

Our foreign partners Aviva and Ageas offer Sabancı Group insurance companies crucial support with their experience in bancassurance, multiple distribution channels, actuary and claims management.

Insurance

INSURANCE

In Turkey over the last three years, elementary insurance premium production grew at an annual average rate of 17% while the private pension system fund size expanded by an annual average of 33% during this period.



Akbank's Extensive Branch Network 250 50 10 1 0

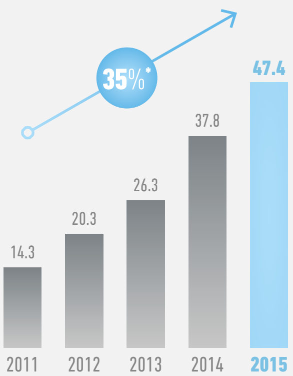
In Turkey, annual non-life insurance spending amounts to US$ 133 per capita.

In the EU, total underwritten insurance premiums to GDP amounts to 3.0%, while this ratio is 1.3% in Turkey.

According to Swiss Re, annual insurance premiums per capita in European Countries is US$ 1,076, while this figure is about US$ 133 in Turkey.

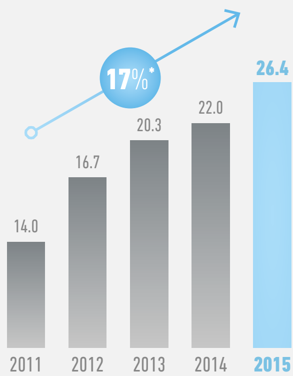
Over the last three years, Turkey's insurance industry has posted average annual growth of 17% in the non-life segment and 33% in the pension segment.

PENSION FUND SIZE IN TURKEY
TL BILLION



* 2011-2015 CAGR

NON-LIFE PREMIUMS WRITTEN IN TURKEY
TL BILLION



* 2011-2015 CAGR

Market Leadership

Avivasa is the leader in pension sector in terms of fund size and net contribution margin and Aksigorta is the fifth largest non-life insurance provider in the Turkish market.

High Brand Awareness

Aksigorta ranked 42nd in the "Turkey's Most Valuable 100 Brands" survey conducted by Brand Finance UK for Capital magazine in 2015, demonstrating that the Company leads the sector with one of the highest brand perceptions.

Multiple and Strong Sales Channels

With Aksigorta's 2,200+ agents and 79 brokers; Avivasa's nearly 850 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 2015, a total of 25% 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

349

SHAREHOLDERS' EQUITY
(TL MILLION)

1.6

PREMIUMS GENERATED
(TL BILLION)

SERVICES NETWORK

900

AKBANK BRANCHES

2,200+

638

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 2015.

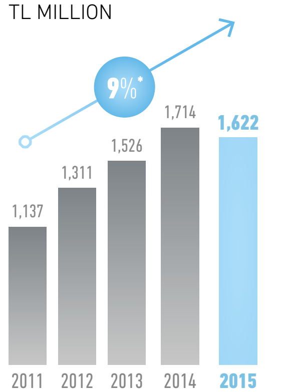
Serving thousands of individual and institutional clients across Turkey through 16 regional directorates, more than 2,200 independent agencies, 900+ Akbank branches, 79 brokers and 3,600 contracted institutions, Aksigorta has been offering customized value-added solutions to customers for 55 years in 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 349 million in equity capital; it is also a profitable enterprise with TL 1.6 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 2015.

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 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 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. In 2015, YADEM was donated to the Istanbul Technical University's Science Center. 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 2015, Aksigorta invested in its IT systems and human resources infrastructure while focusing on profitable channels and segments to stand apart from the competition. In continuation of these strategies, the Company is committed to achieving sustainable profitability in 2016.

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 2015. The Company is targeting another year of sustainable profitability in 2016 by continuing to adhere to these strategies.

172

SHAREHOLDERS EQUITY
(TL MILLION)

9.2

ASSETS UNDER MANAGEMENT
(TL BILLION)

846

FINANCIAL CONSULTANTS AND BRANCH INSURANCE MANAGERS

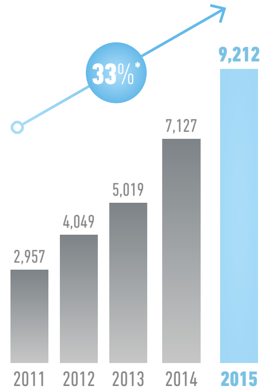
The Avivasa joint venture was formed in 2007 with the merger of AK Emeklilik, a subsidiary of Sabancı Holding, and Aviva Hayat ve Emeklilik, a subsidiary of UK insurance giant Aviva operating in Turkey. It became one of the leading private pension and life insurance companies in Turkey under the name 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 1,572 strong workforce includes more than 846 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 Odeabank and ABank, all of which are all international players.

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 ASSETS UNDER MANAGEMENT
TL MILLION



* 2011-2015 CAGR

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 2014. Avivasa stock gained 21% in the first year following the IPO.

According to Pension Monitoring Center statistics as of January 1, 2016, Avivasa is the leader with a 19.2% market share in pension investment funds and total assets under management (AUM) of TL 9.2 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.

According to 2015 year-end figures published by HAYMER and the Insurance Association of Turkey, Avivasa also generated TL 263.5 million in life and personal accident premiums, corresponding to a market share of 6.6% 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 leader position in pension market, Avivasa Pension and Life Insurance is conveniently situated to seize all opportunities in the most effective manner.

According to data released by the Pension Monitoring Center on December 25, 2015, Avivasa is the leader of the private pension sector with a total fund volume of TL 9.2 billion, including state contributions, and a market share of 19.2%.

Enerjisa provides energy generation, distribution, trade, wholesale and retail sales services in Turkey's rapidly growing energy sector. Enerjisa manages an extensive portfolio spanning these different business areas, each of which have diverse dynamics yet create value as an integrated whole.

Energy

ENERGY

Hydro

Natural gas

Wind

Lignite

Operational

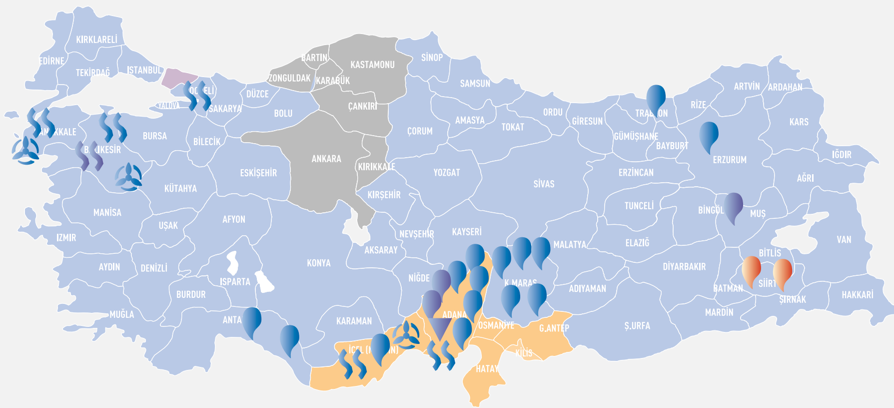
Under construction

In engineering studies

Başkent Eletricity Distribution Region

Istanbul 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.

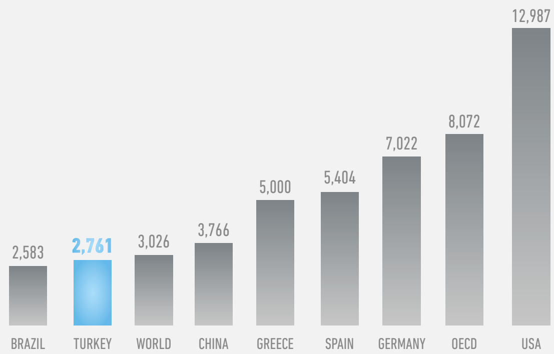
Demand for electric energy in Turkey increases in parallel to the country's increasing population, industrialization and urbanization. Together with the rising efficiency, Turkey's electricity sector expands in a market that is developing through increased competition.

Enerjisa, pioneer and leader institution of Turkey's electricity sector, 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.

In 2015, Enerjisa kicked off a new, consumer-focused era in the Turkish energy sector. Setting out with the slogan "The Energy of Turkey," Enerjisa created a new, tech-savvy brand image in order to redefine the Turkish population's relationship with electricity.

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 CONSUMPTION PER CAPITA
(kWh)



Source: International Energy Agency, Key World Energy Statistics 2015 (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 2,500 MW at end-2015, Enerjisa captured nearly a 3% market share in electricity generation and over 20% market share in electricity distribution. 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 58% in 2015. In 2016, Enerjisa plans to commission the 450 MW Tufanbeyli power plant, which is set to become the country's largest brown coal power facility built by the Turkish private sector. Using effective, efficient and environmentally friendly technologies in the company's power generation investments and operations, Enerjisa significantly contributes to the supply security of Turkey's electricity sector with a flexible portfolio structure that can adapt to changing market conditions. Enerjisa creates value with its optimization activities.

Pioneering Applications in Electricity Distribution

Enerjisa reached over a 20% market share in distribution with the Başkent, Ayedaş and Toroslar. 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. Delivering innovative products and services to 9 million clients, which include households, small enterprises and large companies, Enerjisa formulates solutions to best meet customer needs thanks to its state-of-the-art infrastructure. 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.

Leader of Market Liberalization

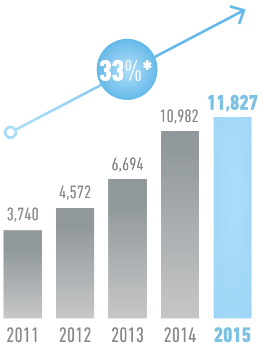
Playing a pioneering role in giving a more competition-based structure to the Turkish electricity market, Enerjisa supports all efforts to render the sector more competitive and sustainable via increased competition.

Highly Skilled Workforce

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.

ENERJİSA

SALES
TL MILLION



* 2011-2015 CAGR

Enerjisa was founded in 1996 as an auto producer company for supplying the electricity needs of Sabancı Group Companies. Playing a pioneering role in Turkey's rapidly growing energy industry, Enerjisa is powered by its parent companies Sabancı Holding and E.ON. The Company has become a leading player in Turkey's quickly developing electricity market thanks to a vast portfolio designed to create value across the entire electricity value chain; customer- and market- centered business models; productivity- and technology-oriented investments in production and distribution; and the company's competitive strategies.

In 2016, Enerjisa plans to commission the 450 MW Tufanbeyli power plant, set to become the country's largest brown coal power plant built by the Turkish private sector. In 2015, Enerjisa boosted its energy generation portfolio's competitiveness with an added focus on productivity. As of year-end, Enerjisa boasted an installed capacity of 2,500 MW, 58% of which is from renewable energies. Enerjisa is in a leading position with 7% share in Turkey's installed power which is not included in the capacity under government control.

In 2015, Enerjisa kicked off a new, consumer-focused era in the Turkish energy sector. Setting out with the slogan "The Energy of Turkey," Enerjisa created a new, tech-savvy brand image in order to redefine the Turkish population's relationship with electricity.

Managing a large portfolio across all segments of the electricity value chain, Enerjisa conducts its electricity generation, trade, sales, distribution and natural gas operations via enterprises under the umbrella company Enerjisa Enerji A.Ş.

Enerjisa significantly contributes to sustainability with its productive, eco-friendly power plants; efforts to reduce carbon emissions via renewable energy use; electricity distribution investments and operations focused on advanced technologies and efficiency.

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.

Sales of Enerjisa companies totaled nearly TL 11.8 billion in 2015.

Enerjisa significantly contributes to sustainability with its productive, eco-friendly power plants; efforts to reduce carbon emissions via renewable energy use; electricity distribution investments and operations focused on advanced technologies and efficiency.

www.enerjisa.com.tr

ELECTRICITY GENERATION

Established to supply high quality and reliable energy to clients and to capitalize on new opportunities, Enerjisa Üretim A.Ş. operates natural gas combined cycle plants, hydroelectric power facilities and wind power plants with an installed capacity totaling 2,500 MW as of year-end 2015.

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 58% in 2015.

Enerjisa continues work on the investment projects which will be commissioned during 2016.

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.

Enerjisa Üretim A.Ş. operates natural gas combined cycle plants, hydroelectric power facilities and wind power plants with an installed capacity totaling 2,500 MW as of year-end 2015.

ELECTRICITY TRADING

Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. (Enerjisa Electricity Wholesale) was founded in 2004 to operate in the wholesale segment of the electricity sector. The Company trades electricity and/or capacity in line with market regulations and in-house risk management. In addition to wholesale activities, the Company also delivers commercial products to clients with high electricity consumption levels.

Enerjisa Wholesale also provides structured services such as balancing services and market access to other market participants. All opportunities for electricity imports or exports are assessed within the scope of the wholesale license. The Company engages in electricity trade with Greece and Bulgaria and seizes overseas business opportunities in line with its objective of becoming a regional player. The Company also participates in the carbon market by developing the carbon credits of Enerjisa's renewable energy power plants and by trading in certified carbon credits.

Enerjisa Wholesale plays an optimization role within the Group. The Company not only sells and supplies electricity but also performs value optimization to ensure the optimal management of gas sales and supply transactions via the Enerjisa gas company. In addition to electricity trading, the Company provides consultancy on operations in the balancing market, production optimization in power plants and customer relations management.

Enerjisa Wholesale plays an optimization role within the Group. The Company not only sells and supplies electricity but also performs value optimization to ensure the optimal management of gas sales and supply transactions via the Enerjisa gas company.

ELECTRICITY SALES

In 2015, Enerjisa ushered in a new, customer-oriented era for the Turkish electricity sector, by providing its services over the Internet and mobile platforms for today's digital world.

Enerjisa electricity sales companies have about 9 million subscribers and provide electricity to a total of 20 million individuals. Selling electricity to end-users via subsidiaries that hold electricity supply licenses, Enerjisa figures among the largest suppliers in the market.

Delivering innovative products and services to all clients, which include households, small enterprises and large companies, Enerjisa formulates solutions to best meet customer needs thanks to its state-of-the-art infrastructure.

Having undertaken an ambitious capital investment program, the Company boasts the most advanced IT hardware and software infrastructure in the electricity retail sector. In an environment where liberalization of the electricity retail market is underway, Enerjisa is committed to identifying the needs of customers and the market, eliminating the independent consumer limit, and helping create a more competitive market.

In 2015, Enerjisa ushered in a new, customer-oriented era for the Turkish electricity sector, by providing its services through channels that respond to everyone's needs and preferences. These include customer service centers, field teams that serve homes and workplaces, online and mobile platforms.

The main focus of Enerjisa's services is to raise customers' quality of life up to world class standards. Recognizing that electricity is a must for human life today, Enerjisa continuously develops its products and services, while delivering innovative, state-of-the-art services that serve customers in the best way.

ELECTRICITY DISTRIBUTION

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

Enerjisa won tender of 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 20 million people in the Turkish electricity distribution sector.

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

In distribution, the new tariff parameters covering 2016-2020 period were specified by the Energy Market Regulatory Authority (EPDK) as of 2015 year-end, and predictability was established for next years.

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 and to contribute to security and competitiveness of natural gas supplies.

Enerjisa Natural Gas sells natural gas to natural gas power plants belonging to Enerjisa or third parties, and seizes commercial opportunities in the natural gas market to optimize its portfolio.

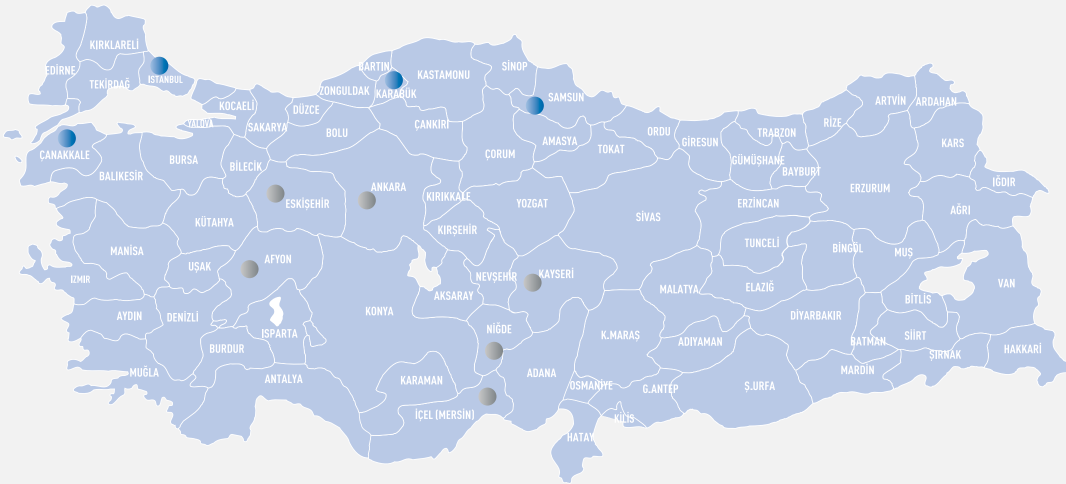
Enerjisa Balıkesir Windpower Plant

Sabancı Group cement companies continue their domestic operations in the Marmara, Mediterranean, Central Anatolia, Black Sea and Aegean regions. This wide footprint provides great advantages to these enterprises in terms of operational flexibility and risk distribution.

Thanks to the ports and terminals they own, Sabancı Group cement companies stand out among the competition, especially in export operations.

Cement

CEMENT



Akçansa Plants
Çimsa Plants

Turkey became one of the world's top cement exporters in 2015.

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 826 kg in 2015, with average annual growth of 5% during the last ten years.

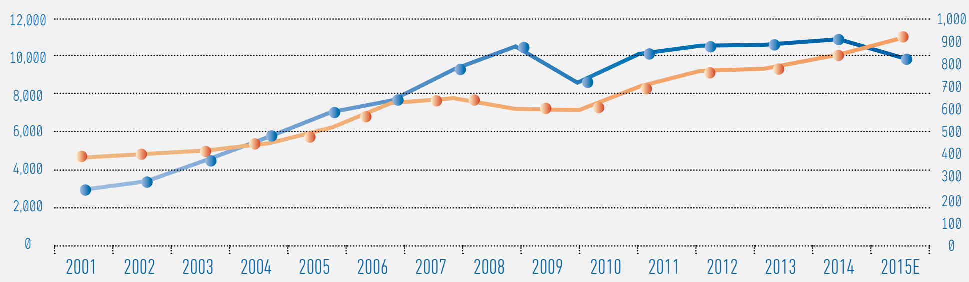
The young population, growing number of infrastructure projects and targeted urban transformation in Turkey will continue to increase the demand for cement.

Turkey was one of the largest exporters of cement in 2015 with 10 million tons of cement and clinker being exported.

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

GDP per Capita (US$) *(right axis)*

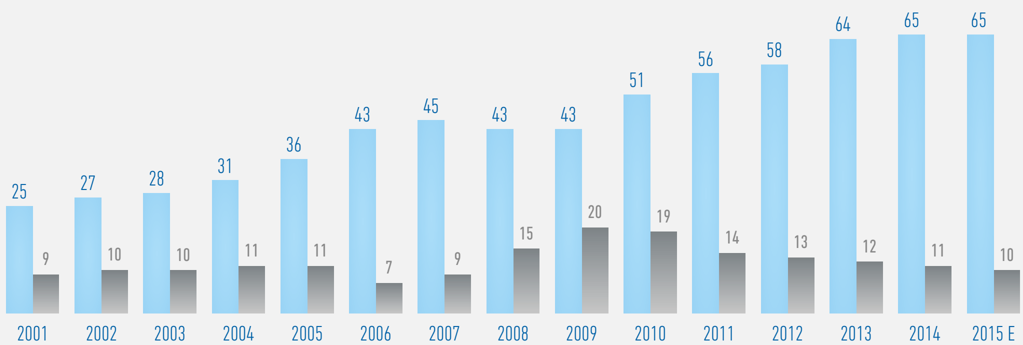
Cement Consumption per Capita (kg) *(left axis)*



DOMESTIC CEMENT DEMAND CONTINUES ITS STEADY GROWTH BASED ON SOLID GROUND.

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.

Çimsa plans to bolster its leadership position in local and global markets with the Company's Afyon Cement Factory and Eskişehir White Clinker Production Line investments.

Sustainability

Akçansa responded as a volunteer to the 2015 studies of the world's most prestigious and widespread environmental initiative, the Carbon Disclosure Project (CDP), as it has in the past five 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 92D points.

Akçansa performed the alternative fuel consumption ratio about 5% in 2015.

Akçansa organizes the Turkish leg of the "Biodiversity Project Competition," which is held to boost the biological richness of mining areas. This competition –open to students, alumni, academics and researchers– aims to protect the land and wildlife surrounding mining sites through creative, original and innovative projects.

Designed to reduce highway maintenance costs and save time, the "Concrete Roads Compressed with Steamrollers" project was completed through a joint partnership of Samsun Municipality and Betonsa.

The "Energetic Concrete" project, which won the first prize in the Fifth Concrete Ideas Project Competition held by Akçansa, generates energy every time someone takes a step on it. The innovative project transforms pressure into electricity, thus integrating concrete into the energy generation process.

Akçansa is running productivity-related project on micro algae and wind turbines. The first 2.3 MW wind turbine is scheduled for installation in 2016. Akçansa currently meets 30% of Çanakkale Factory's energy demand with its waste flue gas. Upon the installation of wind turbines, this facility will meet all its energy demand from renewable sources.

Under the "Children Recycling the Future" initiative, jointly organized by ÇEVKO Foundation and Büyükçekmece Municipality, Akçansa volunteers educate fourth grade students from Büyükçekmece on issues such as separating waste at the source, recycling and generating energy from waste. In 2015, the volunteers reached out to 3 thousand schoolchildren, and the project garnered an award in the "Environmental Social Responsibility" category of the Green Dot Industry Awards.

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 profitability targets and growing; it targets "a more livable world" as well. Çimsa published a Sustainability Report that covers the performance of year 2014.

In 2015, alternative fuels accounted for 30% of total fuel consumption at Çimsa Eskişehir Factory Second Furnace.

The Ministry of Labor and Social Security's General Directorate of Labor deemed Çimsa worthy of the "Gender Equality in Industrial Relations" award in 2015.

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.

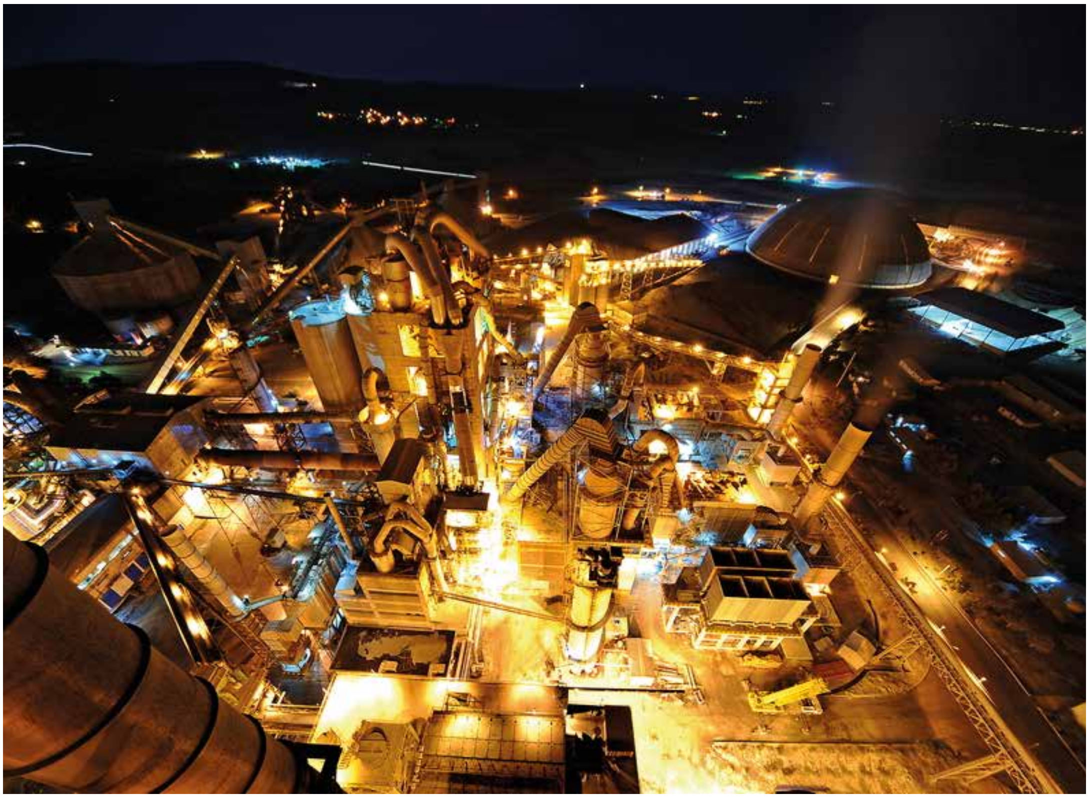
Differentiated Products

Thanks to Akçansa's extensive experience in mega projects, such as the Third Bosphorus Bridge and the Northern Marmara Highway, special products account for 5% of the Company's ready-mixed concrete sales totaling 4.4 million m^3.

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.

In 2015, Çimsa received Environmental Product Declaration certification for the products "Super White Cement" and "Calcium Aluminate Cement". The referenced certification is held by the world's major cement manufacturers.

Conducting manufacturing operations at state-of-the-art facilities in line with its superior service philosophy, Akçansa posted record domestic cement and clinker sales, totaling 6.2 million tons, in 2015. The Company's overseas cement and clinker sales amount to 1.4 million tons.



1,469

TOTAL SALES
(TL MILLION)

283

NET PROFIT
(TL MILLION)

7.0

CLINKER PRODUCTION CAPACITY
(MILLION 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 35 ready-mixed concrete plants under the "Betonsa" brand. Operating out of the Ayazağa, Bursa and Saray aggregate quarries as "Agregasa," Akçansa operates seven cement terminals in Ambarlı, Aliağa, Yarımca, Yalova, Derince, Marmara Ereğlisi 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 the 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, Çanakkale and Ladik 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.

The Company's total production in 2015 met 9.4% of Turkey's total cement consumption. In 2015, Akçansa's cement and clinker sales were 6.2 million tons in the domestic market and 1.4 million tons in export markets. Akçansa has reached turnover of approximately TL 1,469 million in 2015, and significantly reduced the need for working capital despite the increasing revenues.

Turkey's first online cement market was created by Akçansa, to enable cement sales over the Internet via credit card.

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 5%. The Betonsa Technology Center was 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 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.

Akçansa aims to increase its profitability by expanding the port operations business with sustainable and cost-effective supply chain management. Akçansa has achieved 10% growth in the port management business in 2015, despite a shrinking sector.

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 2015.

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 five years. Akçansa ranked among the most transparent companies with a score of 92D this year.

Ranked 62nd in the "Turkey's Top 500 Industrial Enterprises" list prepared by the Istanbul Chamber of Industry, Akçansa was also named "Most Appreciated Company" in the industry for the 14th time by Capital Magazine in 2015.

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.

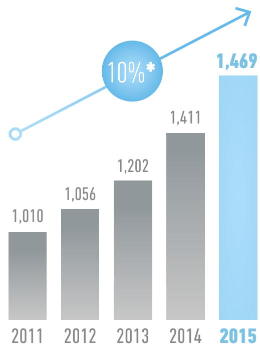
Another project upholding the principles of sustainability and volunteer work is "Children Recycling the Future," jointly organized with ÇEVKO Foundation, and targeting fourth graders. As part of the project, Akçansa volunteers educated about 3,000 fourth grade students from 15 schools in Büyükçekmece on issues such as separating waste at the source, recycling and generating energy from waste.

The social responsibility initiative "My Neighborhood" targets children, who represent the future of the country, and their parents. The project was implemented in December 2015 in partnership with TOÇEV and the District Directorate of National Education. Training courses for parents and children took place in a specially designed Akçansa Training Truck in Büyükçekmece. Akçansa Training Truck is scheduled to visit a different school every week while bringing local residents together with specialists. It plans to reach out to a total of 10 thousand persons in the first phase. With the support of the District Directorate of National Education, "My Neighborhood" will continue in Büyükçekmece, designated as the pilot area, and will later shift its focus to the provinces of Çanakkale and Ladik.

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, third in the "Equality at Work" 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



* 2011-2015 CAGR

Ranked 62nd in the "Turkey's Top 500 Industrial Enterprises" list prepared by the Istanbul Chamber of Industry, Akçansa was also named "Most Appreciated Company" in the industry for the 14th time by Capital Magazine in 2015.

Producing gray cement in addition to special products such as white cement and calcium aluminate cement, Çimsa is the innovation leader of the cement and construction materials sector.

1,171

TOTAL SALES
(TL MILLION)

245

NET PROFIT
(TL MILLION)

5.5

CLINKER PRODUCTION CAPACITY
(THOUSAND TONS/YEAR)

Starting up 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.

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.

One of the world's top two white cement brands, Çimsa is an international cement manufacturer with terminals in Hamburg (Germany), Trieste (Italy), Seville and Alicante (Spain), Famagusta (TRNC), Costanza (Romania) and Novorossiysk (Russia).

With its market-centered approach and extensive distribution network, Çimsa responds to customer needs in a timely and comprehensive manner. As a reliable business partner to its stakeholders, the Company provides the materials necessary for building long-lasting living spaces and infrastructures.

Producing gray cement in addition to special products such as white cement and calcium aluminate cement, Çimsa is the innovation leader of the cement and construction materials sector.

Çimsa aims to maintain a consistent operational performance. As a key player in the industry, the Company strives to render growth sustainable while developing rapid solutions that meet the diverse needs of customers under rapidly changing global conditions. In addition, Çimsa's innovative products and services are developed together with business partners. To these ends, the Company continues to undertake consistent capital investments.

Currently, Çimsa has two important investment plans on its agenda. Afyon Cement Factory, acquired by Çimsa in 2012, will be transferred to a new, state-of-the-art production facilities. A new factory is being built in Halımoru village on the outskirts of Afyon, with an investment of US$ 165 million. The plant is planned to have an annual production capacity of 1.5 million tons of clinker. The second large investment of 2015 is located in Eskişehir province. Work on the US$ 55 million investment at the Çimsa Eskişehir Factory started in fourth quarter 2015. With the completion of this investment by first quarter 2017, Eskişehir Factory's First Production Line will become a convertible line that can produce both gray and white clinker. With a total gray clinker production capacity of 1.4 million tons, the facility will thus flexibilize the First Production Line to manufacture gray or white product according to global market demand. The plant will have a capacity to produce 415 thousand tons of white clinker per annum.

At Çimsa, sustainability targets are associated with corporate responsibilities and included in the system to monitor relevant performance indicators, in effect becoming a part of the sustainability management system. Maintaining a sustainable Çimsa depends on creating positive value in social, economic and environmental terms. Success at Çimsa depends not only on financial results, but also on the productive use of environmental and social capital.

The Company's Sustainability Report, which demonstrates the progress made by Çimsa in its sustainability-related efforts, was released in 2014. The report provides ample detail on energy efficiency efforts and the managerial approach to ethics, compliance and human resources at the Company. The release of the report was accompanied by the launch of the website cimsadasurdurulebilirlik.org. As such, the Sustainability Report is shared with the general public via a website that will serve as a model and reference point for the entire industry (www.cimsadasurdurulebilirlik.org).

Çimsa directed US$ 11.95 million of investment – out of total capital investment of US$ 26 million in 2015 – to the areas of sustainability, occupational health and safety, and the environment. Carbon emissions started being measured, calculated and monitored according to the methodology developed by the World Business Council for Sustainable Development (WBCSD)'s Cement Sustainability Initiative (CSI). After signing the UN Global Compact, the Company set the goal of aligning suppliers with sustainability standards. In addition, Çimsa participated in the Carbon Disclosure Project (CDP) to better track its sustainability performance and benchmark with other institutions.

Çimsa has strengthened its position as one of the leading companies of the industry with a strong performance in 2015. Çimsa increased its clinker production capacity to 5.5 million tons in 2015 and grew its ready-mixed concrete capacity to 2.4 million m^3. The sales revenue of Çimsa in 2015 was TL 1,171 million, with a TL 278 million share of exports in total sales revenue.

Çimsa has a presence in more than 60 countries, with subsidiaries and terminals operating in locations; 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.

In late 2015, Çimsa successfully obtained Environmental Product Declaration for its products Çimsa Super White Cement and Calcium Aluminate Cement (ISIDAÇ 40). The certifications are a quantitative assessment and declaration of the environmental performance of these products, both issued by the Germany-based EPD program operator IBU (Institut Bauen und Umwelt e.V.). These certifications, held by only a handful of global companies, represent an important step forward for the national cement industry. Additionally, the Company undersigned another proud achievement by becoming the first Turkish enterprise, and the second European company, to be included in the Eco-Platform established by Construction Europe. With these certifications, ISIDAÇ 40 has become the world's first EPD-certified Calcium Aluminate Cement while Super White Cement has become the second EPD-certified product in the world white cement sector.

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.

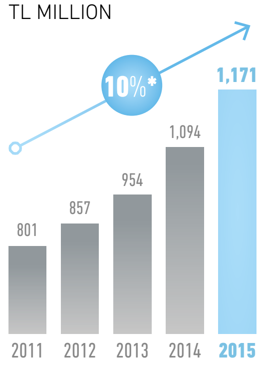
The Ministry of Labor and Social Security's General Directorate of Labor deemed Çimsa worthy of the "Gender Equality in Industrial Relations" award in 2015. The award is designed to draw attention to and broaden public awareness on gender issues in Turkish industrial relations.

Çimsa also figures among the 21 companies to support the Global Apprenticeships Network (GAN), an initiative designed to combat rising youth unemployment rates in Turkey.

At the Sabancı Golden Collar Awards 2015, the company was presented with first prize in the "Innovation and Corporate Entrepreneurship" category and first prize in the "Market Focus – Corporate" category.

Çimsa shares are listed on Borsa Istanbul with a free float of 41.5% as of December 31, 2015.

TOTAL SALES REVENUE
TL MILLION



* 2011-2015 CAGR

Çimsa figures among the 21 companies to support the Global Apprenticeships Network (GAN), an initiative designed to combat rising youth unemployment rates in Turkey.

Teknosa has been identified as the first retail technology chain to come to mind among consumers according to market research (DORinsight 2015).

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

Retail

RETAIL

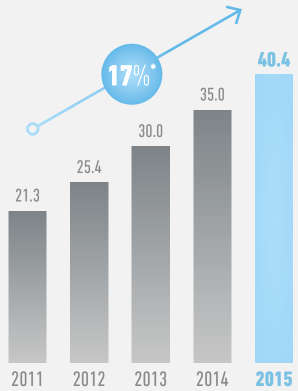
Teknosa*
Carrefoursa**

* Teknosa stores are present in 78 provinces.
** Carrefoursa stores are present in 58 provinces.

Annual technology spending per capita is around €175 in Turkey.

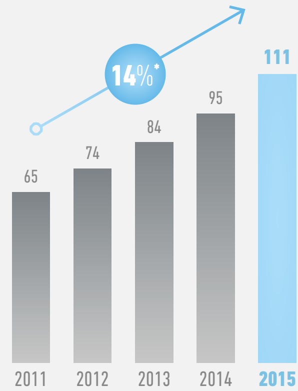
Electronics retailing is a very attractive sector with high growth potential. Turkey's annual technology expenditure per capita is around € 175 while the Western Europe average is about € 500. Having the second largest and the fastest growing population in Europe, half of the population being under 30 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 16% in 2015.



* 2011-2015 CAGR

FAST MOVING CONSUMER GOODS TURNOVER (TL BILLION)
The fast moving consumer goods market is estimated to total TL 111 billion in 2015.



* 2011-2015 CAGR
Source: Nielsen

Only 39% 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 39% share, is growing fast and attracting investors.

Strong Brands

Teknosa was identified as the "Top of mind technology products retailer" by DORinsight in 2015. Carrefoursa is the first brand to introduce the Turkish consumer to hypermarkets.

Geographic Coverage

Sabancı retail companies are present in 78 provinces in Turkey with 779 grocery stores and 278 technology stores as of end-2015.

Multi Formats

Sabancı retail companies have a variety of formats in all segments. Teknosa operates with three different formats, Standard, Extra and Exxtra. 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.

Sabancı retail companies provide services to consumers with 278 technology stores as of year-end 2015.

Sabancı retail companies provide services to consumers with 779 grocery stores as of year-end 2015.

278 Sabancı Group retail companies serve consumers via a total of 278 technology stores as of year-end 2015.

779 Sabancı Group retail companies operate 779 food supermarkets as of end-2015.

TEKNOSA

Teknosa presents a unique and pleasant shopping space to customers with about 172 thousand m² of net sales area and a vast product range. Teknosa stores and teknosa.com were visited by 200 million people last year.

3,167

TOTAL SALES
(TL MILLION)

278

NUMBER OF STORES

172

NET SALES AREA
(THOUSAND M²)

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 278 stores in all four sides of Turkey.

Teknosa offers a distinctive and enjoyable shopping experience with a net sales area of approximately 172,000 m² and a broad product mix. Teknosa stores and teknosa.com were visited by more than 200 million consumers in 2015. Offering the latest technology products to customers with the help of 3,619 employees, Teknosa closed 2015 with sales of TL 3.2 billion.

Teknosa shares have traded on the Borsa Istanbul since May 17, 2012.

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. It has graduated more than 12,000 trainees since its establishment. Teknosa provides employees with effective and proper career planning opportunities starting from their first day at work.

Conducting its operations in accordance with a customer-oriented scientific retailing approach, Teknosa meets customers' after-sales needs and expectations with services provided by Customer Services, which is a unique initiative in the industry. Customer requests are fielded at Customer Services points in the stores, as well as through the 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.

Providing guidance to customers prior to and during their technology product purchases, Teknosa also continuously enhances its post-sales value-added services under the brand "Dr. Teknolog," in keeping with the latest tech trends and consumer needs. According to consumer preferences, a wide range of technology services – including set-up, technical support and purchase protection – are offered in stores, over the phone, at home or at the workplace.

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.

www.teknosa.com

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 5 million members as of year-end 2015.

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 m² indoor area and a 60,000 m² total area.

In 2015, Teknosa garnered a special award in the "Sales Enablement" category of the Association for Talent Development – ATD "Excellence in Practice 2015" Awards, widely known as the "Oscars" of talent management and development. Teknosa Academy was also deemed worthy of the Golden Prize at the Brandon Hall Excellence Awards 2015, in the category of "Best Development Application in Coaching and Mentorship."

At the IT 500 competition, organized by Interpromedya, Teknosa received first prize in the "Retail Chain" and "Audiovisual Systems" categories; it was also named Turkey's "Fourth Largest IT Company." In addition, the "Most Preferred Retail Brands in Shopping Centers" survey, jointly carried out by the Shopping Centers and Investors Association (AYD) and BAREM, designated Teknosa as the "Retail Brand Most Preferred by Consumers in Shopping Centers"; it also presented the company with the "Anchor" award, given out for the very first time. At the CIO 2015 awards ceremony, held by the IT magazine CIO, Teknosa was recognized with a prize for its "Integrated Store" project, an initiative that interconnects stores, employees and products.

A survey conducted by Roamler Turkey on behalf of Marketing Türkiye magazine selected Teknosa as "Turkey's Coolest Tech Market." Meanwhile, the eighth edition of "Turkey's Lovemarks 2015" survey, carried out by MediaCat and the research firm Ipsos, designated Teknosa as the "Most Preferred National Brand" in the "Tech Market" category.

Having become a model consumer electronics retailer with its multi-channel capital investments, Teknosa continues its investment drive to become Turkey's technology solutions center. Delivering mobile communication services guided by the slogan "Everything Technology," the Company provides special offers and discounts in tech products to Teknosa Mobile subscribers.

Teknosa has made yet another groundbreaking achievement in technology retail with its own-brand smart products. The smartphone Teknosa Preo P1 and smart watch Pwatch, both launched in July 2015, bring advanced technology to consumers at accessible prices. The Company plans to continue expanding the Teknosa Preo product family.

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. As part of an ongoing project since 2007, Technology for Women seminars were conducted in the cities of Lüleburgaz, Gaziantep, Amasya, Siirt, Tunceli, Kırşehir, Malatya and Elazığ in 2015. To date, some 15 thousand women in 58 provinces have participated in the unique training program. With this seminar initiative, Teknosa strives to increase tech literacy among the female population and contribute to their social and professional lives.

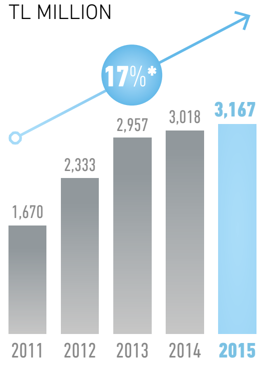
Supporting Turkish sports and athletes since 2007, Teknosa also continues its support for the Turkish National Teams as the Official Technology Supplier in accordance with the collaboration agreement signed with the Turkish Football Federation.

Teknosa also aims to set an example for other companies in the sector with an environmentally responsible approach and activities. 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.

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 30 years of experience in the air-conditioning sector. Its product portfolio includes Mitsubishi Heavy Industries, Samsung and Sigma (private label brand) air conditioners and General and Sharp fridges. Offering nearly 200 models under four distinct brands, İklimsa serves customers via 191 authorized dealers in 43 provinces and 222 authorized servicing points in 64 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



* 2011-2015 CAGR

Teknosa is a standout in the sector as the retail market chain boasting the largest logistics center. At Teknosa, all logistics operations are run from the Gebze logistics center, which includes 60 thousand m² of space, of which 30 thousand m² is covered.

Carrefour SA

3,933

TOTAL SALES
(TL MILLION)

779

NUMBER OF STORES

642

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 33 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.

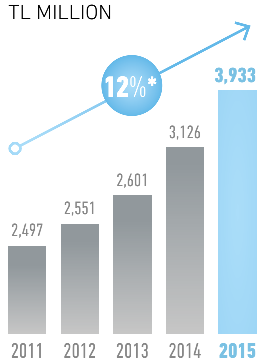
Carrefoursa took over 26 supermarket stores previously run by İsmar pursuant to the acquisition agreement signed with İsmar Supermarket Chain in February 2015. In addition, the Company assumed control of 29 supermarket locations operated by Antalya Market in line with an agreement executed with Antalya Market in March 2015. Carrefoursa also took over the management of Kiler Alışveriş on July 8, 2015, bringing the total number of its retail market locations up to 779 with the addition of 196 Kiler Alışveriş stores. The merger between Carrefoursa and Kiler Alışveriş was completed in December; the capital increase due to the merger brought Sabancı Holding's stake in Carrefoursa up to 50.74%.

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

Carrefoursa, after designating 2014 as "The Year of Ascent," shifted its focus to innovation and profitable growth, defining 2015 as "The Year of Gearing Up." As a result, the Company focused on profitable growth through acquisitions during the year. In addition, the Company continued efforts to become an authentic, lean, fast, eco-friendly and modern brand. It invested in its IT systems, human resources and customer services while initiating work on sustainability. Today, Carrefoursa reaches out to diverse customer segments using different market formats, including Hyper, Super, Gourmet and Mini, as well as its upgraded e-commerce platform.

www.carrefour.com.tr

NET SALES
TL MILLION



* 2011-2015 CAGR

With sales areas ranging from 2,000 to 15,000 m^2, Carrefoursa Hypermarkets offer 50,000 product SKUs to customers. Carrefoursa Super markets, which are between 350 and 2,000 m^2, 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 350 m^2. Carrefoursa, with an online shopping service on carrefoursa.com, also made shopping convenient and enjoyable for customers who are short on time.

Carrefoursa generated sales revenue of TL 3,933 million in 2015 from a store network of 39 Hypermarkets and 451 Supermarkets, 31 Gourmet and 258 Mini markets spanning total net sales area of 642,000 m^2. Nearly 127 million customers shopped at Carrefoursa stores throughout the year.

In 2015, Carrefoursa enhanced its core business of fresh food retailing around the concept of "freshness." The Company placed a special emphasis on providing fresh, top quality food products to customers at accessible prices with the slogans "The Fresh is Either on the Branch or at Carrefoursa," "The Fresh is Either in the Field or at Carrefoursa" and "The Fresh is Either at Sea or at Carrefoursa."

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.

In 2015, Carrefoursa posted turnover of TL 3,933 million. The Company operates a retail chain that includes 39 Hypermarkets, 451 Supermarkets, 31 Gourmet markets and 258 Mini markets, with a total net sales area of 642 thousand m^2. In 2015, about 127 million customers shopped at Carrefoursa markets.

In accordance with their sustainable and profitable growth objectives, Industrials Group companies reinforced their competitiveness with a vision of operational, commercial, entrepreneurial and innovative, and human resources excellence.

Industrials

INDUSTRIALS

Turkey Distribution Network of Temsa, Bridgestone and Lassa brands

Kordsa Global | Yünsa | Brisa | Temsa

Turkey's Innovative and Entrepreneurial Industrials Group

In 2015, Sabancı Holding Industry Group companies boosted their operational profit by 25% by focusing on value added operations and products. Despite falling growth worldwide and increasing competition fueled by historically low raw material prices, Industry Group companies contributed to the growth of Turkish economy and manufacturing industry.

Industry Group companies continued to rack up significant achievements in 2015. Kordsa maintained profitable growth as its Indonesian cord fabric factory and polyester HMLS yarn fabric factory, acquired in 2014, reached their capacity utilization targets. Brisa, which has increased its profitability by an average of 28% per annum over the last five years, retained its leadership position with a record-breaking operating profit in 2015. Additionally, Temsa Otobüs closed the year with record profits.

Industry Group companies also continue to make capital investments to maintain their profitable growth. Brisa is undertaking a US$ 300 million investment to establish its second factory in the Organized Industrial Zone of Aksaray province. In first half 2016, Kordsa plans to commission the Composite Technologies Center of Excellence, which will design new composite products with high added value. Kordsa also completed its second public offering in April 2015, increasing its free-float ratio to 29%. At its Adana production plant, Temsa Global upgraded the cataphoresis facilities, which is engaged in the preparatory stage before the painting process.

MANUFACTURING COMPANIES LEADING THEIR RESPECTIVE INDUSTRIES

KORDSA GLOBAL Leader in the Global Nylon 6.6 Market 36%

BRİSA Leader in Turkish Tyre Retreading Market 30%+

YÜNSA Leader in Turkish Woolen Fabric Market 28%

TEMSA GLOBAL Leader in Turkish Midi Bus Market 30%

TEMSA İş Makinaları Leader in Turkish Diesel Forklift Market 11%

TEMSA MOTORLU ARAÇLAR Leader in Turkish Light Commercial Vehicles Market 33%

Innovative and Corporate Entrepreneurs

As leaders of their respective sectors, Industry Group companies carried out over 40 projects in 2015 to gear up their growth performance. At the İnovalig awards of the Turkish Exporters Assembly (TİM), Kordsa Global placed first and Brisa came in second in the category "Innovation Strategy." With its new business model Yünsa Touch, Yünsa transferred its know-how in woolen fabric manufacturing to cotton fabrics, thereby generating a new source of revenue.

Having rolled eight new products in 2015, Temsa Global entered the High-Floor Intercity Bus segment with the Maraton model, designed at Adana facility. In late 2015, Temsa also launched Turkey's first smart bus iBUS, whose entire software development work was completed in-house.

Market Leader and Globally Competitive

In 2015, Industry Group companies preserved their sector leadership positions by achieving profitable and sustainable growth. Kordsa Global captured a 34% share in the industrial nylon 6.6 yarn market to remain the global market leader. In the industrial PET-HMLS market, the company climbed to third position with a market share of 10%. Brisa climbed to a higher rank in the truck and bus tires market, increased its penetration in the bus tire market and achieved a 30% sales increase in Profleet, a special service for fleets.

Temsa Otobüs continued to expand its overseas sales, with exports generating 35% of total turnover in 2015. In the US market, Temsa sold 155 buses manufactured at the Company's Adana facilities, corresponding to a 10% share in that segment; thus, it maintained a strong market position. With the L200 model, Temsa Motorlu Araçlar closed the year as the market leader in light commercial vehicles.

Operational Excellence

Industry Group companies continue their capital investment drive to bolster their productivity, safety and quality performance. In all the company's markets including Turkey, Kordsa Global boosted efficiency and reduced costs. Kordsa and Brisa achieved added cost savings via sales and procurement chain optimizations. Yünsa further raised its First Quality production ratio, a metric of immense importance for upper-segment clients. In addition to these cost-related successes, Industry Group companies also started work to embrace the tenets of Industry 4.0, widely known as the fourth industrial revolution.

Sustainable

Industrials Group Companies continue to invest in environmentally-friendly products and energy efficiency. Brisa was accepted to the BIST Sustainability Index, which is comprised of Borsa Istanbul-listed companies that demonstrate a superior sustainability performance, for the period November 2015-October 2016. Kordsa Global received an award in the "Large Firm – Best Innovative Environmental Practice" category for its project to reduce weaving machinery energy consumption. During the year, Yünsa raised its rating in the Carbon Disclosure Platform, the world's most prestigious and extensive ecological initiative, from 59 to 92, and improved the Company's performance level from D to B. In cooperation with the United Nations Industrial Development Organization (UNIDO) energy advisors, the Company worked on measures to boost efficiency. Yünsa also cut its energy consumption by employing the "Heat Recycling Hardware Improvement" and "Ultrasonic Cleaning Method".

KORDSA GLOBAL

TYRE REINFORCEMENT, COMPOSITE REINFORCEMENT AND CONSTRUCTION REINFORCEMENT MATERIALS

1,735

NET SALES
(TL MILLION)

116

NET PROFIT
(TL MILLION)

Kordsa Global's success story started in 1973 with Sabancı Holding's investment in the İzmit factory to provide cord fabric to tire manufacturers.

Kordsa Global, primarily engaged in supplying materials to the automotive tire industry for 42 years, carried out additional capital investments in 2014-15 to expands its operations to include composite reinforcement and concrete reinforcement.

Initially positioned as the market leader in Turkey, Kordsa Global has now achieved world market leadership thanks to its deep know-how in reinforcement materials and processes, advanced R&D efforts, open innovation culture and strategic approach to the tire reinforcement sector.

Today, the company ranks first globally with a 34% market share in heavy denier industrial nylon 6.6 yarn and cloth sales, and third worldwide with a 10% share in the high resistance industrial polyester market.

Kordsa Global aims to continue moving forward with high value added and innovative reinforcement technologies while creating sustainable value for the Company's customers, employees, shareholders and society as a whole.

Kordsa Global is known around the world as "The Reinforcer," in recognition of its technology and market leadership, strong global footprint and 42 years of know-how in reinforcement technologies.

Reshaping the industry positioned as "The Reinforcer" and committed to an open innovation-based approach, Kordsa Global has started to enter new business lines, transferring its tire reinforcement know-how accumulated since 1973 to the construction and composites sectors.

Reinforcement technologies leader Kordsa Global commenced work on the Composite Technologies Center of Excellence in 2014, in cooperation with Sabancı University. The Center will bring together Sabancı University faculty members, PhD students and Kordsa Global employees under the same roof. Through this industry-university cooperation model, the first of its kind in Turkey, Kordsa Global embraces the concept of open innovation. TL 65 million is being invested in the Center which is scheduled to open in the first half of 2016.

2015 saw the Company's capital investments made in 2014 in the tire and construction industries bear fruit. The synthetic reinforcement fiber – branded Kratos – specially manufactured for the construction sector and the second cord fiber and polyester yarn factories opened in Indonesia with US$ 100 million of investment started to generate returns.

In addition to entering new businesses, Kordsa Global also made a major leap forward in 2015 in the area of operational excellence. The reinforcement technology leader put in practice the Total Productive Maintenance (TPM) scheme in order to boost the productivity of its shop floor equipment and machinery at the İzmit and Indonesia factories.

In 2015, Kordsa Global made major advances in R&D and innovation. The Company's R&D efforts and innovative approaches, systematically carried out since 2008, were once again recognized with major awards during the year.

At Turkey Innovation Week, organized by the Turkish Exporters' Assembly (TİM), Kordsa Global placed first in the "Innovation Strategy" category of the Improve InovaLİG Awards.

Kordsa Global, Turkey's reigning innovation strategy champion, received the "Best R&D Center in Turkey" designation in the 2014 R&D Centers Performance Index, compiled by the Ministry of Science, Industry and Technology. In the Textiles category in the same ranking, the company placed first for the third time.

Kordsa Global, which holds 236 patents worldwide, ranks sixth among Turkey's patent champions with 14 applications in the first six months of 2015 according to Turkish Patent Institute data.

At the Sustainable Development Association (SKD)'s Turkey Innovative Sustainability Practices Competition, Kordsa Global received an award in the "Large Enterprise – Best Environmental Innovative Practice" category, the Company's fourth innovation and R&D award in 2015.

At the 15th edition of the Industrial Energy Efficiency Project Competition held by Ministry of Energy and Natural Resources, Kordsa Global received an award in the category "Industrial Energy Efficiency Enhancement Projects." Additionally, the Company was granted ISO 50001 certification for its energy management policy.

For the third time, Kordsa Global garnered ETİKA Turkey's "Most Ethical Companies" award, presented by the Center for Ethical Values (EDMER) to broaden public awareness on business ethics, and to recognize companies that set an example for the country's youth. Furthermore, the Company collected ETİKA Turkey's "Third Year Special Prize for Ethical Consistence."

At İTKİB (Istanbul Textile and Confection Exporters' Association)'s Export Stars Award Ceremony, Kordsa Global received the Platinum Award in the "Textiles" category.

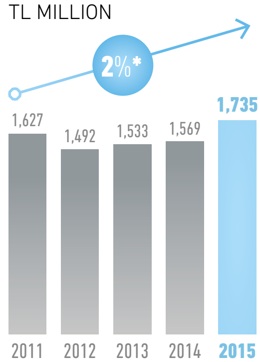
Having received the top grade in KPMG (Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.)'s Quality Assurance Assessment, the Company was granted the "2015 Internal Audit Awareness Award" by the Turkish Internal Audit Institute (TİDE) Board of Directors.

Kordsa Global strives to put sustainability into practice by integrating the concepts into its corporate targets and strategies. To this end, the Company issued its first Sustainability Report in 2015. The report is based on GRI4 guidelines set forth by the Global Sustainability Reporting Initiative of the United Nations Global Compact, signed by the Company in 2014.

In first half 2015, Sabancı Holding offered 20% of Kordsa Global shares to qualified investors. As such, Kordsa Global's free-float ratio came up to 29% and the Company entered the BIST 100 index.

With 4 thousand personnel employed by enterprises located around the world, Kordsa Global delivers reinforcement technologies to customers globally.

NET SALES
TL MILLION



* 2011-2015 CAGR

Kordsa Global, which holds 236 patents worldwide, ranks sixth among Turkey's patent champions with 14 applications in the first six months of 2015 according to Turkish Patent Institute data.

TYRE

BRiSA

1,802

TOTAL SALES
(TL MILLION)

192

NET PROFIT
(TL MILLION)

902

BRANDED SALES POINTS

638

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.

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 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, Bridgestone motorcycle tyres and Kinesis branded forklift tyres.

Striving to provide a balanced product portfolio to vehicle owners between the 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.

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. The 2014 Sustainability Report was deemed worthy of Ethical Corporation's "Best B2B Sustainability Report" award. A signatory to the Global Compact, Brisa implements the "May the Cranes Always Fly" initiative in cooperation with WWF-Turkey, to contribute to biodiversity and ensure the protection of cranes in Anatolia. Since 2014, Brisa has also participated in the "Green Office" program.

Having joined the Climate Disclosure Leadership Index in 2015, Brisa was also accepted to the Borsa Istanbul Sustainability Index for the period November 2015-October 2016.

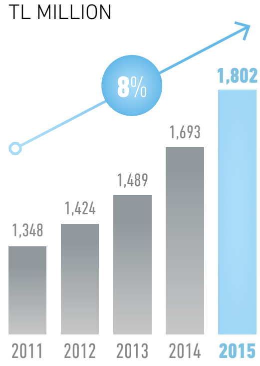
In keeping with its innovation and sustainability approach, Brisa became the sole Turkish partner of Solar Impulse in 2015. This experimental solar-powered aircraft initiative aims to develop airplanes capable of flying on solar energy day and night without interruption, and without consuming any fossil fuel whatsoever.

Lassa, a Brisa brand, became the Global Official Tire Partner of FC Barcelona for four seasons starting from 2015. In addition, Turkish football player Arda Turan became Lassa's brand ambassador for a two-year period.

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 3.6 million units, is expected to commence production in 2018.

Brisa's net sales rose to TL 1,802 million in 2015. Brisa shares are listed on Borsa Istanbul with a free float ratio of 10%.

NET SALES
TL MILLION



* 2011-2015 CAGR

Having joined the Climate Disclosure Leadership Index in 2015, Brisa was also accepted to the Borsa Istanbul Sustainability Index for the period November 2015-October 2016.

AUTOMOTIVE

TEMSA

750

TOTAL SALES
(TL MILLION)

TEMSA OTOBÜS

Established in 1968, Temsa has today become one of Turkey's leading bus manufacturers thanks to its innovative and entrepreneurial structure. Demonstrating a steep ascent in the Turkish, European and American markets, Temsa produces and exports its own-brand buses and midi-coaches.

The Temsa Adana Plant occupies a total area of 555,000 m^2 and counts over 1,500 employees, who can produce a total of 11,500 vehicles including 4,000 buses, midibuses and 7,500 light trucks in a single shift during the year.

Boasting a product range that includes vehicles for all segments, Temsa is capable of responding to changing conditions and customer demands. Regularly modifying and revising its product range, Temsa conducts manufacturing operations at its Adana Plant. There, it manufactures Maraton and Safir Plus intercity passenger and tourist buses; Prestij and Opalin midi-coaches; Avenue and Tourmalin buses specially designed for city public transport; TS45, TS35, TS30 for the USA; and Avenue, LD, HD buses and MD9, MD7 midi-coaches for Europe.

Temsa rolled out the smart bus iBUS and electric vehicles to take customer expectations to a whole new level, introducing major innovations to the transport sector. As such, the Company leads the way in the digitalization of mass transport.

Launching nine new products in 2016
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 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 2016. The company plans to introduce 25 new products by year-end 2016.

Market leadership with Prestij and Avenue
In the domestic market, Prestij has become the leader of the segment of buses with 27-29 person capacity, while Avenue leads the city segment.

www.temsa.com

Avenue iBus
Committed to designing products that offer security, sustainability, productivity and digital solutions to customers in keeping with its "Smart Mobility" slogan, Temsa unveiled its smart bus Avenue iBus, a product of meticulous efforts, at the Transist Fair. Avenue iBus has identified all the needs of its segment and formulated effective solutions. Prominent features include vehicle following system and car computer, switch control with touchscreen, driver windshield monitor, passenger counting system, onboard passenger notification systems, onboard camera systems, emergency intervention infrastructure, onboard Wi-Fi station, USB charging stations, new display panel, and smart service hardware.

Safir Plus
Safir VIP stands out in its segment with its 2+1 seating model and 41+1 passenger seats. By adding four extra seats without compromising seating comfort, bus operators can carry more passengers and thus increase their revenues. Safir Plus has built on this capability, as it has 2+1 as well as 2+2 seating models. Safir Plus's comfort level enhances the passenger travel experience and helps bus owners to save money with its economic fuel consumption. Furthermore, its newly designed dashboard gives the vehicle a more modern appearance and a more ergonomic driving experience with a wider range of vision for drivers.

Maraton
Maraton is manufactured as the world's first double-axle flat-floor Super High Deck bus, and comes in 41+1+1 and 46+1+1 options. Bus operators much appreciate Maraton thanks to the absence of steps between the seats and aisle, a generous luggage capacity, and its striking exterior design. In addition, drivers enjoy a very high level of comfort in the vehicle. The spacious driver area, programmable LCD cluster, ergonomic keyboard, digital dashboard and air conditioning in the sleep cabin are just some of the many comforts that drivers can benefit from. Besides its impressive road holding ability, the vehicle boasts AEBS, LDWS, EAS, ESC, ACC and smart fire extinguishing systems. Maraton also allows passengers to enjoy an enhanced travel experience with spacious and comfortable seating, as well as a powerful air conditioning system.

Exports to 64 countries
Thanks to its intensive R&D efforts and many innovations, Temsa is the first bus manufacturer to receive R&D Center certification in Turkey. The company translates its original engineering and know-how into an extensive product portfolio offered not only to the Turkish market but across the world, exporting over 10 thousand vehicles to more than 64 countries. In France alone some 4 thousand Temsa-branded buses are on the road. Additionally, Temsa's other major markets in Europe include Germany, England, 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.

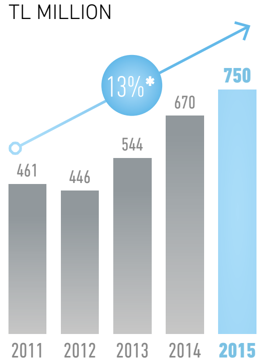
Fairs
Temsa introduced its products at fair events held in the local market and overseas in 2015. Temsa has signed a major success at the point of launch of new products to export markets with three important fairs in 2015.

The Company participated in the UITP Fair in Milan June 8-10 to unveil its MD9 ElectriCITY bus.

Between October 16-21, 2015, the Company showcased seven bus models, of which two were newly launched, at Busworld Kortrijk.

At the Transist Fair, which ran December 25-26, 2015 at the Istanbul Congress Center, the Company unveiled its Avenue iBus.

SALES
TL MILLION



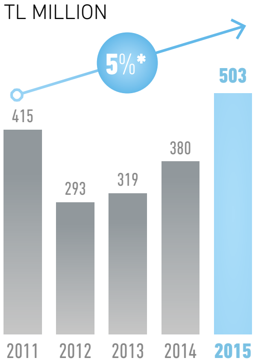
* 2011-2015 CAGR

Temsa's strategic approach is developing the right products that respond to changing customer needs, implementing a modular approach to manufacturing, and producing well-designed, top quality coaches.

TEMSA MOTORLU ARAÇLAR

TEMSA
MOTORLU ARAÇLAR
PAZARLAMA VE DAĞITIM A.Ş.

NET SALES
TL MILLION



* 2011-2015 CAGR

503

TOTAL SALES
(TL MILLION)

41

NET PROFIT
(TL MILLION)

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 with a network of 33 authorized dealers and 58 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. Temsa Motorlu Araçlar serves as the Azerbaijan, Armenia, Georgia and Kazakhstan distributor of Mitsubishi Fuso Canter.

Temsa Motorlu Araçlar had a successful performance and increased sales by 14% in 2015. 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.

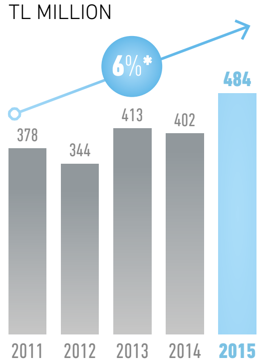
Boasting total unit sales of 3,897 vehicles, the company remains the leader of the pick-up market with a 27.2% share. Sales of the Canter model – known as the "Truck Driver's Best Friend" in the 3.5-10 ton segment – rose 63% over the prior year, boosting the Company's market share from 25.1% to 31.9%.

Temsa Motorlu Araçlar expects to remain the leader of the pick-up segment with the fifth generation New Mitsubishi L200, which rolled out in third quarter 2015, and to become the leader in the light truck market with Fuso Canter in 2016. The Company plans to launch the revamped Mitsubishi Space Star and ASX in second half 2016.

CONSTRUCTION MACHINERY

TEMSA İŞ MAKİNALARI

NET SALES
TL MILLION



* 2011-2015 CAGR

11.5

NET PROFIT
(TL MILLION)

Temsa İş Makinaları is the distributor of worldwide leading brand Komatsu. In addition, the Company represents the brands Dieci, Terex Finlay and OMG.

Komatsu, which the Company has served 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. In 2015, this distributorship operation was expanded to include Azerbaijan and Georgia.

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. Strategically organizing sales and after-sales services as parts of an integrated whole and committed to delivering the highest level of customer satisfaction, Temsa İş Makinaları serves customers in a diversified range of sectors, including construction, mining, industry, steel, ceramics, forestry and energy. The Company provides exceptional services to customers via its Head Office in Istanbul, Technical Centers in Ankara and Istanbul set up to provide one-on-one assistance to customers, regional offices in provinces across the entire country, and 41 authorized service providers.

Temsa İş Makinaları 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.

www.temsaismakinalari.com

TEXTILES

264

TOTAL SALES
(TL MILLION)

5

NET PROFIT
(TL MILLION)

4,500

CAPACITY
(TONS) (STAPLE CAPACITY OF KAMGARN)

14,300

(KM)
(CAPACITY OF WORSTED WOOL)

www.yunsa.com

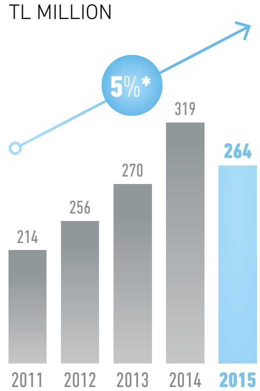
Combining technology and the artistic expression of esthetics in its fabrics production, Yünsa strives for global leadership in the worsted wool fabric market; it is the largest manufacturer of worsted wool in Turkey as well as in Europe. Yünsa stands out with its vision, high product quality, market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

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. In 2014, the Company introduced the Yünsa Touch collection, a line specially designed to create comfortable clothing. This was followed by the launch of Yünsa Premium in 2015, targeting upper-segment customers. Such customized product concepts help the company maintain its market leadership position. 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.

NET SALES
TL MILLION



* 2011-2015 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. Based on the results of 2015 CDP Turkey Climate Change Report, Yünsa received the highest score in the Textile industry.

Yünsa's sales in 2015 rose to TL 264 million with exports making up TL 158 million of sales. Yünsa shares are listed on Borsa Istanbul with a free float of 36%.

Yünsa continually strives to bolster its strong market position and increase its profitability day after day, by making investments to achieve sustainable growth and undertaking major initiatives to move forward on the road to global leadership.

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 an investment in state-of-the-art technology. Total investments in this plant reached US$ 750 million as of year-end 2015. Philsa engages in top quality production for the domestic market as well as overseas, expanding its export volume year after year.

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 2015, PMSA captured a 44%* 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.

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.

Founded in 1975, Bimsa is one of the most deep-rooted and experienced information systems and technology firms in Turkey with 41 years of experience in the industry.

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.

Software as a service (SaaS)

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.

Founded in 1975, Bimsa stands out as Turkey's most experienced IT company with its 41 years of know-how.

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.

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.

Bimsa closed 2015 with turnover up 45% thanks to its ever-developing organizational and management structure.

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.

Bimsa in 2015

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 45% growth in sales in 2015.

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 2015, the Hiltonsa chain of hotels had a 920-room capacity in total: 309 rooms at Ankara Hiltonsa, 308 rooms at Adana Hiltonsa, 186 rooms at Mersin Hiltonsa and 117 rooms at Hilton Parksa. The hotels are operated by Hilton Group.

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Sabancı Group shares 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

from this land with its people

FOUNDATION

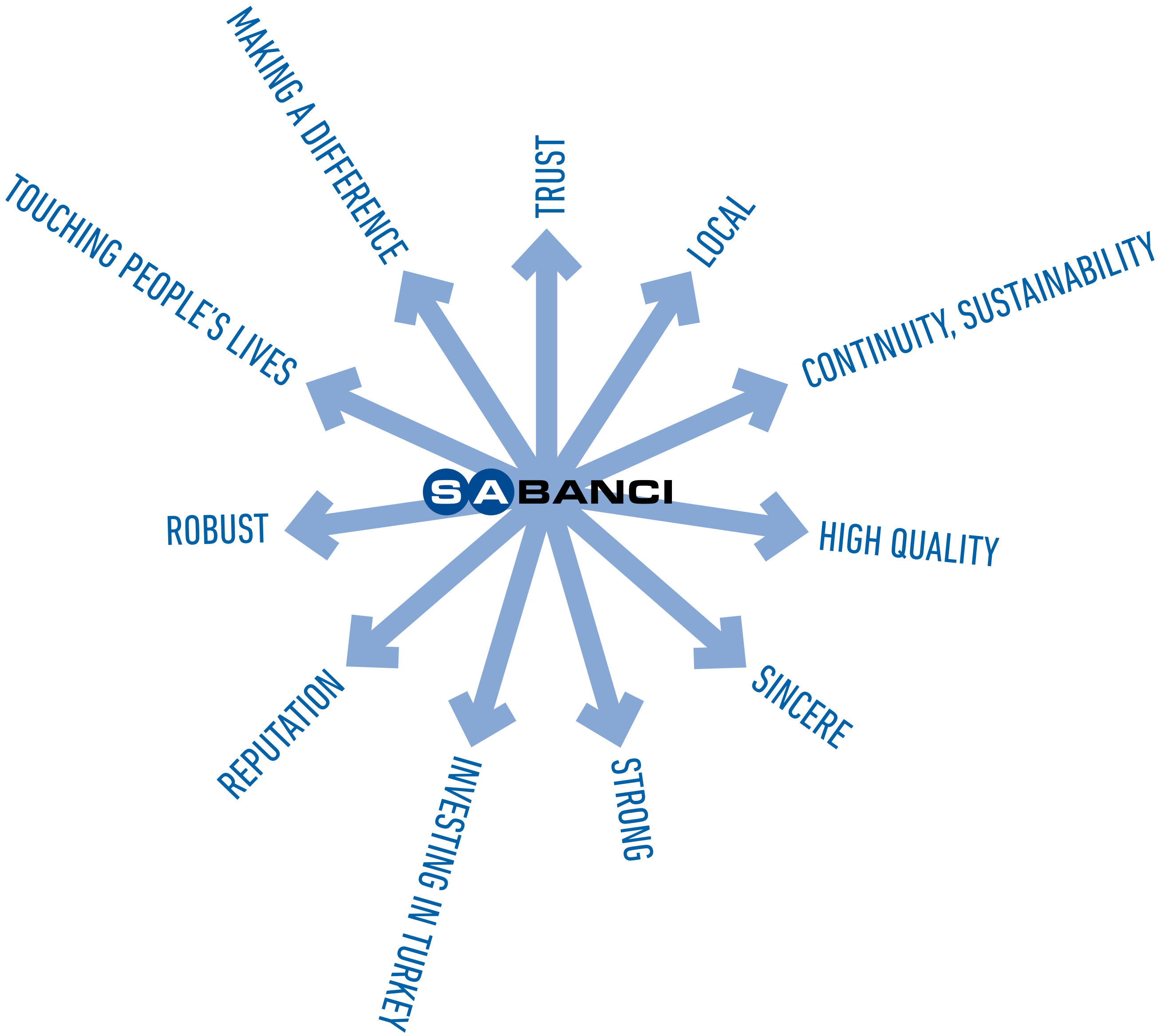
Provinces in which Sabancı Foundation operates

Embracing the late Hacı Ömer Sabancı's life philosophy of "to share 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
37	EDUCATIONAL INSTITUTIONS
20	DORMITORIES
16	TEACHER'S CENTERS
16	CULTURAL CENTERS
17	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
ROBUST
SABANCI
HIGH QUALITY
REPUTATION
SINCERE
INVESTING IN TURKEY
STRONG

SABANCI UNIVERSITY

The University ranked 13th in Times Higher Education (THE)'s World University Rankings Under 50 list, and became the top ranked Turkish university in this category.

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. Designated the most entrepreneurial foundation university in this index in subsequent years, Sabancı University received the highest rating among all universities in 2015 to be named Turkey's "Most Entrepreneurial and Innovative 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.

In 2015, Sabancı University maintained its position in the global top 500 rankings compiled by prestigious organizations such as Times Higher Education and QS. In addition, in Times Higher Education (THE)'s World University Rankings Under 50 list, the University ranked 13th – the top ranked Turkish university in this category.

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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 Nano Engineering, 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.

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 South East Europe and the Middle East. Sabancı University School of Management is also accredited by AACSB International as proof of its high global standards.

The University's Executive MBA Program first entered the renowned Financial Times' "World's Top Executive MBA Programs" list in 2014, and ranked 44th in the same publication's "Europe's Top Executive MBA Programs" listing in 2015. Sabancı University's School of Management was also designated one of the best three management science schools in Eurasia and the Middle East by Eduniversal International Science Committee. Votes were cast by university deans who assessed around 1 thousand management schools from 154 countries.

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 8,250 diplomas, 5,466 of which are from undergraduate programs and 2,784 from graduate programs, have been awarded by Sabancı University since 2000. 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.

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.

Since 2000, Sabancı University has granted 5,466 bachelor's degrees and 2,784 postgraduate degrees, some 8,250 diplomas in total. 78% of graduates pursue a professional career, while 16% continue their studies at the postgraduate level. 88% of Sabancı University graduates were either employed or admitted to graduate school within one year of graduation.

SABANCI UNIVERSITY SAKIP SABANCI MUSEUM (SSM)

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.

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 1951 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.

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SSM Collections

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.

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 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 Archeological and Stone Works Collection consists of Roman, Byzantine and Ottoman pieces and is exhibited in the Museum's garden.

Exhibitions Held at SSM
In 2015, Sabancı University's Sakıp Sabancı Museum (SSM) continued to organize exhibitions under the sponsorship of prestigious domestic and foreign corporations and institutions, giving hundreds of thousands of visitors the opportunity to discover artists and art movements that have shaped the world of art.

Joan Miró. Women, Birds and Stars
SSM's last exhibition of 2014, under the main sponsorship of Sabancı Holding, was "Joan Miró. Women, Birds and Stars," which ran until March 8, 2015. The exhibition title referenced the main themes found in the masterpieces of famous 20th century artist Joan Miró over a period of four decades.

Various pieces from Miró Family's special collections, and personal belongings of the artist were exhibited in Turkey at the Sakıp Sabanci Museum for the first time in the world.

The exhibition was organized in collaboration with the "Joan Miró Foundation" and "Museum" in Barcelona, the Miró Family collection "Succession Miró" and the Pilar and Joan Miró Foundation in Mallorca. Within the scope of the exhibition, important events were organized including the conferences given by Joan Punyet Miró, the grandson of the artist, and Prof. Ali Akay, as examples from the Spanish Cinema were staged.

Reunion: Between the 9th of April and the 26th of July 2015, SSM hosted the works – works in many different disciplines from paintings to photos, from documentaries to installments – of the 20 artists who had been through the Sabancı University "Visual Arts and Visual Communication Design Program".

"The Portrait of Sakıp Sabancı" – 56th Venice Biennale: On the 10th anniversary of Sakıp Sabancı's passing away, Sakıp Sabancı Family commissioned a work titled "The Portrait of Sakıp Sabancı" to the artist Kutluğ Ataman in 2011. The resulting video installation was invited by the art commissioner Okwui Enwezor to the main section of 56th Venice Biennale, one of the world's most renowned arts events. The innovative artwork reflected Sakıp Sabancı's vision through a timeless, extraordinary, artistic method. The video installation was screened at the 56th Venice Biennale, which ran from May 9 to November 22, 2015, in the Artiglierie building of the Arsenale.

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SABANCI UNIVERSITY SAKIP SABANCI MUSEUM (SSM)

In parallel with the exhibition "Reunion," various panel discussions were organized with the participations of artists and Sabancı University faculty members and graduates studying arts theory, who contributed to the exhibition catalogue with their articles.

"ZERO. Countdown to the Future": SSM's last exhibition of the year, organized jointly by the Museum and Akbank Sanat, featured works by Otto Piene, Heinz Mack and Günther Uecker, the founders of the 20th century's biggest international art network – ZERO. The exhibit also included works by Yves Klein, Piero Manzoni and Lucio Fontana, who also made significant contributions to this famed artistic movement.

Within the scope of the exhibition, SSM also hosted an art event that reaches the sky "The Sky Event", celebrating the rendezvous of art, science, architecture and technology. Within the scope of the event, ZERO's past, present and future was discussed on Friday the 23rd of October 2015 with the participation of the art critic and curator Ms. Beral Madra, MIT (Massachusetts Institute of Technology) faculty member and artist Ms. Elizabeth Goldring Piene (ZERO's founder the late Otto Piene's wife), Ms. Laura Knott member of the curatorial staff managing exhibitions in technology and art in MIT Museum, Honorary Dean of the Faculty of Architecture at Columbia University and 2016 Istanbul Design Biennale curator Mr. Mark Wigley. In the performance staged on Saturday the 24th of October 2015, a performance group composed of artists and volunteering students, used helium to inflate and animate Otto Piene's "Inflatables", the inflatable objects he produced with the "Sky Art" concept he created in 1969. Another conference within the scope of the exhibition, was organized with Prof. Ali Akay under the topic of "Zero Degree" on the 18th of November 2015.

Another event, enriched with Prof. Filiz Ali's narrative, within the scope of the exhibition at SSM, was the "Countdown With Music: Two Modernist Composers of the era after 1950; Bülent Arel and İlhan Usmanbaş" concert organized in collaboration with AIMA, bringing the reflections of the innovative quests – that had inspired the German art movement ZERO – in Turkish modernist music together with the art lovers.

SSM Educational Activities and Events

Children's Education

SSM Children's Educational Programs continued throughout 2015 with enhanced quantity, diversity and content. With programs organized during the year including the semester breaks, special group workshops were held for children in parallel with the Museum's permanent collections and exhibitions. Launched in 2015 to provide a special

art experience to mothers and infants, Turkcell Platinum's Mothers with Strollers Event consisted of guided exhibition tours as well as workshops and light games to engage infants and toddlers.

Adult Education Programs

Sabancı University Sakıp Sabancı Museum continued its six to 12-week long certificate programs in the 2015 fall and spring terms. The Spring 2015 Adult Education program was arranged with the participation of select faculty members from Istanbul University, Istanbul Bilgi University, Marmara University and Mimar Sinan Fine Arts University. It started off with four seminars and a workshop, and continued into the fall. The Fall 2015 program featured four seminars on Philosophy, Art History, Architecture and Mythology. Additionally, garden workshops were held for adults in 2015.

Film Screenings

During the 2014-2015 season, as part of the "Joan Miró. Women, Birds and Stars" exhibition, major Spanish films were screened, while important German productions were shown during "German Days at SSM" under the "ZERO. Countdown to the Future" exhibition. The weekly screenings were coordinated by famed film critic Atilla Dorsay who presented a comprehensive cinematic presentation at SSM of the cultural and historical developments which laid the groundwork for the ZERO movement. In 2015, on the occasion of the centenary of Yeşilçam, SSM also hosted a series of film screenings titled "100 Years of Yeşilçam through 10 Films."

Concerts at SSM

SSM's garden hosts concerts by top names of world music as part of Istanbul Foundation for Culture and Art's Music and Jazz Festivals, while the "The Seed," a venue for international culture and arts events on the premises of the Museum, continued to welcome masters of classical music in 2015 under the Istanbul Recitals programs.

Yoga

The yoga classes held in SSM's lush gardens have generated great interest in recent years and have become a modern tradition. With the assistance of Cihangir Yoga instructors, the classes continued through the summer of 2015, every Wednesday from 8:00am to 9:45am, free-of-charge.

In parallel with ZERO. Countdown to the Future exhibition, SSM played host to "The Sky Event" with the support of Akbank Sanat on October 23-24, 2015, in celebration of this coming together of the arts, science, architecture and technology.

SABANCI FOUNDATION

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 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. Sabancı Foundation's financial resources consist of donations by the Sabancı Family and Sabancı Group, and revenues generated from the Foundation's various assets.

One of Turkey's largest foundations, Sabancı Foundation is a member of and plays important roles in leading civil society platforms both within and outside Turkey. Sabancı Foundation is a Founding Member of Third Sector Foundation of Turkey (TÜSEV); a Board Member of European Foundations Center (EFC); a Founding Member of EFC's European Consortium of Foundations on Human Rights and Disability and Gender Group; and a Member of the US 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.

Over the past 41 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.

In 2015, Mimar Sinan Fine Arts University's Tophane-i Amire Culture and Art Center was renovated to become accessible by individuals with disabilities. These efforts were carried out by the Foundation.

Since its establishment, the Foundation has provided more than 42,000 scholarships through the scholarship program. In 2015, nearly 1,500 students benefited from Sabancı

www.sabancivakfi.org

Foundation scholarships, with 400 being first-time beneficiaries. 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.

In 2015, the Foundation continued to sponsor various culture and arts activities, including State Theaters – Sabancı International Adana Theater Festival and the International Ankara Music Festival. The Foundation's Sakıp Sabancı Mardin City Museum and Dilek Sabancı Arts Gallery received over 470 thousand visitors since its opening on October 1, 2009.

Initiated in 1990 and sponsored by Sabancı Foundation since 2003, the Metropolis Ancient City excavation in Izmir continued in 2015. Located in Izmir, Torbalı, Metropolis was opened to visitors as an archaeological site in 2015.

Having received support from Sabancı Foundation for seven years, the Turkey Youth Symphony Orchestra was comprised of 83 young musicians chosen from 11 universities in 2015. After a three-week camp at Sabancı University, the ensemble performed six concerts overseas and one concert in Istanbul.

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 2012-2015, 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

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SABANCI FOUNDATION

The United Nations Joint Program drew to a close with an event held in Ankara on September 8, 2015.

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.

As part of the Gender-Sensitive Budgeting initiative, 329 municipal employees and NGO representatives from 11 provinces were offered training programs. Under the Sabancı Foundation Grant Program, 20 projects from nine provinces received grant support. The Purple Certificate Program administered gender equality seminars to 676 high school teachers from 11 provinces and presented 139 teachers with the Purple Certificate. The United Nations Joint Program drew to a close with an event held in Ankara on September 8, 2015.

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 1,674 applications. The Foundation granted a total of TL 9.5 million to 54 projects carried out in 72 provinces. Out of these projects, 46 were completed, reaching more than 90,000 individuals across the country.

In 2015, 9 new projects were selected to be supported under the Sabancı Foundation Grant Program. Project representatives convened on August 4, 2015 in Istanbul to meet with one another and share their experiences. On October 13, 2015, 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 2015, 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 1,500 applications, 135 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 3.6 million viewings on domestic and international platforms. The 7th season of the program started in October 2015.

In 2015, Sezen Aksu made a donation to the Foundation in the form of a music video shot by Çağan Irmak for the song "Kız Leyla" performed by Sertab Erener. The video was unveiled on April 14, 2015 at an event hosted by Yetkin Dikiciler; subsequently, the music video went viral in social media. This video helped bolster public sentiment against early marriages as part of the No More Child Brides program.

Sabancı Holding's Human Resources and Corporate Communications units launched the "Sabancı Volunteers" initiative, with content and design enhanced by the Foundation.

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. In 2015, the Foundation provided support to three important activities related to its focus areas.

Sabancı Foundation became the main Turkish sponsor of the Girls-20 Summit, a Canadian initiative organized in countries that host G-20 Summits. Designed to empower young girls and formulate proposals to help women actively participate in the economy, the Girls-20 Summit took place October 4-6, 2015 in Istanbul. President of the Board of Trustees of the Foundation, Güler Sabancı delivered the keynote address. A group of young girls hailing from various countries organized a visit to the Tarlabaşı Community Center which has received a grant from Sabancı Foundation.

Organized under the main sponsorship of Sabancı Foundation and in cooperation with Ashoka Turkey and the Another School is Possible Association, the Education Summit to Make a Difference took place on November 29, 2015. Eight speakers, two of whom were children, pointed to the pressing need for a different approach to education.

Sabancı Foundation played host to the 1st International Developmental Pediatrics Congress held December 2-5, 2015 by the Association for Developmental Pediatrics and Ankara University, to underscore the importance of early intervention in cases of disability and other developmental issues.

Sabancı Foundation continued to boost its reputation in the international arena in 2015. 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.

Sabancı Foundation garnered two awards in 2015, one domestic and the other international. At the Golden Compass event held by the Turkish Public Relations Association, one of the most prestigious events in the field of communications, the Foundation received the Grand Prize in the "Making a Difference" category. At the Platinum PR Awards, organized by PR News, the information gateway of the global communications community, the Foundation was presented with the Grand Prize in the "anniversary" category in recognition of the activities which were carried out to mark the 40th anniversary year of the Foundation.

Nine NGOs supported by Sabancı Foundation's Grant Program that completed their projects in 2015 shared their experiences at a meeting titled "Sowing Season" on October 13, 2015.

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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

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 Senior Management 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 2015
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 2015, 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 2015, 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 2015 for the consolidated balance sheet and the official USD average CBRT bid rate of the year 2015 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 2015 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**

Hüseyin Gürer, SMMM
Partner
Istanbul, 26 February 2016

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HACI ÖMER SABANCI HOLDİNG A.Ş.

AUDITED CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2015 AND 2014

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 2015 USD (*)	Current Period 31 December 2015	Prior Period 31 December 2014
ASSETS				
Current Assets		**42.374.035**	**123.206.744**	**110.109.883**
Cash and Cash Equivalents	5	3.681.980	10.705.724	7.518.753
Financial Assets		585.468	1.702.308	8.001.147
- Held for Trading	6.a	13.933	40.513	54.964
- Available for Sale	6.b	529.877	1.540.670	6.998.422
- Held to Maturity	6.c	41.658	121.125	899.608
- Time Deposits	6.d	-	-	48.153
Trade Receivables	8	460.778	1.339.757	1.012.556
Receivables from Finance Sector Operations	30	27.012.447	78.541.392	69.221.643
Reserve Deposits with the Central Bank of the Republic of Turkey		8.256.750	24.007.327	18.917.875
Other Receivables	9	356.609	1.036.876	587.474
Derivative Financial Instruments	29	934.584	2.717.395	1.420.780
Inventories	10	695.342	2.021.777	1.839.607
Prepaid Expenses	11	116.316	338.199	289.483
Income Tax Asset		1.540	4.478	-
Other Current Assets	20	232.938	677.290	619.289
		42.334.751	**123.092.523**	**109.428.607**
Assets Classified As Held for Sale	22	39.284	114.221	681.276
Non-current Assets		**48.945.289**	**142.313.323**	**120.416.672**
Financial Assets		18.027.089	52.415.563	40.510.363
- Available for Sale	6.b	14.392.680	41.848.155	30.609.785
- Held to Maturity	6.c	3.634.409	10.567.408	9.900.578
Trade Receivables	8	16.014	46.561	71.095
Receivables From Finance Sector Operations	30	26.102.955	75.896.951	68.329.878
Other Receivables	9	130.396	379.138	63.033
Derivative Financial Instruments	29	224.022	651.367	286110
Investments Accounted Through Equity Method	12	2.053.388	5.970.431	5.486.817
Investment Property	13	100.462	292.103	325.782
Property, Plant and Equipment	14	1.473.022	4.282.958	3.898.572
Intangible Assets		531.297	1.544.798	915.234
- Goodwill	16	348.863	1.014.355	478.935
- Other Intangible Asset	15	182.433	530.443	436.299
Prepaid Expenses	11	19.108	55.557	27.556
Deferred Tax Assets	28	245.803	714.698	477.413
Other Non Current Assets	20	21.735	63.198	24.819
Total Assets		**91.319.324**	**265.520.067**	**230.526.555**

(*) USD amounts presented above are translated from TL for convenience purposes only, at the official TL exchange rate announced by CBRT at 31 December 2015, 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 26 February 2015 and signed on its behalf by Zafer Kurtul, Member of Board of Directors and CEO and Barış Oran, CFO

HACI ÖMER SABANCI HOLDİNG A.Ş.

AUDITED CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2015 AND 2014

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 2015 USD (*)	Current Period 31 December 2015	Prior Period 31 December 2014
LIABILITIES				
Short Term Liabilities		**65.208.197**	**189.599.353**	**169.096.825**
Financial Liabilities	7	2.984.848	8.678.744	20.358.969
Current Portion of Long-Term Financial Liabilities	7	4.423.864	12.862.826	1.753.546
Trade Payables	8	820.875	2.386.775	1.809.196
Payables from Finance Sector Operations	30	53.958.745	156.890.448	137.847.256
Short Term Employee Benefits	19	19.399	56.405	40.214
Other Payables	9	1.527.388	4.441.032	3.399.419
Derivative Financial Instruments	29	609.495	1.772.169	1.209.531
Deferred Income	11	56.603	164.578	124.141
Income Taxes Payable	28	138.525	402.774	353.590
Short Term Provisions		208.607	606.545	526.633
- Short Term Provisions for Employee Benefits	19	81.940	238.249	203.009
- Other Short Term Provisions	17	126.667	368.296	323.624
Other Short Term Liabilities	20	444.053	1.291.129	1.324.776
		65.192.401	**189.553.425**	**168.747.271**
Liabilities Classified As Held for Sale	22	15.796	45.928	349.554
Long Term Liabilities		**12.363.900**	**35.949.276**	**24.571.850**
Financial Liabilities	7	6.581.766	19.137.143	11.605.585
Trade Payables	8	74	216	503
Payables from Finance Sector Operations	30	5.341.892	15.532.084	12.173.053
Other Payables	9	204.956	595.931	235.127
Derivative Financial Instruments	29	54.671	158.960	105.952
Deferred Income	11	39.310	114.297	149.244
Long Term Provisions		99.575	289.523	184.894
- Long Term Provisions for Employee Benefits	19	97.960	284.829	180.004
- Other Long Term Provisions	17	1.614	4.694	4.890
Deferred Tax Liabilities	28	40.694	118.323	114.976
Other Long Term Liabilities		963	2.799	2.516
EQUITY		**13.747.227**	**39.971.438**	**36.857.880**
Equity Attributable to the Parent	**21**	**7.202.708**	**20.942.594**	**19.177.680**
Share Capital	21	701.749	2.040.404	2.040.404
Adjustment to Share Capital		1.178.553	3.426.761	3.426.761
Share Premium	21	7.648	22.237	21.670
Accumulated Other Comprehensive Income or Loss That Will Not Be Reclassified to Profit or Loss		(17.575)	(51.102)	(10.526)
- Actuarial Gains/Losses		(17.575)	(51.102)	(10.526)
Accumulated Other Comprehensive Income or Loss That Will Be Reclassified to Profit or Loss		(114.296)	(332.327)	(100.945)
- Currency Translation Reserve	21	97.539	283.604	183.938
- Hedge Reserve	21	(60.404)	(175.630)	(188.975)
- Revaluation Reserve	21	(151.431)	(440.301)	(95.908)
Restricted Reserves	21	307.064	892.819	855.707
Retained Earnings		4.370.434	12.707.474	10.865.495
Net Income for the Year		769.132	2.236.328	2.079.114
Non-controlling Interests		**6.544.519**	**19.028.844**	**17.680.200**
TOTAL EQUITY AND LIABILITIES		**91.319.324**	**265.520.067**	**230.526.555**

(*) USD amounts presented above are translated from TL for convenience purposes only, at the official TL exchange rate announced by CBRT at 31 December 2015, 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 2015 AND 2014

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 2015 USD (*)	Current period 1 January - 31 December 2015	Prior period 1 January - 31 December 2014
CONTINUING OPERATIONS				
Sales (net)	4,23	4.287.309	11.657.193	10.384.249
Cost of Sales (-)	4,23	(3.344.502)	(9.093.701)	(8.232.212)
Gross Profit From Non-Financial Operations		**942.807**	**2.563.492**	**2.152.037**
Interest, Premium, Commission and Other Income	4	6.759.249	18.378.397	16.918.975
Interest, Premium, Commission and Other Expense (-)	4	(3.674.312)	(9.990.453)	(9.081.538)
Gross Profit From Financial Operations		**3.084.937**	**8.387.944**	**7.837.437**
GROSS PROFIT		**4.027.744**	**10.951.436**	**9.989.474**
General Administrative Expenses (-)	24	(1.811.955)	(4.926.706)	(4.397.831)
Marketing, Selling and Distribution Expenses (-)	24	(581.072)	(1.579.935)	(1.225.131)
Research and Development Expenses (-)	24	(1.222)	(3.323)	(4.533)
Income From Other Operating Activities	25	342.812	932.107	810.605
Expense From Other Operating Activities (-)	25	(208.842)	(567.842)	(409.987)
Interest in Income of Investments Accounted Through Equity Method	12	201.520	547.932	318.373
OPERATING PROFIT		**1.968.985**	**5.353.669**	**5.084.870**
Income From Investment Activities	26	65.330	177.633	291.280
Expense From Investment Activities (-)	26	(2.571)	(6.991)	(1.658)
OPERATING PROFIT BEFORE FINANCIAL INCOME / (EXPENSES)		**2.031.744**	**5.524.311**	**5.374.592**
Financial Income	27	20.218	54.974	53.965
Financial Expenses (-)	27	(102.950)	(279.921)	(181.063)
NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS		**1.949.012**	**5.299.364**	**5.247.494**
Tax Income / (Expense) from Continuing Operations				
Current Income Tax Expense		(376.539)	(1.023.810)	(1.200.967)
Deferred Income Tax Benefit / Charge	28	18.634	50.666	229.008
NET INCOME FOR THE YEAR FROM CONTINUING OPERATIONS		**1.591.107**	**4.326.220**	**4.275.535**
DISCONTINUED OPERATIONS				
Net Income From Discontinued Operations After Tax	22	34.889	94.862	75.324
NET INCOME FOR THE YEAR		**1.625.996**	**4.421.082**	**4.350.859**
ALLOCATION OF NET INCOME				
- Non-controlling Interests		803.514	2.184.754	2.271.745
- Equity Holders of the Parent		822.482	2.236.328	2.079.114
Earnings per share				
- thousands of ordinary shares (TL)	33	4,03	10,96	10,19
Earnings per share from continuing operations				
- thousands of ordinary shares (TL)	33	3,86	10,50	9,81

(*) 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 2015, 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 2015 AND 2014

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 2015	Prior period 1 January - 31 December 2014
NET INCOME FOR THE YEAR		**4.421.082**	**4.350.859**
Other Comprehensive Income / (Loss) :			
Items That Will Not Be Reclassified Subsequently To Profit or Loss		**(79.683)**	**(14.913)**
Actuarial (losses) / gains	28	(79.683)	(14.913)
Items That Will Be Reclassified Subsequently To Profit or Loss		**(618.434)**	**1.125.808**
Net unrealized fair value gains/(losses) from available for sale financial assets, after tax	28	(827.335)	1.649.775
Losses on available for sale financial assets transferred to the income statement, after tax	28	(20.358)	(479.393)
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	(1.446)	(63.943)
Currency translation differences	28	238.089	(34.912)
Cash flow hedges, after tax	28	60.928	35.414
Income / (loss) from the derivative financial assets related to the hedging of net investment in a foreign operation, after tax	28	(68.312)	18.867
OTHER COMPREHENSIVE INCOME / (LOSS) (AFTER TAX)		**(698.117)**	**1.110.895**
TOTAL COMPREHENSIVE INCOME		**3.722.965**	**5.461.754**
ALLOCATION OF TOTAL COMPREHENSIVE INCOME			
- Non-controlling Interests		1.758.595	2.966.188
- Equity Holders of the Parent		1.964.370	2.495.566

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 2015 AND 2014

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	Be Reclassified to Profit or Loss								
	Share Capital	Adjustment to share capital	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 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
Disposals (**)	-	-	-	-	(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	2.495.566	2.966.188	5.461.754
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**
Balances at 1 January 2015	**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**
Transfers	-	-	-	-	-	-	-	45.931	2.033.183	(2.079.114)	-	-	-
Share premium	-	-	567	-	-	-	-	-	-	-	567	503	1.070
Capital increase (****)	-	-	-	-	-	-	-	-	-	-	-	49.685	49.685
Effect of change in the effective ownership of subsidiaries	-	-	-	-	-	-	-	-	(1.827)	-	(1.827)	2.702	875
Effect of public offering of the joint venture (*****)	-	-	-	-	-	-	-	-	1.013	-	1.013	-	1.013
Effect of share sales (******)	-	-	-	-	-	-	-	(6.141)	11.934	-	5.793	179.602	185.395
Disposal of subsidiaries (*******)	-	-	-	-	-	-	-	(2.678)	18.710	-	16.032	(156.965)	(140.933)
Dividends paid (***)	-	-	-	-	-	-	-	-	(221.034)	-	(221.034)	(485.478)	(706.512)
Total comprehensive income	-	-	-	(40.576)	99.666	13.345	(344.393)	-	-	2.236.328	1.964.370	1.758.595	3.722.965
Balances at 31 December 2015	**2.040.404**	**3.426.761**	**22.237**	**(51.102)**	**283.604**	**(175.630)**	**(440.301)**	**892.819**	**12.707.474**	**2.236.328**	**20.942.594**	**19.028.844**	**39.971.437**

(*) 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).

(***) Dividends paid by the Holding per share with a TL 1 nominal value is TL 0,10 (31 December 2014: TL 0,10).

(****) Based on Board of Director"s decision No: 106 dated 21 November 2014, in order to meet the fund requirements of Afyon Çimento T.A.Ş, the subsidiary of the Group"s subsidiary Çimsa, for the new factory equipped with modern technologies, Group decided increasthe paid in capital from TL 3.000.000 to TL 100.000.000. Transactions for the preferential rights related with the capital increase were realized between 22 June 2015 - 07 July 2015 and the new capital was registered on 24 July 2015.

(*****) %1,28 portion of Avivasa shares with a nominal value of net 458.967 of total Avivasa portion 41,28% owned by the Group, are sold at Borsa Istanbul as of 5 August 2015, and shares of Avivasa in Group Portfolio have decreased to 40%.

(******) The selling operation of shares in Group"s subsidiary Kordsa Global with nominal value of TL 38.905.814, corresponding to 20%, to domestic and foreign institutional investors on the Wholesale Market of Istanbul Stock Exchange has been completed during the May. As a result of this transaction, Group"s share in the capital of Kordsa Global has been decreased from 91,11% to 71,11%.

(*******)The share transfer agreement was signed on 13 January 2015 regarding the sale of all shares in Group"s subsidiary SASA Polyester Sanayi A.Ş, corresponding to %51 of the share capital of the Company, to Erdemoğlu Holding A.Ş. As of 30 April 2015 share transfer has been completed

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 2015 AND 2014

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 2015 USD (*)	Current Period 1 January-31 December 2015	Restated Prior Period 1 January-31 December 2014
Net income before tax from continuing operations		1.949.012	5.299.364	5.247.494
Net income after tax from discontinued operations	22	34.889	94.862	75.324
Adjustments to reconcile income before taxation to net cash provided by operating activities:				
Depreciation and amortisation expenses	4	207.811	565.037	477.258
Provision for loan losses	30	885.268	2.407.045	2.108.233
Changes in the fair value of derivative instruments		(356.773)	(970.066)	920.783
Interest income and foreign currency gains		(499.767)	(1.358.867)	(447.880)
Interest expense		22.450	61.041	48.523
Provision for employment termination benefits	19	42.784	116.330	58.602
Impairment charge on property, plant and equipment, intangible assets and investment property	4	17.899	48.668	4.795
Joint ventures and affiliates income	12	(201.520)	(547.932)	(318.373)
Income from sale of joint ventures	22	(37.878)	(102.989)	-
Provision for / (reversal of) inventory impairment	10	5.816	15.814	2.526
Provision for/ (reversal of) doubtful receivables		(4.403)	(11.973)	14.184
(Profit) / loss from share sales of joint venture		-	-	(127.571)
Other		(1.531)	(4.162)	(21.301)
Net cash provided by operating activities before changes in operating assets and liabilities		**2.064.057**	**5.612.172**	**8.037.743**
Changes in trade receivables		(106.912)	(290.694)	154.574
Changes in inventories		(72.815)	(197.983)	41.318
Changes in other receivables and other current assets		(346.849)	(943.082)	110.899
Changes in trade payables		212.318	577.292	(109.391)
Changes in other liabilities and other payables		541.441	1.472.179	(342.589)
Net cash provided in operating activities of assets classified as held for sale		(23.071)	(62.729)	(135.350)
Currency translation differences		24.566	66.796	(99.701)
Changes in assets and liabilities in finance segment:				
Changes in securities		5.854	15.917	69.983
Changes in receivables from finance sector operations		(7.030.581)	(19.116.151)	(20.456.244)
Changes in payables from finance sector operations		8.227.525	22.370.640	15.286.860
Changes in reserve of the Central Bank of the Republic of Turkey		(2.045.674)	(5.562.187)	(1.930.293)
Income taxes paid		(332.711)	(904.642)	(998.825)
Employment termination benefits paid	19	(37.804)	(102.790)	(51.738)
Net cash used in operating activities		**1.079.345**	**2.934.738**	**(422.753)**
Cash flows from investing activities:				
Capital expenditures	4	(391.139)	(1.063.507)	(957.953)
Sale / (purchase) of available for sale and held to matuirty financial assets		(2.366.865)	(6.435.505)	445.918
Proceeds from sale of assets held for sale, property, plant and equipment and intangible assets		61.925	168.374	99.470
Dividends received		152.379	414.318	319.974
Cash outflow from acquistions		(181.053)	(492.283)	-
Acquistion effect		(19.563)	(53.193)	-
Cash provided from the sale of joint venture		-	-	165.378
Capital increase of joint ventures		(128.724)	(350.000)	(450.000)
Proceed from share sales of subsidiaries		70.541	191.802	
Proceed from sales of subsidiaries	3	102.097	277.602	-
Net cash provided from / (used in) investing activities		**(2.700.402)**	**(7.342.392)**	**(377.213)**
Cash flows from financing activities:				
Changes in financial liabilities		2.517.751	6.845.764	3.507.921
Dividends paid		(81.292)	(221.034)	(219.523)
Dividends paid to non-controlling interests		(178.550)	(485.478)	(373.879)
Uncontrollable capital increase		18.273	49.685	-
Net cash provided by / (used in) financing activities		**2.276.181**	**6.188.937**	**2.914.519**
Effect of change in foreign currency rates on cash and cash equivalents		343.634	934.340	132.806
Net increase/(decrease) in cash and cash equivalents		998.758	2.715.623	2.247.358
Cash and cash equivalents at the beginning of the period (*)		1.781.929	4.845.065	2.597.707
Cash and cash equivalents at the end of the period		**2.780.687**	**7.560.688**	**4.845.065**

(*) 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 2015, 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 1.973 and cash and cash equivalents at the end of the period comprise interest accruals of TL 1.973. 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 2.673.688 and TL 3.145.036, respectively (31 December 2014: TL 2.968.616 and TL 2.673.688, respectively).

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

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 2015 is 63.281 (31 December 2014: 60.170). 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 2015, 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
	100,00

Subsidiaries

As of 31 December 2015, 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	14.383
Kordsa Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş. ("Kordsa Global")	BİST	Tire reinforcement	Industry	4.055
Temsa Global Sanayi ve Ticaret A.Ş. ("Temsa")	-	Automotive	Industry	1.713
Çimsa Çimento Sanayi ve Ticaret A.Ş. ("Çimsa")	BİST	Cement and clinker	Cement	2.165
Teknosa İç ve Dış Ticaret A.Ş. ("Teknosa")	BİST	Trade	Retailing	3.764
Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. ("Exsa")	-	Trade	Other	8
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	248
Yünsa Yünlü Sanayi ve Ticaret A.Ş. ("Yünsa")	BİST	Textile	Industry	1.492
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. ("Carrefoursa") (*)	BİST	Trade of consumer goods	Retailing	14.640

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

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Joint Ventures

As at 31 December 2015, 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	638
Avivasa Emeklilik ve Hayat A.Ş. ("Avivasa")	-	Pension	Insurance	Aviva	1.786
Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. ("Brisa")	BİST	Tire	Industry	Bridgestone	2.090
Akçansa Çimento Sanayi ve Ticaret A.Ş. ("Akçansa")	BİST	Cement and clinker	Cement	Heidelberg	2.700
Enerjisa Enerji A.Ş. ("Enerjisa Enerji")	-	Energy	Energy	E,ON SE	10.234
Temsa İş Makinaları	-	Automotive	Industry	Marubeni	166
Temsa Mısır	-	Automotive	Industry	Lasheen	-

All Joint Ventures are registered in Turkey except Temsa Egypt.Temsa Egypt is registered in Egypt.

Affiliates

As at 31 December 2015, 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	2.771
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.

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.

2.1.2 New and Revised Turkish Accounting Standards

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

None.

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(b) New and revised TAS applied with no material effect on the consolidated financial statements

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, TAS 40* [1]

[1] Effective for annual periods beginning on or after 30 June 2014.

Amendments to TAS 19 Defined Benefit Plans: Employee Contributions

This amendment clarifies 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, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

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 judgments 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).

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

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

Annual Improvements to 2010-2012 Cycle also led to amendments in related provisions of TFRS 9, TAS 27 and TAS 39, respectively.

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.

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

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

TFRS 9	Financial Instruments
Amendments to TFRS 9 and TFRS 7	Mandatory Effective Date of TFRS 9 and Transition Disclosures
Amendments to TAS 16 and TAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation [1]
Amendments to TAS 16 and TAS 41 and amendments to TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40	Agriculture: Bearer Plants [1]
Amendments to TFRS 11 and TFRS 1	Accounting for Acquisition of Interests in Joint operations [1]
Annual Improvements to 2011-2013 Cycle	TFRS 1 [2]
Amendments to TAS 1	Disclosure Initiative [2]
Annual Improvements to 2012-2014 Cycle	
TFRS 5, TFRS 7, TAS 34, TAS 19 2	
Amendments to TAS 27	Equity Method in Separate Financial Statements [2]
Amendments to TFRS 10 and TAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [2]
Amendments to TFRS 10, TFRS 12 and TAS 28	Investment Entities: Applying the Consolidation Exception [2]
TFRS 14	Regulatory Deferral Accounts [2]

[1] Effective for annual periods beginning on or after 31 December 2015.
[2] Effective for annual periods beginning on or after 1 January 2016.

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*

The mandatory effective date of TFRS 9 will be no earlier than annual periods beginning on or after 1 January 2018.

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.

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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 TAS 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.

Amendments to TAS 16 and TAS 41 also led to amendments in related provisions 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 TAS, except for those principles that conflict with the guidance in TFRS 11,
- disclose the information required by TFRS 3 and other TAS for business combinations.

Amendments to TFRS 11 also led to amendments in related provisions of TFRS 1.

Annual Improvements 2012-2014 Cycle

TFRS 5: Adds specific guidance in TFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

TFRS 7: Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

TMS 34: Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

Annual Improvements to 2012-2014 Cycle also led to amendments in related provisions of TAS 19.

Amendments to TAS 27 *Equity Method in Separate Financial Statements*

This amendment permits investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

Amendments to TFRS 10 and TAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

This amendment clarifies the treatment of the sale or contribution of assets from an investor to its associate or joint venture.

Amendments to TFRS 10, TFRS 12 and TAS 28 *Investment Entities: Applying the Consolidation Exception*

This amendment addresses issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

- The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
- When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
- An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by TFRS 12.

TFRS 14 *Regulatory Deferral Accounts*

TFRS 14 Regulatory Deferral Accounts permits an entity which is a first-time adopter of Turkish Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of TFRS and in subsequent financial statements.

TFRS 14 also led to amendments in related provisions of TFRS 1.

The Group evaluates the effects of these standards, amendments and improvements 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.

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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.

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 2015 and 2014:

	31 December 2015		31 December 2014	
	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	40,75	40,75	40,76	40,76
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(*)	71,11	71,11	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
Carrefoursa(***)	50,74	50,74	50,93	50,93

(*) The selling operation of shares in Group,'s subsidiary Kordsa Global with a nominal value of TL 38.905.814, corresponding to 20% of the share capital, to domestic and foreign institutional investors on the Wholesale Market of Istanbul Stock Exchange has been completed during the month of May. As a result of this transaction, Group's share in the capital of Kordsa Global has been decreased from %91,11 to % 71,11.
(**) The share transfer agreement was signed on 13 January 2015 regarding the sale of all shares in Group's subsidiary SASA Polyester Sanayi A.Ş, corresponding to 51 % of the share capital of the Company, to Erdemoğlu Holding A.Ş. According the share transfer agreement, the transfer price of Sabancı Holding's shares in SASA Polyester Sanayi A.Ş, corresponding to 51 % of the share capital is USD 104 million, after adjustments. USD 20 million of the transfer price was paid in advance, remaining part of it amounting to 82 MUSD was collected on 30 April 2015 and share transfer has been completed.
(***) The Company has decided to merge universally with Kiler Alışveriş A.Ş. Stated merger is approved by Capital Markets Board with the decision number 32/1493 and date of November 27, 2015 and It was registered on 31 December 2015. Regarding merger process, by the capital increase by 417,7 TL, on the basis of 0,1136598769 Carrefoursa share distributed to Kiler shareholders in return of 1 Kiler share. As a result of the merger process Sabanci Holding's effective interest has been reduced to 50.74% from 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.

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

Financial statements of Subsidiaries whose financial position and result of operations for year ended 31 December 2015 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 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.

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 2015:

	31 December 2015		31 December 2014	
	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(*)	40,00	40,00	41,28	41,28
Brisa	43,63	43,63	43,63	43,63
Enerjisa Enerji	50,00	50,00	50,00	50,00
Temsa Mısır	73,75	73,75	73,75	73,75
Temsa İş Makinaları(**)	51,00	51,00	51,00	51,00

(*) %1,28 portion of Avivasa shares with a nominal value of net 458.967 of total Avivasa portion 41,28% owned by the Group, are sold at Borsa Istanbul as of 5 August 2015, and shares of Avivasa in Group Portfolio have decreased to 40%.
(**) The share transfer agreement to sell the shares of Temsa İş Makineleri A.Ş., the subsidiary of Temsa Global, and 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 transfer of shares has been executed on 28 April 2014. As of this date, Temsa has been accounted through equity method since it is included within consolidation, the Group's joint venture.

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.

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The table below sets out all Associates and shows the total interest of the Holding in these associates at 31 December 2015 and 31 December 2014:

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).

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 realize 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 consolidated balance sheet as of 31 December 2015 comparatively with the consolidated balance sheet as of 31 December 2014 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 2015 comparatively with the period 1 January-31 December 2014.

The share transfer agreement was signed on 13 January 2015 regarding the sale of all shares in Group's subsidiary SASA Polyester Sanayi A.Ş, corresponding to 51 % of the share capital of the Company, to Erdemoğlu Holding A.Ş. According the share transfer agreement, the transfer price of Sabancı Holding's shares in SASA Polyester Sanayi A.Ş, corresponding to 51 % of the share capital is USD 104 million, after adjustments. USD 20 million of the transfer price was paid in advance, remaining part of it amounting to 82 million was collected on 30 April 2015 and share transfer has been completed. As of 31 December 2015 and 2014, the results of operating activities of Sasa have been classified to income amounting TL 103 million from discontinued operations on the consolidated statement of profit or loss.

According to The Group's Board of Management decision numbered 2015/29 dated December 31 2015, shares belonging to company partners, Nile Kordsa Company for Industrial Fabrics S.A.E. and Interkordsa GmbH with %51 and %100 of rates respectively, would be classified as "Assets Held for Sale" in the balance sheet as of December 31 2015. Hence, these companies were classified as "Assets Held for Sale" in preparation for financial tables in December 31, 2015. To ensure that financial tables would be comparable, finances that belong to above-mentioned companies were classified as "Assets Held for Sale" in profit/loss tables dated in December 31, 2014.

As of 31.12.2015; the operating loss of Kordsa Global's subsidiary Nile Kordsa Company for Industrial Fabrics S.A.E. is 3.019 TL (31.12.2014: 2.081 TL Profit) and loss of the period is 8.315 TL (31.12.2014: 525 TL Loss) .In the consolidated financial statements ; operating results of the company (Nile Kordsa) reclassified as discontinued operations income/expenditure.

As of 31.12.2015; the operating income of Kordsa Global's subsidiary InterKordsa GmbH is 190 TL (31.12.2014: 1.448 TL Loss) and income of the period is 188 TL (31.12.2014: 1.224 TL Loss) .In the consolidated financial statements; operating results of the company (InterKordsa) reclassified as discontinued operations income/expenditure.

A share transfer agreement was signed on 30 September 2014 regarding the sale of Group's subsidiary Kordsa's shares in its subsidiary Kordsa Argentina, to Nicolas Jose Santos and Intenta S.A and the share transfer was completed on 2 October 2014. As of 30 September 2014, the results of operating activities of Kordsa Argentina have been classified profit amounting TL 5.092 for the period regarding discontinued operations on the consolidated statement of profit or loss.

As of 18 December 2014, dissolution procedures of Kordsa Qingdao Nylon Enterprise Limited (KQNE), subsidiary of Kordsa Global, which is operating in China, has been ended. As of 31 December 2014, the results of operating activities of KQNE have been classified profit for the period regarding discontinued operations on the consolidated statement of profit or loss.

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The table below summarizes the restatements to the consolidated balance sheet, statement of profit or loss and statement of comprehensive income of the Group as at and for the year ended 31 December 2014:

	As Previously Reported 1 January-31 December 2014	Adjustments/ Reclassifications	Restated 1 January-31 December 2014
CONTINUING OPERATIONS			
Sales (net)	10.517.510	(133.261)	10.384.249
Cost of Sales (-)	(8.356.840)	124.628	(8.232.212)
Gross Profit From Commercial Operations	**2.160.670**	**(8.633)**	**2.152.037**
Interest, Premium, Commission and Other Income	16.918.975	-	16.918.975
Interest, Premium, Commission and Other Expense (-)	(9.081.538)	-	(9.081.538)
Gross Profit From Financial Operations	**7.837.437**	**-**	**7.837.437**
GROSS PROFIT	**9.998.107**	**(8.633)**	**9.989.474**
General and Administrative Expenses (-)	(4.401.804)	3.973	(4.397.831)
Marketing, Selling and Distribution Expenses (-)	(1.229.344)	4.213	(1.225.131)
Research and Development Expenses (-)	(4.533)	-	(4.533)
Other Operating Income	814.540	(3.935)	810.605
Other Operating Expenses (-)	(409.735)	3.748	(405.987)
Interest in Income of Investments Accounted Through Equity Method	318.373	-	318.373
OPERATING PROFIT	**5.085.604**	**(634)**	**5.084.970**
Income From Investment Activities	291.421	(141)	291.280
Expense From Investment Activities (-)	(2.090)	432	(1.658)
OPERATING PROFIT BEFORE FINANCIAL EXPENSES	**5.374.935**	**(343)**	**5.374.592**
Financial Income	53.965	-	53.965
Financial Expenses (-)	(182.891)	1.828	(181.063)
NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS	**5.246.009**	**1.485**	**5.247.494**
Tax Income / (Expense) from Continuing Operations	**-**		
Current Income Tax Expense	(1.201.231)	264	(1.200.967)
Deferred Income Tax Benefit	229.008	-	229.008
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS	**4.273.786**	**1.749**	**4.275.535**
DISCONTINUED OPERATIONS			
Net (Loss) From Dicounted	-	-	-
Operation After Tax	77.073	(1.749)	75.324
NET INCOME FOR THE PERIOD	**4.350.859**	**-**	**4.350.859**
ALLOCATION OF NET INCOME			
- Non-controlling Interests	2.271.745	-	2.271.745
- Equity Holders of the Parent	2.079.114	-	2.079.114

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 2015 of TL 2,9076 = USD 1 and TL 2,7190 = 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.

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% (2014: 5% and 11,5%) for TL deposits and other liabilities according to their maturities as of 31 December 2015. The reserve rates for foreign currency liabilities vary between 5% and 25% (2014: 6% and 13%) for deposit and other foreign currency liabilities according to their maturities as of 31 December 2015.

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.

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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 significant 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.

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 unrealized 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.

Brisa, in order to mitigate the foreign currency risks arising from the Euro exports and US Dollar raw material purhases, the Company enters into Euro selling/ US buying, TL selling/Euro buying and TL selling/ Dollar buying forward contracts.

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.

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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	10-50
Machinery and equipment	3-30
Motor vehicles	3-7
Furniture and fixtures	3-15
Other tangible fixed assets 5-10	5-10

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.

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).

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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.

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.

<u>Current tax</u>

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.

<u>Deferred Tax</u>

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.

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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 2014. 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.

With respect to that, according to the technical balance sheet report as at 31 December 2015 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 275.785 (31 December 2014: TL 314.431), the surplus of the Fund amounts to TL 302.564 as of 31 December 2015 (31 December 2014: TL 392.975).

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The surplus unrecognised in the balance sheet is determined as follows:

	31 December 2015	31 December 2014
Present value of funded obligations	(986.395)	(812.717)
- Pension benefits transferrable to SSI	1.377.543	(1.125.845)
- Post-employment medical benefits transferrable to SSI	666.933	627.559
- Other non-transferrable benefits	(275.785)	(314.431)
Fair value of plan assets	1.288.959	1.205.692
Surplus	**302.564**	**392.975**

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 2015	31 December 2014
- Pension benefits transferrable to SSI	9,80%	9,80%
- Post-employment medical benefits transferrable to SSI	9,80%	9,80%
- Other non-transferrable benefits	4,27%	3,43%

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.

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.

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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 2015.

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 2015.

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.

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.

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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.

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.

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Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquire, and the fair value of the acquirer's previously held equity interest in the acquire (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 premeasured 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.

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 2015 are as follows:

On 15 May 2015, the the Group's subsidiary Carrefoursa has signed Share Purchase Agreement with Kiler Holding Anonim Şirketi, Nahit Kiler, Ümit Kiler, Vahit Kiler, Hikmet Kiler, Sevgül Kiler and Denge Reklam San. ve Tic. Ltd. Şti. ("Vendors"), in order to acquire 85% of the shares of Kiler Alışveriş, of which 15% of its shares are publicly traded in Borsa İstanbul A.Ş., with an amount of TL 429.574.000. The share purchase demand has been approved by Turkish Competition Authority on 30 June 2015, with decision numbered 61813209-120-6544. The Company has taken over the management of Kiler Alışveriş on 8 July 2015 by changing the members of the Board of Directors and has paid by cash the agreement amount of TL 429.574.000 to the vendors on the same day. As a result of mandatory tender offer between 17 September - 5 October 2015, ownership rate of the Company has increased to 97,27% by paying additional TL 62.290.926.

The Group, has recognized Kiler Alışveriş as a subsidiary in accordance with TFRS 3 " Business Combinations" within acquisition accounting. As of 31 December 2015, the fair values of the acquired identifiable assets and identifiable liabilities within the scope of the business combination are determined as draft and these items are disclosed in condensed consolidated financial statements with their temporary values. The period for adjustment and changes in the fair value of assets, liabilities and contingent liabilities are restricted with 12 months after acquisition date.

The details of goodwill and company value of Kiler Alışveriş that are calculated in accordance with TFRS 3 "Business Combinations" are as follows as of 8 July 2015 :

	8 July 2015 KİLER ALIŞVERİŞ TEMPORARY MARKET VALUE
ASSETS	
Cash and Cash Equivalents	7.670
Trade Receivables	301.970
Other Receivables and Assets	228.178
Inventories	93.895
Current Assets	**631.713**
Tangible and Intangible Fixed Assets	16.394
Deferred Tax Assets	25.909
Other Fixed Assets	1.103
Fixed Assets	**43.406**
TOTAL ASSETS	**675.119**

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LIABILITIES	8 July 2015 KİLER ALIŞVERİŞ TEMPORARY MARKET VALUE
Short Term Liabilities	452.069
Trade Payables	216.070
Other Payables and Liabilities	46.333
Short Term Liabilities	**714.472**
Long Term Provisions	13.840
Long Term Liabilities	**13.840**
TOTAL LIABILITIES	**728.312**
Total of Net Assets	**(53.193)**
Purchase Price	492.283
Goodwill	**545.476**

The business combinations between the period 1 January and 31 December 2014

None.

NOTE 4 - SEGMENT REPORTING

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.

a) External Revenues (Consolidated):

	1 January - 31 December 2015	1 January - 31 December 2014
Finance / Banking	18.378.397	16.918.975
Industry	3.251.902	3.077.026
Retail	7.088.361	6.130.414
Cement	1.171.146	1.094.299
Other	145.784	82.510
Total (*)	**30.035.590**	**27.303.224**

(*) The distribution of income refers to total revenue in the consolidated income statement.

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b) Segment assets (Consolidated):

	31 December 2015	31 December 2014
Finance / Banking	249.810.125	216.569.579
Industry	3.398.368	3.055.376
Retail	4.141.514	2.904.392
Cement	1.834.129	1.347.850
Other	1.680.947	1.187.968
Segment assets (*)	**260.865.083**	**225.065.165**
Assets classified as held for sale (Note 22)	114.221	681.276
Investments accounted through equity method (Note 12)	5.970.431	5.486.817
Unallocated assets	659.011	420.637
Less: intersegment eliminations	(2.088.679)	(1.127.340)
Total assets as per consolidated financial statements	**265.520.067**	**230.526.555**

(*) Segment assets mainly comprise operating assets in the consolidated financial statements.

c) Segment liabilities (Consolidated):

	31 December 2015	31 December 2014
Finance / Banking	221.272.563	189.873.567
Industry	1.749.732	1.619.647
Retail	3.175.203	1.688.268
Cement	655.160	274.268
Other	213.034	519.835
Segment liabilities (*)	**227.065.692**	**193.975.585**
Assets classified as held for sale (Note 22)	45.928	349.554
Unallocated Liabilities	521.097	468.565
Less: intersegment eliminations	(2.084.088)	(1.125.029)
Total liabilities as per consolidated financial statements	**225.548.629**	**193.668.675**

(*) 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 2015	Consolidated(**) 31 December 2015	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014
Cash and cash equivalents	10.281.373	10.281.373	7.386.362	7.386.362
Financial investments	54.117.316	54.117.316	48.510.984	48.510.984
Derivative financial instruments	3.348.524	3.348.524	1.695.280	1.695.280
Reserve deposits with the Central Bank of Republic of Turkey	24.007.327	24.007.327	18.917.875	18.917.875
Receivables from finance sector operations	154.949.086	154.949.086	137.722.442	137.722.442
Property, plant and equipment	794.420	794.420	861.644	861.644
Intangible assets	224.105	224.105	229.004	229.004
Other receivables and other assets (***)	2.087.974	2.087.974	1.245.988	1.245.988
Total segment assets	**249.810.125**	**249.810.125**	**216.569.579**	**216.569.579**
Financial liabilities	38.667.696	38.667.696	32.251.507	32.251.507
Payables from finance sector operations	173.974.782	173.974.782	150.945.357	150.945.357
Derivative financial instruments	1.926.811	1.926.811	1.313.165	1.313.165
Other payables and other liabilities (***)	6.703.274	6.703.274	5.363.538	5.363.538
Total segment liabilities	**221.272.563**	**221.272.563**	**189.873.567**	**189.873.567**

(*) 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 liabilities. 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 17.042.439 as of 31 December 2015 (31 December 2014: TL 15.851.364).

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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.)

ii) Insurance:

	Combined(*) 31 December 2015	Consolidated(**) 31 December 2015	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014
Cash and cash equivalents	1.006.854	-	1.149.658	-
Financial investments	1.020.931	-	710.710	-
Receivables from finance sector operations	550.954	-	452.738	-
Investments accounted through equity method (Note 12)	-	285.821	-	305.932
Property, plant and equipment	30.316	-	30.694	-
Intangible assets	47.788	-	53.490	-
Other receivables and other assets (***)	904.056	-	756.640	-
Total segment assets	**3.560.899**	**285.821**	**3.153.930**	**305.932**
Payables from finance sector operations	2.572.188	-	2.305.284	-
Other payables and other liabilities (***)	270.915	-	129.060	-
Total segment liabilities	**2.843.103**	**-**	**2.434.344**	**-**

(*) 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 liabilities. These items are included in non-segment assets and liabilities.

Insurance segment consist of Aksigorta and Avivasa.

iii) Energy:

	Combined(*) 31 December 2015	Consolidated(**) 31 December 2015	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014
Cash and cash equivalents	257.870	-	208.504	-
Financial investments	836	-	836	-
Trade receivables	1.987.498	-	1.753.314	-
Inventories	141.679	-	110.686	-
Investments accounted through equity method (Note 12)	-	4.719.888	-	4.214.024
Property, plant and equipment	10.023.084	-	9.258.100	-
Intangible assets	6.116.884	-	6.362.236	-
Other receivables and other assets (***)	7.760.894	-	5.954.282	-
Total segment assets	**26.288.745**	**4.719.888**	**23.647.958**	**4.214.024**
Financial liabilities	11.414.179	-	9.023.832	-
Payables to Privatization Administration	1.188.456	-	2.413.806	-
Trade payables	1.242.519	-	1.209.009	-
Other payables and other liabilities (***)	2.472.887	-	2.077.221	-
Total segment liabilities	**16.318.041**	**-**	**14.723.868**	**-**

(*) 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 liabilities. These items are included in non-segment assets and liabilities.

Energy segment consists of Enerjisa and its subsidiaries.

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 2015	Consolidated(**) 31 December 2015	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014
Cash and cash equivalents	89.391	28.841	48.070	38.269
Financial investments	104	104	85	85
Trade receivables	1.722.989	930.694	1.343.389	801.839
Inventories	1.186.737	829.104	1.056.780	742.827
Investments accounted through equity method (Note 12)	275.573	558.031	317.465	581.173
Property, plant and equipment	1.879.884	1.188.731	1.708.540	1.125.169
Intangible assets	223.508	175.156	179.767	139.418
Other receivables and other assets (***)	702.666	359.959	1.027.740	886.047
Total segment assets	**6.080.852**	**4.070.620**	**5.681.836**	**4.314.827**
Financial liabilities	2.412.237	1.151.147	1.819.622	1.096.871
Trade payables	625.739	355.601	551.337	342.450
Other payables and other liabilities (***)	393.909	288.912	618.725	529.880
Total segment liabilities	**3.431.885**	**1.795.660**	**2.989.684**	**1.969.201**

(*) 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 liabilities. These items are included in non-segment assets and liabilities.

Industry segment consists of Kordsa, Temsa, Sasa, Yünsa, Brisa, Philsa and Philsa Morrissa.

v) Retail:

	Combined(*) 31 December 2015	Consolidated(**) 31 December 2015	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014
Cash and cash equivalents	579.374	579.374	287.701	287.701
Trade receivables	81.557	81.557	53.125	53.126
Inventories	1.094.659	1.094.659	972.339	972.339
Investment property	193.873	193.873	232.245	232.245
Property, plant and equipment	1.107.403	1.107.403	901.943	901.943
Intangible assets	100.122	100.122	43.473	43.473
Other receivables and other assets (***)	923.690	984.526	352.729	413.565
Total segment assets	**4.080.678**	**4.141.514**	**2.843.555**	**2.904.392**
Financial liabilities	990.803	990.803	84.532	84.532
Trade payables	1.780.732	1.780.732	1.333.881	1.333.881
Other payables and other liabilities (***)	403.668	403.668	269.855	269.855
Total segment liabilities	**3.175.203**	**3.175.203**	**1.688.268**	**1.688.268**

(*) 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 liabilities. These 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 2015	Consolidated(**) 31 December 2015	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014
Cash and cash equivalents	249.187	234.263	65.612	57.917
Financial investments	162.783	64	162.085	57
Trade receivables	731.605	324.649	560.809	221.577
Inventories	231.269	96.065	258.475	119.641
Investments accounted through equity method (Note 12)	-	406.691	-	385.688
Property, plant and equipment	1.685.449	944.201	1.470.882	764.908
Intangible assets	61.733	19.363	54.734	18.552
Other receivables and other assets (***)	363.203	215.524	315.128	165.198
Total segment assets	**3.485.229**	**2.240.820**	**2.887.725**	**1.733.538**
Financial liabilities	490.602	377.658	203.971	105.676
Trade payables	475.337	204.388	345.228	106.506
Other payables and other liabilities (***)	132.335	73.114	115.383	62.086
Total segment liabilities	**1.098.274**	**655.160**	**664.582**	**274.268**

(*) 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 liabilities. These items are included in non-segment assets and liabilities.

Cement segment consists of Çimsa and Akçansa.

vii) Other:

	Combined(*) 31 December 2015	Consolidated(**) 31 December 2015	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014
Cash and cash equivalents	1.128.910	1.128.910	665.661	665.661
Financial investments	11.588.882	388	11.712.548	385
Trade receivables	65.838	64.321	32.882	32.163
Inventories	1.949	1.949	4.799	4.799
Property, plant and equipment	265.685	229.618	262.332	226.323
Intangible assets	11.733	11.733	5.888	5.888
Other receivables and other assets (***)	184.153	244.028	196.674	255.749
Total segment assets	**13.247.150**	**1.680.947**	**12.880.784**	**1.190.968**
Financial liabilities	-	-	349.725	349.725
Trade payables	65.231	65.231	36.881	36.881
Other payables and other liabilities (***)	147.802	147.803	133.229	133.229
Total segment liabilities	**213.033**	**213.034**	**519.835**	**519.835**

(*) 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 liabilities. 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 - 31 December 2015			1 January - 31 December 2014		
	Total Consolidation of Segments Before Elimination	Elimination and Consolidation Adjustments	Consolidated	Total Consolidation of Segments Before Elimination	Elimination and Consolidation Adjustments	Consolidated
Total revenue	**30.116.283**	**(80.693)**	**30.035.590**	**27.385.910**	**(82.686)**	**27.303.224**
Cost of sales and interest, premiums, commissions and other expenses	(19.249.451)	165.297	(19.084.154)	(17.390.646)	76.896	(17.313.750)
General administration expenses	(4.969.315)	42.609	(4.926.706)	(4.452.580)	54.749	(4.397.831)
Sales, marketing and distribution expenses	(1.581.678)	1.743	(1.579.935)	(1.226.482)	1.351	(1.225.131)
Research and development expenses	(3.323)	-	(3.323)	(4.533)	-	(4.533)
Other operating income/(expense) - net	399.563	(35.298)	364.265	422.153	(17.535)	404.618
Interest in income of joint ventures	547.932	-	547.932	318.373	-	318.373
Operating profit	**5.260.011**	**93.658**	**5.353.669**	**5.052.195**	**32.775**	**5.084.970**
Income/(expense) from investing activities - net	306.657	(136.015)	170.642	341.054	(51.432)	289.622
Operating profit before financial expense	**5.566.668**	**(42.357)**	**5.524.311**	**5.393.249**	**(18.657)**	**5.374.592**
Financial income/(expense) - net	(261.436)	36.489	(224.947)	(153.597)	26.499	(127.098)
Income before tax	5.305.232	(5.868)	5.299.364	5.239.652	7.842	5.247.496
Tax	(973.144)	-	(973.144)	(971.959)	-	(971.959)
Profit/(loss) after tax from discontinued operations	94.862	-	94.862	75.324	-	75.324
Income for the period	**4.426.950**	**(5.868)**	**4.421.082**	**4.343.016**	**7.842**	**4.350.859**
Net income attributable to equity holders of the parent			**2.236.328**			**2.079.114**

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f) The items of statement of profit or loss:

i) Banking:

	Combined(*) 31 December 2015	Consolidated(**) 31 December 2015	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014
Interest, commission and other income	18.414.285	18.414.285	16.946.050	16.946.050
Interest, commission and other expenses	(10.138.669)	(10.138.669)	(9.145.763)	(9.145.763)
General administration expenses	(4.500.390)	(4.500.390)	(3.987.196)	(3.987.196)
Other operating income/(expense) - net	451.571	451.571	449.020	449.020
Operating profit	**4.226.797**	**4.226.797**	**4.262.111**	**4.262.111**
Income/(expense) from investing activities - net	2.275	2.275	1.381	1.381
Operating profit before financial expense	**4.229.072**	**4.229.072**	**4.263.492**	**4.263.492**
Profit before tax	**4.229.072**	**4.229.072**	**4.263.492**	**4.263.492**
Tax	(871.921)	(871.921)	(873.216)	(873.216)
Net income	**3.357.151**	**3.357.151**	**3.390.276**	**3.390.276**
Net income attributable to equity holders of the parent		**1.368.035**		**1.382.213**
EBITDA	4.449.597	4.449.597	4.463.745	4.463.745

(*) 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 interest is TL 1.989.116 as of 31 December 2015 (31 December 2014: TL 2.008.063).

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

ii) Insurance:

	Combined(*) 31 December 2015	Consolidated(**) 31 December 2015	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014
Gross premiums	1.885.628	-	1.971.930	-
Premiums, commission and other expenses	(1.813.346)	-	(1.907.226)	-
General administration expenses	(316.242)	-	(283.615)	-
Other operating income/(expense) - net	340.744	-	286.051	-
Interest in income of joint ventures	-	26.546	-	41.350
Operating profit	**96.784**	**26.546**	**67.140**	**41.350**
Income/(expense) from investing activities - net	(13.772)	-	28.743	-
Operating profit before financial expense	**83.012**	**26.546**	**95.883**	**41.350**
Financial income/(expense) - net	(770)	-	(14.826)	
Profit before tax	**82.242**	**26.546**	**81.057**	**41.350**
Tax	(19.880)	-	(10.363)	-
Net income	**62.362**	**26.546**	**70.694**	**41.350**
Net income attributable to equity holders of the parent		**26.546**		**41.350**
EBITDA	81.333		46.715	

Note: Aksigorta, the joint venture of the Group, has made modification related with prior years' provision calculation. Related changes accounted under the equity of Aksigorta financial statements and recorded at consolidated profit or loss statement of current year. (Combined net income effect is TL 103.419, consolidated net income effect TL 37.230)

(*) 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.)

iii) Energy:

	Combined(*) 31 December 2015	Consolidated(**) 31 December 2015	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014
Sales revenue (net)	11.827.277	-	10.982.258	-
Cost of sales	(9.222.850)	-	(9.451.135)	-
General administration expenses	(1.169.430)	-	(1.120.720)	-
Sales, marketing and distribution expenses	-	-	-	-
Other operating income/(expense) - net	25.399	-	35.815	-
Interest in income of joint ventures	-	141.911	-	(83.345)
Operating profit/(loss)	**1.460.396**	**141.911**	**446.218**	**(83.345)**
Income/(expense) from investing activities - net	-	-	-	-
Operating profit/(loss) before financial expense	**1.460.396**	**141.911**	**446.218**	**(83.345)**
Financial income/(expense) - net	(1.028.005)	-	(747.435)	-
Profit/(loss) before tax	**432.391**	**141.911**	**(301.217)**	**(83.345)**
Tax	(148.569)	-	134.527	-
Net income/(loss)	**283.822**	**141.911**	**(166.690)**	**(83.345)**
Net income/(loss) attributable to equity holders of the parent		**141.911**		**(83.345)**
EBITDA	1.825.980		833.696	

(*) 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 2015	Consolidated(**) 31 December 2015	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014
Sales revenue (net)	5.053.786	3.251.902	4.770.538	3.077.040
Cost of sales	(3.853.224)	(2.612.225)	(3.780.693)	(2.573.367)
General administration expenses	(191.435)	(109.603)	(228.582)	(163.775)
Sales, marketing and distribution expenses	(400.385)	(181.063)	(333.990)	(160.806)
Research and development expenses	(21.118)	(3.323)	(19.166)	(4.533)
Other operating income/(expense) - net	119.029	70.947	48.416	19.087
Interest in income of joint ventures	190.191	274.039	185.751	267.117
Operating profit	**896.844**	**690.674**	**642.274**	**460.763**
Income/(expense) from investing activities - net	25.044	25.323	86.278	86.563
Operating profit before financial expense	**921.888**	**715.997**	**728.552**	**547.326**
Financial income/(expense) - net	(222.094)	(130.189)	(115.830)	(63.667)
Profit before tax	**699.794**	**585.808**	**612.722**	**483.659**
Tax	(50.064)	(43.917)	(40.872)	(15.731)
Profit after tax from discontinued operations	94.862	94.862	75.323	75.323
Net income	**744.592**	**636.753**	**647.173**	**543.251**
Net income attributable to equity holders of the parent		**520.060**		**428.404**
EBITDA	1.016.966	733.712	812.266	550.569

(*) 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.)

v) Retail:

	Combined(*) 31 December 2015	Consolidated(**) 31 December 2015	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014
Sales revenue (net)	7.099.309	7.093.557	6.142.773	6.135.985
Cost of sales	(5.540.460)	(5.534.708)	(4.808.729)	(4.801.941)
General administration expenses	(192.460)	(192.460)	(153.844)	(153.844)
Sales, marketing and distribution expenses	(1.387.439)	(1.387.439)	(1.054.115)	(1.054.115)
Other operating income/(expense) - net	(150.793)	(150.793)	(55.022)	(55.022)
Operating profit/(loss)	**(171.843)**	**(171.843)**	**71.063**	**71.063**
Income/(expense) from investing activities - net	139.839	139.839	76.541	76.541
Operating profit/(loss) before financial expense	**(32.004)**	**(32.004)**	**147.604**	**147.604**
Financial income/(expense) - net	(102.455)	(102.455)	(44.452)	(44.452)
Profit/(loss) before tax	**(134.459)**	**(134.459)**	**103.152**	**103.152**
Tax	7.865	7.865	(22.393)	(22.393)
Net income/(loss)	**(126.594)**	**(126.594)**	**80.759**	**80.759**
Net income/(loss) attributable to equity holders of the parent		**(73.147)**		**39.142**
EBITDA	32.526	32.526	231.945	231.945

(*) 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.

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

vi) Cement:

	Combined(*) 31 December 2015	Consolidated(**) 31 December 2015	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014
Sales revenue (net)	2.639.679	1.171.146	2.505.172	1.094.321
Cost of sales	(1.851.109)	(811.042)	(1.786.509)	(767.283)
General administration expenses	(119.511)	(65.246)	(110.116)	(58.559)
Sales, marketing and distribution expenses	(23.596)	(7.754)	(24.789)	(8.230)
Other operating income/(expense) - net	11.892	15.115	(19.261)	(17.140)
Interest in income of joint ventures	-	105.436	-	93.251
Operating profit	**657.355**	**407.655**	**564.497**	**336.360**
Income/(expense) from investing activities - net	8.509	3.480	6.820	4.223
Operating profit before financial expense	**665.864**	**411.135**	**571.317**	**340.583**
Financial income/(expense) - net	(49.539)	(22.312)	(45.229)	(15.951)
Profit before tax	**616.325**	**388.823**	**526.088**	**324.632**
Tax	(119.348)	(53.714)	(107.314)	(48.873)
Net income	**496.977**	**335.109**	**418.774**	**275.759**
Net income attributable to equity holders of the parent		**225.927**		**187.028**
EBITDA	776.495	458.182	686.012	394.896

(*) 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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vii) Other:

	Combined(*) 31 December 2015	Consolidated(**) 31 December 2015	Combined(*) 31 December 2014	Consolidated(**) 31 December 2014
Sales revenue (net)	1.012.781	185.393	765.534	132.514
Cost of sales	(152.964)	(152.807)	(102.341)	(102.292)
General administration expenses	(106.431)	(101.616)	(93.436)	(89.206)
Sales, marketing and distribution expenses	(5.422)	(5.422)	(3.331)	(3.331)
Other operating income/(expense) - net	13.032	12.722	37.599	26.208
Operating profit	**760.996**	**(61.730)**	**604.025**	**(36.107)**
Income/(expense) from investing activities - net	135.740	135.740	172.346	172.346
Operating profit before financial expense	**896.736**	**74.010**	**776.371**	**136.239**
Financial income/(expense) - net	(6.480)	(6.480)	(29.527)	(29.527)
Profit before tax	**890.256**	**67.530**	**746.844**	**106.712**
Tax	(11.457)	(11.457)	(11.746)	(11.746)
Net income	**878.799**	**56.073**	**735.098**	**94.966**
Net income attributable to equity holders of the parent		**26.994**		**84.324**
EBITDA	784.354	(38.752)	613.695	(27.581)

(*) 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.

g) Detail of net income/(loss) 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 2015	31 December 2014
Banking	1.368.035	1.382.213
Insurance	50.888	62.305
Industry	405.115	418.470
Cement	227.646	188.965
Energy	18.234	(83.345)
Retail	(84.423)	(1.735)
Other	38.400	(46.376)
Total	**2.023.895**	**1.920.497**

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

A reconciliation of adjusted net income attributable to equity holders of the Parent is as follows:

	31 December 2015	31 December 2014
Adjusted net income for reported operating segments (Equity holders of the Parent)	2.023.895	1.920.497
One off income/expenses of Carrefoursa (provision cancellation of lawsuit, information technical system integration adjustment and real estate sales profit)	45.037	40.877
Yünsa gain from the sale of real estate	-	10.187
Temsa gain from the sale of real estate	5.358	9.888
Temsa expense from litigation provision	(1.218)	-
Temsa affiliate sales income	-	7.702
Income from sale of SASA	102.989	-
Income from sale of shares of Avivasa	663	127.000
Enerjisa Üretim - Gazipaşa Birkapılı sales	52.250	-
Kordsa public offerings consultancy expense	(3.274)	-
Other	10.628	(37.037)
Net income (Equity holders of the Parent)	**2.236.328**	**2.079.114**

h) Depreciation and amortisation charges, impairment and capital expenditures (Consolidated):

1 January – 31 December 2015

	Finance							
	Banking	Insurance	Industry	Cement	Energy	Retail	Other	Total
Depreciation and amortisation	222.800	-	113.025	73.083	-	133.131	22.998	565.037
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	4.760	-	-	43.908	-	48.668
Capital expenditures	159.528	-	164.049	244.310	-	461.059	34.560	1.063.506

1 January – 31 December 2014

	Finance							
	Banking	Insurance	Industry	Cement	Energy	Retail	Other	Total
Depreciation and amortisation	201.634	-	103.491	58.861	-	89.929	18.489	472.404
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	(1.838)	-	-	6.633	-	4.795
Capital expenditures	283.810	-	268.342	64.429	-	317.551	23.821	957.953

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1 January – 31 December 2015

		Finance						
	Banking	Insurance	Industry	Cement	Energy	Retail	Other	Total
Depreciation and amortisation	222.800	13.508	223.081	144.191	443.152	133.131	23.379	1.203.242
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	36.344	4.760	-	190.998	43.908	-	276.010
Capital expenditures	159.528	45.075	399.360	359.928	1.752.460	952.000	34.561	3.702.912

1 January – 31 December 2014

		Finance						
	Banking	Insurance	Industry	Cement	Energy	Retail	Other	Total
Depreciation and amortisation	201.634	9.223	201.983	124.082	426.783	89.929	19.633	1.073.267
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	(1.838)	-	-	6.633	-	4.795
Capital expenditures	283.810	51.576	436.072	178.118	1.578.108	317.551	23.823	2.869.058

NOTE 5 – CASH AND CASH EQUIVALENTS

The detail of cash and cash equivalents at 31 December 2015 and 2014 is as follows:

	31 December 2015	31 December 2014
Cash		
- Banking	1.466.112	1.522.182
- Other companies	26.764	13.754
Bank - time deposit	4.412.420	1.973.242
Bank - demand deposit	4.798.575	3.305.943
Receivables from reserve repo	-	700.215
Other cash and cash equivalents	1.853	3.417
Total	**10.705.724**	**7.518.753**

Effective interest rates of USD, EUR and TL denominated time deposits are 0,48% (31 December 2014: 0,44%), 0,47% (31 December 2014: 0,09%) and 10,86% (31 December 2014: 10,46%), respectively.

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

The analysis of maturities at 31 December 2015 and 2014 is as follows:

	31 December 2015	31 December 2014
Demand	6.293.304	5.545.511
Up to 3 months	4.412.420	1.973.242
Total	**10.705.724**	**7.518.753**

As of 31 December 2015, 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 3.145.036 (31 December 2014: TL 2.673.688).

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 2015	31 December 2014
Share certificates	6.532	68
Government bonds	9.996	8.525
Eurobonds	107	2.491
Other	23.878	43.880
Total	**40.513**	**54.964**

Effective interest rates of USD, EUR and TL denominated securities at fair value through profit and loss are as follow:

	31 December 2015	31 December 2014
USD	-	4,13
EUR	3,26	3,55
TL	13,12	10,46

The Group's activities in the finance sector as collateral for the purchase and sale of financial assets is TL 8.463 (31 December 2014: TL 5.820).

The analysis of maturities at 31 December 2015 and 2014 is as follows:

	31 December 2015	31 December 2014
3 to 12 months	13.069	14.082
1 to 5 years	10.954	37.988
Over 5 years	-	2.826
No maturiy	16.490	68
Total	**40.513**	**54.964**

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Period remaining to contractual repricing dates:

	31 December 2015	31 December 2014
Up to 3 months	14.334	44.161
3 to 12 months	9.668	7.423
1 to 5 years	21	723
Over 5 years	-	2.589
No maturiy	16.490	68
Total	**40.513**	**54.964**

None of the Group companies has held for trading financial instruments except the Banking sector.

b) Available for sale securities:

	31 December 2015	31 December 2014
Debt securities		
- Government bonds	19.376.723	21.283.380
- Eurobonds	15.929.477	11.154.528
- Investment funds	270.628	289.909
- Other bonds denominated in foreign currency	7.678.819	4.863.528
Sub-total	**43.255.647**	**37.591.345**
Equity securities		
- Listed	90	90
- Unlisted	133.088	16.772
Sub-total	**133.178**	**16.862**
Total financial investments available for sale	**43.388.825**	**37.608.207**

Effective interest rates of USD, EUR and TL denominated available-for-sale securities are 3,80% (31 December 2014: 3,67%), 2,46% (31 December 2014: 3,68%) and 9,68% (31 December 2014: 10,02%), respectively. The Group's financial assets available for sale subject to funds provided from repo are TL 20.185.224 (31 December 2014: TL 24.823.669). Available for sale financial assets that are given as colleteral because of the Group's financing activities are amounting to TL 1.939.145 (31 December 2014: TL 3.691.128). As of 31 December 2015, no available for sale financial asset exists whose risk is undertaken by insurance policy holders (31 December 2014: 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.

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The maturity analysis in accordance with expiring date as at 31 December 2015 and 2014 is as follows:

	31 December 2015			31 December 2014		
	Banking	Other companies	Total	Banking	Other companies	Total
3 to 12 months	908.428	-	908.428	6.708.513	-	6.708.513
1 to 5 years	25.422.382	-	25.422.382	10.104.763	-	10.104.763
Over 5 years	16.292.593	-	16.292.593	20.488.160	-	20.488.160
No maturity	764.960	462	765.422	306.319	452	306.771
Total	**43.388.363**	**462**	**43.388.825**	**37.607.755**	**452**	**37.608.207**

Period remaining to contractual repricing dates for available-for-sale securities:

	31 December 2015			31 December 2014		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	6.800.295	-	6.800.295	10.023.754	-	10.023.754
3 to 12 months	8.434.421	-	8.434.421	9.905.491	-	9.905.491
1 to 5 years	20.027.889	-	20.027.889	9.508.929	-	9.508.929
Over 5 years	7.722.413	-	7.722.413	7.863.262	-	7.863.262
No maturity	403.345	462	403.807	306.319	452	306.771
Total	**43.388.363**	**462**	**43.388.825**	**37.607.755**	**452**	**37.608.207**

c) Financial assets held to maturity:

The breakdown of held to maturity financial assets is listed below:

	31 December 2015	31 December 2014
Government bonds	10.688.533	10.800.186
Total	**10.688.533**	**10.800.186**

Effective interest rates of USD, EUR and TL denominated debt securities are 3,83% (31 December 2014: 3,83%), 3,69% (31 December 2014: 3,69%) and TL is 9,71% (31 December 2014: 11,22%). The Group's financial assets held to maturity subject to funds provided from repo are TL 5.929.642 (31 December 2014: TL 7.291.113). The amount of Group's held to maturity financial assets colleterals given for financial operations is TL 2.037.421 (31 December 2014: TL 2.154.116).

The movement table of held-to-maturity securities is as follows:

	31 December 2015	31 December 2014
1 January	10.800.186	12.153.454
Additions	382	6.480
Foreign exchange differences in monatary assets	864.389	145.662
Addition due to change in discounted cost	200.147	302.080
Redemptions and sales	(1.112.831)	(1.798.190)
Allowance for impairment	(63.740)	(9.300)
Total	**10.688.533**	**10.800.186**

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Period remaining to contractual maturity dates for held to maturity financial assets as at 31 December 2015 and 2014 is as follows:

	31 December 2015			31 December 2014		
	Banking	Other companies	Total	Banking	Other companies	Total
3 to 12 months	121.031	94	121.125	899.533	75	899.608
1 to 5 years	7.364.090	-	7.364.090	5.615.109	-	5.615.109
Over 5 years	3.203.318	-	3.203.318	4.285.469	-	4.285.469
Total	**10.688.439**	**94**	**10.688.533**	**10.800.111**	**75**	**10.800.186**

Period remaining to contractual repricing dates for investment security, held to maturity financial assets at 31 December 2015 and 2014 is as follows:

	31 December 2015			31 December 2014		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	2.668.683	-	2.668.683	2.910.231	-	2.910.231
3 to 12 months	1.146.641	94	1.146.735	1.421.534	75	1.421.609
1 to 5 years	6.873.115	-	6.873.115	5.615.108	-	5.615.108
Over 5 years	-	-	-	853.238	-	853.238
Total	**10.688.439**	**94**	**10.688.533**	**10.800.111**	**75**	**10.800.186**

d) Time Deposits:

As of 31 December 2014, maturities of time deposits over 3 months denominated at TL and EUR are 36.370 and 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 2015	31 December 2014
3 to 12 months	-	48.153
Total	**-**	**48.153**

NOTE 7 – FINANCIAL LIABILITIES

Short term funds borrowed, bank borrowings and debt securities:

	31 December 2015	31 December 2014
Short term	8.678.744	20.358.969
Short-term portion of long term	12.862.826	1.753.546
Total short term	**21.541.570**	**22.112.515**
Long-term funds borrowed, bank borrowings and debt securities:		
Long term	19.137.143	11.605.585
Total	**40.678.713**	**33.718.100**

Effective interest rates of USD, EUR and TL denominated funds borrowed, borrowings and debt securities in issue are 1,86% (31 December 2014: 1,68%), 1,06% (31 December 2014: 1,17%) and 8,00% (31 December 2014: 8,05%) respectively.

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Maturity analysis as of 31 December 2015 and 31 December 2014 is as follows:

	31 December 2015	31 December 2014
Up to 3 months	8.782.744	8.694.973
3 to 12 months	12.758.826	13.417.542
Short term borrowings and short term portion of long term borrowings	**21.541.570**	**22.112.515**
1 to 5 years	13.571.788	8.403.244
Over 5 years	5.565.355	3.202.341
Long term borrowings	**19.137.143**	**11.605.585**
Total financial liabilities	**40.678.713**	**33.718.100**

The maturity schedule of long term borrowings at 31 December 2015 and 2014 is summarised below:

	31 December 2015	31 December 2014
2015	-	3.788.096
2016	5.065.465	2.213.755
2017	4.695.704	1.935.632
2018	1.106.934	465.761
2019	2.703.684	3.202.341
2020 and beyond	5.565.356	-
Total	**19.137.143**	**11.605.585**

The repricing schedule of borrowings at 31 December 2015 and 2014 is summarized below:

	31 December 2015	31 December 2014
Up to 3 months	23.186.344	18.632.708
3 to 12 months	6.510.319	7.696.157
1 to 5 years	8.009.643	4.878.414
Over 5 years	2.972.407	2.510.821
Total	**40.678.713**	**33.718.100**

The transactions related with the funds and loans as of 31 December 2015 are as follows:

Akbank – Funds borrowed via syndicated credit facilities

As of 31 December 2015, Akbank has three outstanding syndicated loan facilities. On 13 August 2015, the first syndicated loan facility signed and raised EUR 873,1 million and USD 260,8 million. The loans maturity is 1 year with a cost of Euribor/Libor+0,75%. The second syndicated loan facility signed on 16 March 2015 and raised totally EUR 737,6 million and USD 421,3 million, the loans maturity is 364 and 367 days. The cost of portions of the loan with 364 days maturity is Euribor/Libor+0,70%, and the cost of portions of the loan with 367 days maturity is Euroibor/Libor+0,80%. On 9 July 2015, the third syndicated loan facility signed and raised USD 335 million. The loans maturity is 3 year with a cost of Euribor/Libor+1,85%.

Issued securities:

Securities issued consist of USD and TL assets.

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The repayment plan for USD securities issued is summarized below.

	31 December 2015		31 December 2014	
	USD	TL	USD	TL
2015	-	-	1.725.810	4.015.787
2016	620.933	1.788.288	252.692	587.989
2017	751.749	2.165.036	732.268	1.703.914
2018	995.023	2.865.667	856.893	1.993.904
2019	301.974	869.684	136.795	318.308
2020	747.277	2.152.158	76.000	176.844
2021	53.713	154.693	102.014	237.376
2022	404.224	1.164.165	650.117	1.512.757
2023	28.490	82.051	291.495	678.280
2024	735.720	2.118.874	71.400	166.141
2025	325.773	938.226	-	-
2026	11.000	31.680	-	-
2027	11.000	31.680	-	-
Total	**4.986.876**	**14.362.202**	**4.895.484**	**11.391.300**

The balance amounting to USD 4.986.876 consists of securitization deals and USD denominated securities issued by the Bank.

	31 December 2015		31 December 2014	
	Euro	TL	Euro	TL
2015	-	-	591	1.670
2016	50.520	158.747	16.208	45.823
2017	63.708	200.183	63.694	180.076
2018	63.693	200.136	63.680	180.036
2019	47.846	150.342	47.833	135.233
2020	332	1.043	320	905
2021	319	1.002	307	868
2022	307	965	295	834
2023	295	927	284	803
2024	283	889	273	772
2025	272	855	262	741
2026	261	820	252	712
2027	251	789	242	684
2028	241	757	232	656
2029	6.043	18.988	5.809	16.423
Total	**234.371**	**736.443**	**200.282**	**566.236**

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

The balance amounting to EUR 234.371 consists of securitization deals and EUR denominated securities issued by the Group.

	31 December 2015		31 December 2014	
	RON	TL	RON	TL
2016	4.805	3.321	-	-
2017	4.564	3.154	-	-
2018	75.413	52.110	-	-
2019	49.905	34.484	-	-
Total	**134.687**	**93.069**	**-**	**-**

The balance amounting to RON 137.687 consists of securization deals and RON denominated securities issued by the Bank.

	31 December 2015		31 December 2014	
	CZK	TL	CZK	TL
2016	350.610	41.253	-	-
2017	275.040	32.361	-	-
Total	**625.650**	**73.614**	**-**	**-**

The balance amounting to CZK 625.650 consists of securization deals and CZK denominated securities issued by the Bank.

	31 December 2015		31 December 2014	
	HUF	TL	HUF	TL
2019	786.358	7.989	-	-
Total	786.358	7.989	-	-

The balance amounting to HUF 786.358 consists of securization deals and HUF denominated securities issued by the Bank.

Additionally, as of 31 December 2015, there are bonds issued by the Bank amounting to TL 568.089 with 3 months maturity, TL 917.737 with a 4 months maturity, TL 62.858 with 6 months maturity, TL 765.023 with 1 years maturity and TL 1.060.114 with over 5 years maturity. (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.).

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 GDS + 2%.

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NOTE 8 – TRADE RECEIVABLES AND PAYABLES

Short and long term trade receivables:

	31 December 2015	31 December 2014
Trade receivables	1.191.385	966.760
Notes and cheques	265.485	195.735
	1.456.870	**1.162.495**
Less: allowance for doubtful receivables	(70.552)	(78.844)
Total	**1.386.318**	**1.083.651**

As of 31 December 2015, trade receivables of TL 120.981 were past due but not impaired (31 December 2014: TL 87.691). The aging analysis of these trade receivables is as follows:

	31 December 2015	31 December 2014
Up to 3 months	84.702	38.126
3 to 6 months	23.144	43.672
6 to 9 months	12.859	5.415
Over 9 months	276	478
Toplam	**120.981**	**87.691**

As of 31 December 2015 and 2014, the aging analysis of overdue and impaired trade receivables is as follows:

	31 December 2015	31 December 2014
Up to 3 months	251	200
3 to 6 months	587	-
6 to 9 months	-	409
Over 9 months	69.714	78.235
Toplam	**70.552**	**78.844**

Short and long term trade payables:	31 December 2015	31 December 2014
Trade payables	2.384.416	1.803.632
Notes payablrs	360	712
Expense accruals	2.215	5.355
Toplam	**2.386.991**	**1.809.699**

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NOTE 9 – OTHER RECEIVABLES AND PAYABLES

Other short term receivables:	31 December 2015	31 December 2014
Receivables from credit card payments	16.902	11.249
Other receivables	1.019.974	576.225
Total	**1.036.876**	**587.474**

Other long term receivables:	31 December 2015	31 December 2014
Deposits and guarantees given	34.951	28.444
Other receivables	344.187	34.589
Total	**379.138**	**63.033**

Other short term payables:	31 December 2015	31 December 2014
Payables related to credit card transactions	3.154.070	2.524.657
Taxes and funds payable	283.883	253.571
Export deposits and transfer orders	39.292	30.071
Payment orders to correspondent banks	206.384	145.008
Other	757.403	446.112
Total	**4.441.032**	**3.399.419**

Other long term payables:		
Financial lease payables	91.977	23.760
Other	503.954	211.367
Total	**595.931**	**235.127**

NOTE 10 - INVENTORIES

	31 December 2015	31 December 2014
Raw materials	235.474	220.865
Work in process	127.657	192.771
Finished good and merchandises	1.609.602	1.294.853
Spare parts	39.431	58.741
Other	59.483	106.433
	2.071.647	**1.873.663**
Allowance for impairment on inventory (-)	(49.870)	(34.056)
Total	**2.021.777**	**1.839.607**

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The movement table of allowance for impairment on inventory is as follows:

	2015	2014
1 January	(34.056)	(31.530)
Provisions	(24.225)	(13.725)
Provisions no longer required	8.429	11.199
Provision used	(18)	-
31 December	**(49.870)**	**(34.056)**

NOTE 11 - PREPAID EXPENSES AND DEFERRED INCOME

Short-term prepaid expenses:	**31 December 2015**	**31 December 2014**
Prepaid expenses	319.668	283.655
Advance given for inventory purchases	18.309	4.367
Other	222	1.461
Total	**338.199**	**289.483**

Long-term prepaid expenses:	**31 December 2015**	**31 December 2014**
Advance given for property, plant and equipment purchases	49.735	23.186
Prepaid expenses	5.822	4.370
Total	**55.557**	**27.556**

Short-term deffered income:	**31 December 2015**	**31 December 2014**
Unearned commission income	79.963	82.121
Advances received	68.294	29.732
Deferred income	15.700	11.760
Other	621	528
Total	**164.578**	**124.141**

Long-term deffered income:	**31 December 2015**	**31 December 2014**
Unearned commission income	114.297	149.244
Total	**114.297**	**149.244**

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NOTE 12 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Book value of Associates and Joint Ventures is as follows:

	31 December 2015	Share (%)	31 December 2014	Share (%)
Aksigorta	126.198	36,00	141.171	36,00
Avivasa (*)	159.623	40,00	164.761	41,28
Brisa	282.457	43,63	263.707	43,63
Akçansa	406.691	39,72	385.688	39,72
Enerjisa	4.719.888	50,00	4.214.024	50,00
Philsa	178.863	25,00	212.964	25,00
Philip Morrissa	24.434	24,75	32.124	24,75
Temsa Mısır	(15.535)	73,75	(12.714)	73,75
Temsa İş Makineleri	87.812	51,00	85.092	24,84
Total	**5.970.431**		**5.486.817**	

(*) %1,28 portion of Avivasa shares with a nominal value of net 458.967 of total Avivasa portion 41,28% owned by the Group, are sold at Borsa Istanbul as of 5 August 2015, and shares of Avivasa in Group Portfolio have decreased to 40%.

Share of income from Associates and Joint Ventures included in Holding's consolidated net income is as follows:

	31 December 2015	31 December 2014
Aksigorta	(6.535)	(18.081)
Avivasa	33.081	59.431
Brisa	83.848	81.366
Akçansa	105.436	93.251
Enerjisa	141.911	(83.345)
Philsa	141.574	145.637
Philip Morrissa	44.238	37.374
Temsa Mısır	(1.514)	856
Temsa İş Makineleri	5.893	1.884
Total	**547.932**	**318.373**

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The summary financial information of Associates and Joint Ventures is as follows:

	31 December 2015		31 December 2014	
	Total assets	**Total liabilities**	**Total assets**	**Total liabilities**
Aksigorta	2.354.754	2.004.204	2.041.572	1.649.430
Avivasa	1.260.122	887.042	1.158.048	824.339
Brisa	2.338.617	1.691.225	1.650.825	1.046.408
Akçansa	1.544.135	507.325	1.432.591	448.658
Enerjisa	26.829.659	17.389.883	24.276.096	15.846.599
Philsa	3.518.240	2.802.787	2.772.704	1.920.849
Philip Morrissa	1.965.174	1.864.373	1.151.274	1.021.482
Temsa Mısır	27.294	48.358	24.533	41.772
Temsa İş Makineleri	344.729	215.869	268.095	141.461
Total	**40.182.724**	**27.411.066**	**34.775.738**	**22.940.998**

Sales

	1 January - 31 December 2015	1 January - 31 December 2014
Aksigorta	1.622.171	1.713.615
Avivasa	263.457	258.315
Brisa	1.801.876	1.693.498
Akçansa	1.468.533	1.410.850
Enerjisa	11.827.277	10.982.258
Philsa(*)	17.365.487	15.008.770
Philip Morrissa	16.858.458	14.979.340
Temsa Mısır	1	750
Temsa İş Makineleri	484.268	403.250

(*) Philsa, which is a manufacturing company, conducts its sales activities through Philip Morrissa, which is a marketing company.

Net profit/loss

	1 January - 31 December 2015	1 January - 31 December 2014
Aksigorta	(18.152)	(50.226)
Avivasa	80.514	120.920
Brisa	192.180	186.491
Akçansa	282.979	250.262
Enerjisa	283.822	(166.690)
Philsa	566.294	582.549
Philip Morrissa	178.738	151.004
Temsa Mısır	(2.053)	856
Temsa İş Makineleri	11.557	8.087

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NOTE 13 - INVESTMENT PROPERTY

The movements in investment property, for the years ended 31 December 2015 and 2014 are as follows:

	1 January 2015	Additions	Disposals	Impairment	Transfers	Currency translation differences	Assets classified as held for sale	31 December 2015
Cost:								
Land	205.126	-	(19.661)	-	-	-	-	185.465
Building	155.076	408	(26.984)	-	-	-	-	128.500
Total	**360.202**	**408**	**(46.645)**	**-**	**-**	**-**	**-**	**313.965**
Accumulated deprecition								
Buildings	(34.420)	(5.247)	11.946	177	-	5.682	-	(21.862)
Net book value	**325.782**							**292.103**

	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**

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NOTE 14 - PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment for the year ended 31 December 2015 is as follows:

	1 January 2015	Currency translation differences	Additions	Disposals	Transfers (*)	Impairment	Transfers to non-current assets held for sale	Stock Differences	Additions due to acquisition of the subsidiary	Transfer to assets held for sale	31 December 2015
Cost:											
Land and land improvements	601.530	3.616	3.470	(22.441)	3.818	-	(3.310)	(511)	-	-	586.172
Buildings	2.293.440	41.378	42.426	(35.212)	30.157	-	(20.266)	341	-	-	2.352.264
Machinery and equipment	2.712.186	147.647	43.312	(62.556)	127.650	-	(85.766)	3.610	-	1.025	2.887.108
Motor vehicles	108.230	904	7.757	(19.853)	9.082	-	(476)	6.157	-	-	111.801
Furniture and fixtures	2.454.869	(6.512)	319.762	(140.929)	92.418	-	(1.814)	(22.325)	16.395	-	2.711.864
Total	**8.170.255**	**187.033**	**416.727**	**(280.991)**	**263.125**	**-**	**(111.632)**	**(12.728)**	**16.395**	**1.025**	**8.649.209**
Construction in progress	**197.800**	**9.191**	**442.958**	**(4.795)**	**(279.760)**	**(19.067)**	**-**	**363**	**-**	**-**	**346.690**
Total	**8.368.055**	**196.224**	**859.685**	**(285.786)**	**(16.635)**	**(19.067)**	**(111.632)**	**(12.365)**	**16.395**	**1.025**	**8.995.899**
Accumulated depreciation:											
Land and land improvements	(214.975)	(3.096)	(6.918)	-	-	(41)	-	566	-	-	(224.464)
Buildings	(847.050)	(12.198)	(60.917)	21.142	-	(6.036)	5.154	6.056	-	-	(893.849)
Machinery and equipment	(1.582.488)	(53.137)	(129.145)	51.113	-	-	35.580	198	-	(1.018)	(1.678.897)
Motor vehicles	(492.255)	(577)	(8.958)	16.147	-	-	280	(3.717)	-	-	(489.080)
Furniture and fixtures	(1.332.715)	6.981	(218.289)	127.327	-	(15.878)	1.736	4.187	-	-	(1.426.651)
Total	**(4.469.483)**	**(62.027)**	**(424.227)**	**215.729**	**-**	**(21.955)**	**42.750**	**7.290**	**-**	**(1.018)**	**(4.712.941)**
Net book value	**3.898.572**										**4.282.958**

(*) Transfers during the period consists of TL 16.635 are accounted under the intangible fixed assets.

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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 sale of shares (**)	Subsidiary liquadition (***)	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	-	(388.560)	(665)	(58.041)	2.712.186
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	-	(5.682)	(1.695)	(1.780)	2.454.869
Total	**8.282.184**	**39.716**	**485.425**	**(205.728)**	**231.149**	**-**	**(485.293)**	**(88.421)**	**(88.777)**	**8.170.255**
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)**	**-**	**(495.966)**	**(88.421)**	**(91.569)**	**8.368.055**
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	-	(2.004)	284.102	446	23.271	(1.582.488)
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	-	(6.548)	4.235	969	587	(1.332.715)
Total	**(4.592.360)**	**(23.354)**	**(373.332)**	**137.963**	**-**	**(8.552)**	**336.966**	**21.378**	**31.808**	**(4.469.483)**
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 ĠĢ Makineleri A.ģ., 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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NOTE 15 - INTANGIBLE ASSETS

The movements in intangible assets for the years ended 31 December 2015 and 2014 are as follows:

	1 January 2015	Currency translation differences	Additions	Disposals	Transfers	Stock difference	Impairment/ (provision)	Change in shareholding structure by the effect of share purchases	31 December 2015
Cost	921.948	18.778	203.412	(2.714)	16.635	16.823	(7.473)	-	1.167.409
Accumulated amortisation (-)	(485.649)	(9.227)	(135.563)	1.633	-	(7.809)	(351)	-	(636.966)
Net book value	**436.299**								**530.443**

	1 January 2014	Currency translation differences	Additions	Disposals	Transfers	Subsidiary liquidation	Impairment/ (reversal)	Change in shareholding structure by the effect of share purchases	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)
Net book value	**305.758**								**436.299**

(*) 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. 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.

(**) 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 2015 and 2014 are as follows:

	31 December 2015	31 December 2014
1 January	478.935	478.935
Additions(*) (Note 3)	545.476	-
Disposals(**)	(10.056)	-
Total	**1.014.355**	**478.935**

(*) On 15 May 2015, the the Group's subsidiary Carrefoursa has signed Share Purchase Agreement with Kiler Holding Anonim Şirketi, Nahit Kiler, Ümit Kiler, Vahit Kiler, Hikmet Kiler, Sevgül Kiler and Denge Reklam San. ve Tic. Ltd. Şti. ("Vendors"), in order to acquire 85% of the shares of Kiler Alışveriş, of which 15% of its shares are publicly traded in Borsa İstanbul A.Ş., with an amount of TL 429.574.000. The share purchase demand has been approved by Turkish Competition Authority on 30 June 2015, with decision numbered 61813209-120-6544. The Company has taken over the management of Kiler Alışveriş on 8 July 2015 by changing the members of the Board of Directors and has paid by cash the agreement amount of TL 429.574.000 to the vendors on the same day. As a result of mandatory tender offer between 17 September - 5 October 2015, ownership rate of the Company has increased to 97,27% by paying additional TL 62.290.926.

The Group, has recognized Kiler Alışveriş as a subsidiary in accordance with TFRS 3 " Business Combinations" within acquisition accounting. As of 31 December 2015, the fair values of the acquired identifiable assets and identifiable liabilities within the scope of the business combination are determined as draft and these items are disclosed in condensed consolidated financial statements with their temporary values. The period for adjustment and changes in the fair value of assets, liabilities and contingent liabilities are restricted with 12 months after acquisition date.

(**)Includes goodwill effect due to sale from real estate of Group's subsidiary Carrefoursa

NOTE 17 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short term provisions	31 December 2015	31 December 2014
Provision for liabilities	*334.659*	*280.219*
Credit bonus provision	*141.262*	*119.070*
Litigation	*68.664*	*60.164*
Uncompensated and not encashed non-cash loans	*83.688*	*66.434*
Onerous contracts	*34.000*	*34.000*
Other short-term provisions	*7.045*	*551*
Other	33.637	43.405
Total	**368.296**	**323.624**

Other long term provisions	31 December 2015	31 December 2014
Provision for liabilities	4.694	4.890
Other long-term provisions	*4.694*	*4.890*
Total	**4.694**	**4.890**

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Commitments – Banking segment	31 December 2015	31 December 2014
Letters of guarantee given	22.551.263	20.827.862
Letters of credit	5.359.136	5.259.940
Foreign currency acceptance	933.230	1.130.533
Other guarantees given	3.513.090	3.119.945
Total	**32.356.719**	**30.338.280**

Commitments – Non-banking segment	31 December 2015	31 December 2014
Letters of guarantee given	477.230	283.323
Other guarantees given	289.631	176.650
Mortgages, guarantees and pledges for tangible assets	74.870	10.302
Total	**841.731**	**470.275**

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 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Repurchase commitments	74.870	28.215.166
Resale commitments	-	700.215

Commitments to forward currency purchase/sale and swap transactions

Transactions for held for trading

	31 December 2015	31 December 2014
Foreign currency purchases	6.686.807	4.217.615
Foreign currency sales	6.782.859	4.308.110
Total	**13.469.666**	**8.525.725**

	31 December 2015	31 December 2014
Currency swap purchases	42.647.513	29.345.571
Currency swap sales	39.246.203	25.070.191
Interest swap purchases	29.350.383	19.299.989
Interest swap sales	29.350.383	19.299.989
Total	**140.594.482**	**93.015.740**

	31 December 2015	31 December 2014
Spot purchases	2.169.146	4.568.209
Spot sales	2.155.390	4.543.227
Total	**4.324.536**	**9.111.436**

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	31 December 2015	31 December 2014
Currency, interest and securities options purchases	34.647.992	27.014.182
Currency, interest and securities options sales	34.776.488	27.000.352
Total	**69.424.480**	**54.014.534**

	31 December 2015	31 December 2014
Future purchases	1.856	3.263
Future sales	83.775	95.275
Total	**85.631**	**98.538**

	31 December 2015	31 December 2014
Other purchase transactions	4.594.069	1.138.539
Other sales transactions	6.436.738	5.128.421
Total	**11.030.807**	**6.266.960**

	31 December 2015	31 December 2014
Interest swap purchases	4.791.937	3.816.116
Interest swap sales	4.791.937	3.816.116
Total	**9.583.874**	**7.632.232**

	31 December 2015	31 December 2014
Foreign currency purchases	115.886	-
Foreign currency sales	246.300	95.150
Total	**362.186**	**95.150**

	31 December 2015	31 December 2014
Currency swap purchases	1.871.978	1.128.590
Currency swap sales	1.348.580	878.044
Total	**3.220.558**	**2.006.634**

The maturity analysis of the off-balance sheet assets of the Banking segment at 31 December 2015 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees given	1.450.808	20.112.780	21.563.588
Letters of credits	3.725.510	1.528.180	5.253.690
Acceptance credits	920.299	12.931	933.230
Other guarantees	1.349.002	1.932.013	3.281.015
Total	**7.445.619**	**23.585.904**	**31.031.523**

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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**

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.

Aksigorta, one of the Group's joint ventures, has been subjected to tax investigation by the T.C. Ministry of Finance Tax Audit Board with starting 24 June 2014. Through the this limited tax investigation, with subject to BITT covers years 2009, 2010, 2011 and 2012; 1,8 Million tax and 2,8 Million tax penalty for year 2009, 2 Million tax and 3 Million tax penalty for year 2010, 3 Million tax and 4,6 Million tax penalty for year 2011, 4,3 Million tax and 6,4 Million tax penalty for year 2012, and totally 27,9 Million tax and tax penalty has been charged to the company the claim recovery and salvage operations of the banking and insurance transactions weren't not subject to tax and has not booked any provision on financial statements. The company has requested reconciliation for the year 2009 tax penalty on 16 January 2015 and for the year 2010, 2011 and 2012 tax penalty on 20 February 2015 to the Ministry of Finance Central Reconciliation Commission.

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The economic sector risk concentrations of the commitments of the Banking segment at 31 December 2015 and 2014 are as follows:

	31 December 2015	31 December 2014
Financial institutions	4.680.024	4.748.550
Construction	3.753.902	2.902.968
Chemicals	3.157.227	3.702.554
Wholesale	6.141.969	6.717.649
Small-scale retailers	3.461.873	3.776.343
Steel and mining	1.771.624	1.890.713
Food and beverage	455.109	518.647
Electricity, gas and water	1.807.922	1.449.108
Automotive	767.684	491.561
Other manufacturing	1.599.379	1.205.349
Electronics	420.290	534.112
Textile	711.655	747.155
Transportation	318.507	306.910
Telecommunications	61.115	64.651
Tourism	187.396	154.319
Agriculture and forestry	53.886	87.355
Other	1.681.961	1.040.336
Total	**31.031.523**	**30.338.280**

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NOTE 18 - COMMITMENTS

Collaterals, pledges and mortgages ("CPM") given by the Subsidiaries at 31 December 2015 is as follows:

	31 December 2015				
	Total TL Equivalent	TL	USD	EUR	Other
A. Total amount of the Collaterals given for its own legal entity	750.267	131.461	144.484	58.869	11.642
B. Collaterals given on behalf of fully consolidated companies	1.347.914	979.321	59.675	61.393	-
C. Collaterals given on behalf of the third parties'debt for continuation of their economic activities	31.031.523	12.783.633	4.334.931	1.682.094	298.623
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	**33.129.704**	**13.894.415**	**4.539.090**	**1.802.356**	**310.265**
A. Total amount of the mortgages given for its own legal entity	75.535	-	-	23.771	-
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	**75.535**	**-**	**-**	**23.771**	**-**
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	**-**	**-**	**-**	**-**	**-**

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Collaterals, pledges and mortgages ("CPM") given by the Joint Ventures at 31 December 2015 is as follows:

	31 December 2015				
	Total TL Equivalent	TL	USD	EUR	Other
A. Total amount of the Collaterals given for its own legal entity	1.480.870	1.476.498	246	1.151	-
B. Collaterals given on behalf of fully consolidated companies	-	-	-	-	-
C. Collaterals given on behalf of the third parties'debt for continuation of their economic activities	79	79	-	-	-
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	203	203	-	-	-
Total Colleterals	**1.481.152**	**1.476.780**	**246**	**1.151**	**-**
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 2015, the ratio of other CPMs given by the Group to the equity is 0,0005%.

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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	**-**	**-**	**-**	**-**	**-**

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

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 ratio of other CPMs given by the Group to the equity is 0,03%.

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NOTE 19 – EMPLOYEE BENEFITS

	31 December 2015	31 December 2014
Payables to personnel	27.339	18.174
Social security premiums payable	27.455	20.709
Other	1.611	1.331
Total	**56.405**	**40.214**

Short-term provision for employee benefits:

	31 December 2015	31 December 2014
Unused vacation pay provision	90.928	75.396
Bonus provision	26.034	22.064
Other	121.287	105.549
Total	**238.249**	**203.009**

Long-term provision for employee benefits:

	31 December 2015	31 December 2014
Unused vacation pay provision	2.318	2.130
Provision for employment termination benefits	269.402	165.236
Other	13.109	12.638
Total	**284.829**	**180.004**

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 2015, the amount payable consists of one month's salary limited to a maximum of TL 3,82 (31 December 2014: TL 3,43) 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.

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.

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

Consequently, in the accompanying financial statements as at 31 December 2015, 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 3,40% at the respective balance sheet date (31 December 2014: 3,30%). Severance pay ceiling is revised semi-annually. 4,09 TL severance pay ceiling, which is effective on 1 January 2016, 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 2015 and 2014 are as follows:

	2015	2014
1 January	165.236	162.547
Subsidiary acquisiation	6.300	-
Charge for the period	107.133	56.356
Payments	(102.790)	(51.738)
Interest cost	2.897	2.246
Foreign currency translation adjustments	220	(21)
Business combinations	-	(17.244)
Actuarial losses	90.406	13.090
31 December	**269.402**	**165.236**

NOTE 20 - OTHER ASSETS AND LIABILITIES

Other Current Assets	31 December 2015	31 December 2014
Cheques in clearance	513.180	462.917
Deductible, deferred and other VAT	100.018	65.109
Other	64.092	91.263
Total	**677.290**	**619.289**

Other Non-Current Assets	31 December 2015	31 December 2014
Long term tax claims and other legal receivables	5.157	5.157
Deductible, deferred and other VAT	17.778	12.990
Other non-current assets	40.263	6.672
Total	**63.198**	**24.819**

Other Short Term Liabilities	31 December 2015	31 December 2014
Cheques in clearance	1.028.687	905.937
Saving deposits insurance	35.641	38.033
Other short term liabilities	226.801	380.806
Total	**1.291.129**	**1.324.776**

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NOTE 21 - EQUITY

The Holding's authorised and issued capital consists of 204.040.393.100 (31 December 2014: 204.040.393.100) shares of Kr 1 each.

The Holding's authorised and paid-in share capital and shareholding structure at 31 December 2015 and 2014 is as follows:

Shareholders:	Share (%)	31 December 2015	Share (%)	31 December 2014
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**	**2.040.404**	**100,00**	**2.040.404**
Share premium		**22.237**		**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 2015	31 December 2014
Legal reserves	559.450	522.338
Investments sales income	333.369	333.369
Total	**892.819**	**855.707**

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.

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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 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	-	
Subsidiary 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**
Balance as of 1 January 2015				
Increases/ (decreases) during the period	(419.923)	37.982	(34.796)	99.666
Gains transferred to income statement	(10.370)	14.053	-	-
Net gains & losses included in the income statement due to transfer of available for sale financial assets into held to maturity assets	(737)	-	-	-
Tax effect	86.637	(10.853)	6.959	-
Balance as of 31 December 2015	**(440.301)**	**(86.721)**	**(88.909)**	**283.604**

NOTE 22 – ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

1 January – 31 December 2015

The share transfer agreement was signed on 13 January 2015 regarding the sale of all shares in Group’s subsidiary SASA Polyester Sanayi A.Ş, corresponding to 51 % of the share capital of the Company, to Erdemoğlu Holding A.Ş. According the share transfer agreement, the transfer price of Sabancı Holding’s shares in SASA Polyester Sanayi A.Ş, corresponding to 51 % of the share capital is USD 104 million, after adjustments. USD 20 million of the transfer price was paid in advance, remaining part of it amounting to 82 million was collected on 30 April 2015 and share transfer has been completed. As of 31 December 2015 and 2014, the results of operating activities of Sasa have been classified to income amounting TL 103 million from discontinued operations on the consolidated statement of profit or loss.

Statement of balance sheet of SASA for the period ended 31December 2015 and 2014 is as follows:

Statement of balance sheet	31 December 2015	31 December 2014
Assets	-	665.554
Liabilities	-	345.208
Equity	-	320.336

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Statement of profit or loss	1 January- 30 April 2015	1 January- 31 December 2014
Income	390.717	1.292.703
Expense	385.745	(1.225.615)
Net loss before tax	**6.972**	**67.088**
Tax	4.443	4.292
Net profit	**11.415**	**71.380**

According to The Group's subsidiary Kordsa Global's Board of Management decision numbered 2015/29 dated December 31 2015, %51 shares of Nile Kordsa and %100 shares of Interkordsa are classified as "Assets Held for Sale" in the balance sheet as of December 31 2015.

As of 31.12.2015; the operating loss of Kordsa Global's subsidiary Nile Kordsa Company for Industrial Fabrics S.A.E. is 3.019 TL (31.12.2014: 2.081 TL Profit) and loss of the period is 8.315 TL (31.12.2014: 525 TL Loss) .In the consolidated financial statements ; operating results of the company (Nile Kordsa) reclassified as discontinued operations income/expenditure

Profit/Loss Statements of Nile Kordsa as of 31 December 2015 and 31 December 2014 are as follows:

Statement of profit or loss of Nile Kordsa	1 January - 31 December 2015	1 January - 31 December 2014
Income	41.820	40.661
Expense	(49.453)	(40.547)
Net profit/(loss) before tax	**(7.633)**	**114**
Tax	(682)	(640)
Net profit(loss)	**(8.315)**	**526**

As of 31.12.2015; the operating income of Kordsa Global's subsidiary InterKordsa GmbH is 190 TL (31.12.2014: 1.448 TL Loss) and income for the period is 188 TL (31.12.2014: 1.224 TL Loss) .In the consolidated financial statements; operating results of the company (InterKordsa) reclassified as discontinued operations income/expenditure.

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Statement of profit or loss of Interkordsa	1 January - 31 December 2015	1 January - 31 December 2014
Income	45.594	96.675
Expense	(45.437)	(98.274)
Net profit/ (loss) before tax	**157**	**(1.599)**
Tax	31	375
Net profit/(loss)	**188**	**(1.224)**

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.

NOTE 23 – REVENUE AND COST OF SALES

	1 January- 31 December 2015	1 January- 31 December 2014
Domestic sales	10.734.167	9.570.604
Foreign sales	1.428.005	1.249.033
Less: Discounts	(504.979)	(435.388)
Total	**11.657.193**	**10.384.249**

Cost of sales

	1 January- 31 December 2015	1 January- 31 December 2014
Cost of raw materials and merchandises	7.608.310	6.886.170
Change in finished good work in process inventory and	(2.991)	124.110
Depreciation and amortisation	187.915	161.371
Personnel expenses	290.131	249.954
Other	1.010.336	810.607
Total	**9.093.701**	**8.232.212**

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NOTE 24 - EXPENSES BY NATURE

Research and development expenses:

Allocation of research and development expenses on nature basis for the years ended 31 December 2015 and 2014 are as follows:

	1 January- 31 December 2015	1 January- 31 December 2014
Personnel expenses	1.251	2.473
Depreciation and amortisation	1.352	1.316
Consultancy expenses	93	257
Repair and maintenance expenses	22	49
Other	605	438
Total	**3.323**	**4.533**

Marketing, selling and distribution expenses:

Allocation of marketing, selling and distribution expenses on nature basis for the years ended 31 December 2015 and 2014 are as follows:

	1 January- 31 December 2015	1 January- 31 December 2014
Personnel expenses	547.423	416.213
Rent expenses	353.593	285.838
Transportation, logistic and distribution expenses	82.919	87.085
Depreciation and amortisation	94.540	66.726
Advertisement expenses	99.922	64.722
Consultancy expenses	43.227	43.607
Outsourced services	54.377	24.037
Maintenance and repair expenses	35.866	23.021
Energy expenses	43.867	22.856
Insurance expenses	5.575	6.072
Material costs	3.484	3.424
Communication expenses	1.636	1.994
Other	213.506	179.536
Total	**1.579.935**	**1.225.131**

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General administrative expenses:

Allocation of general administrative expenses on nature basis for the years ended 31 December 2015 and 2014 are as follows:

	1 January- 31 December 2015	1 January- 31 December 2014
Personnel expenses	1.908.086	1.679.657
Credit card and banking service expenses	504.390	438.302
Consultancy expenses	281.230	197.451
Depreciation and amortisation	227.982	181.019
Taxes and duties	188.959	148.703
Repair and maintenance expenses	187.754	230.195
Insurance expenses	186.223	189.709
Communication expenses	126.131	129.123
Advertisement expenses	124.080	109.370
Energy expenses	49.241	48.463
Material expenses	17.245	20.060
Outsourced services	886	12.176
Other	1.124.499	1.013.603
Total	**4.926.706**	**4.397.831**

NOTE 25 – OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for the years ended 31 December 2015 and 2014 are are as follows:

	1 January- 31 December 2015	1 January- 31 December 2014
Foreign currency gains resulting from operations	391.039	199.198
Interest income	-	5.118
Due date income from trade receivables	38.489	35.727
Other income	502.579	570.562
Total	**932.107**	**810.605**

The details of other expenses from operating activities for the years ended 31 December 2015 and 2014 are are as follows:

	1 January- 31 December 2015	1 January- 31 December 2014
Foreign currency losses resulting from operations	291.939	211.012
Due date expense from trade payables	89.342	87.528
Provision expense	33.852	30.596
Other expenses	152.709	76.851
Total	**567.842**	**405.987**

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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 2015 and 2014 are are as follows:

	1 January- 31 December 2015	1 January- 31 December 2014
Interest income:		
Time deposit	7.356	2.344
Dividend income	2.293	1.424
Gain on sale of fixed assets	161.680	115.369
Gain on sale of associates	975	147.152
Other	5.329	24.991
Total	**177.633**	**291.280**

Expenses from investing activities

The details of other expenses from investing activities for the years ended 31 December 2015 and 2014 are are as follows:

	1 January- 31 December 2015	1 January- 31 December 2014
Loss on sale of fixed assets	2.054	1.658
Other	4.937	-
Total	**6.991**	**1.658**

NOTE 27 – FINANCE INCOME/EXPENSES

	1 January- 31 December 2015	1 January- 31 December 2014
Financial income		
Foreign currency gains	54.974	52.605
Other	-	1.360
Total	**54.974**	**53.965**

Financial expenses		
Foreign currency losses	126.608	50.593
Interest expense	115.503	95.418
Other financial expenses	37.810	35.052
Total	**279.921**	**181.063**

Financial income and financial expenses relate to segments other than banking.

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NOTE 28 - TAX ASSETS AND LIABILITIES

	31 December 2015	31 December 2014
Corporate and income taxes payable	953.826	1.248.286
Less: prepaid taxes	(551.052)	(894.696)
Total taxes payable	**402.774**	**353.590**

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 2015 is 20% (2014: 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.

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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 2015 and 2014 are as follows:

	31 December 2015			31 December 2014		
	Before Tax	**Tax Charge**	**After Tax**	**Before Tax**	**Tax Charge**	**After Tax**
Net unrealized fair value from available for sale financial assets	(1.034.169)	206.834	(827.335)	2.062.219	(412.444)	1.649.775
Net gain on available for sale financial assets transferred to the income statement	(25.448)	5.090	(20.358)	(599.241)	119.848	(479.393)
Net gain included in the income statement due to transfer of available for sale financial assets into held to maturity assets	(1.808)	362	(1.446)	(79.929)	15.986	(63.943)
Cash flow hedges	76.160	(15.232)	60.928	44.268	(8.854)	35.414
Gain/ (loss) on net foreign investment hedge	(85.390)	17.078	(68.312)	23.584	(4.717)	18.867
Currency translation differences	238.089	-	238.089	(34.911)	-	(34.911)
Actuarial gain/losses	(99.604)	19.921	(79.683)	(18.641)	3.728	(14.913)
Other comprehensive income	**(932.170)**	**234.053**	**(698.117)**	**1.397.349**	**(286.453)**	**1.110.896**

The reconciliation of the current year tax charge for the years ended 31 December 2015 and 2014 are as follows:

	31 December 2015	**31 December 2014**
Profit before tax	5.299.364	5.247.494
Expected tax charge according to parent company's tax rate %20 (2014: %20)	(1.059.873)	(1.049.499)
Tax rate differences of subsidiaries	3.342	364
Expected tax charge of the Group	**(1.056.531)**	**(1.049.135)**
Revenue that is exempt from taxation	29.541	27.603
Expenses that are not deductible in determining taxable profit	(54.364)	(48.327)
Utilizing carryforward tax losses that are not subject to deferred tax	(19.663)	-
Timing differences not subject to tax	395	693
Dividend income	165.582	-
Investment incentives	7.107	20.651
Tax of assets that are hold for sale purpose	5.421	561
Exemption of gain on real estate sales	2.138	6.031
Other	(52.770)	69.964
Current year tax charge of the Group	**(973.144)**	**(971.959)**

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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 2015, the Group has not recognized deferred income tax assets over carry forward tax losses in the amount of TL 105.255 which can be offset against future taxable profits for a period of five years (31 December 2014: TL 66.611). As of 31 December 2015 and 31 December 2014 carry forward tax losses and the latest annual periods are as follows:

	31 December 2015	31 December 2014
2015	-	1.171
2016	11.196	21.159
2017	8.405	-
2018	11.899	-
2019	29.736	44.281
2020	44.019	-
Total	**105.255**	**66.611**

The movements in deferred tax assets/ (liabilities) for the years ended at 31 December 2015 and 2014 are as follows:

	2015	2014
Deferred tax assets	714.698	477.413
Deferred tax liabilities	(118.323)	(114.976)
31 December	**596.375**	**362.437**

	2015	2014
1 January	362.437	387.767
Change in consolidation method due to acquisition of shares	25.909	-
Subsidiary liquidation	-	(6.971)
Charged to equity	171.455	(242.711)
Currency translation differences	(19.610)	(3.494)
Charged to statement of profit or loss	50.666	229.008
Transfers to assets held for sale	7.071	(1.162)
Other	(1.553)	-
31 December	**596.375**	**362.437**

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NOTE 29 - DERIVATIVE FINANCIAL INSTRUMENTS

31 December 2015	**Fair Value**	
Derivative instruments held for trading:	**Asset**	**Liability**
Foreign exchange derivative instruments		
Currency and interest rate swaps purchases and sales	1.340.366	1.260.512
Forward currency purchases and sales	106.964	162.414
Currency and interest rate futures purchases and sales	-	-
Currency options purchases and sales	222.214	257.901
Other purchases and sales	1.032.735	89.293
Total derivative instruments held for trading	**2.702.279**	**1.770.120**
Derivative instruments held for hedging:		
Currency and interest rate swap purchases and sales	651.367	158.961
Forward currency purchases and sales	14.743	2.048
Currency options purchases and sales	373	-
Total derivative instruments held for hedging	**666.483**	**161.009**
Total derivative instruments	**3.368.762**	**1.931.129**

31 December 2014	**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 purchases and sales	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**

Akbank, Enerjisa, Brisa and Kordsa Global 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 reserves within equity. Akbank also hedges its TL denominated fixed rate financial assets and foreign currency denominated financial liabilities with cross currency swaps. Brisa, in order to mitigate the foreign currency risks arising from the Euro exports and US Dollar raw material purhases, the Company enters into Euro selling/ US buying, TL selling/Euro buying and TL selling/ Dollar buying forward contracts.

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NOTE 30 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS

a) Banking

Loans and advances to customers	31 December 2015	31 December 2014
Consumer loans and credit cards receivables	39.226.044	42.109.660
Project finance loans	23.426.197	20.348.175
Small-scale enterprises	12.937.790	11.531.705
Health care and social services	1.594.398	1.266.825
Other manufacturing industries	8.836.325	8.819.469
Construction	13.772.265	11.763.192
Financial institutions	12.366.155	9.584.714
Telecommunication	4.579.290	3.607.809
Mining	3.718.392	2.778.317
Chemicals	1.458.066	2.136.492
Textile	3.579.486	3.287.312
Food and beverage, wholesale and retail	2.632.605	2.210.412
Automotive	1.724.711	1.386.585
Tourism	2.702.900	1.975.210
Agriculture and forestry	1.578.102	977.627
Electronics	340.375	445.003
Other	18.335.340	11.580.646
Non-performing loans	3.373.323	2.330.155
Total loans and advances to customers	**156.181.764**	**138.139.308**
Allowance for loan losses	(5.701.872)	(4.271.108)
Leasing receivables	3.958.451	3.683.321
Net loans and advances to customers	**154.438.343**	**137.551.521**

Effective interest rates of USD, EUR and TL denominated loans and advances to customers are 4,35% p.a. (31 December 2014: 4,34% p.a.), 3,69% p.a. (31 December 2014: 4,31% p.a.) and 9,71% p.a. (31 December 2014: 12,01% p.a.), respectively.

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The movement of loan loss provision of banking segment as of 31 December 2015 by class is as follows:

	Corporate	Commercial	Total
1 January 2015	**2.016.841**	**2.254.267**	**4.271.108**
Gross provisions	979.442	1.427.603	2.407.045
Recoveries	(182.014)	(452.290)	(634.304)
Written-off (*)	(135.021)	(206.956)	(341.977)
31 December 2015	**2.679.248**	**3.022.624**	**5.701.872**

(*) TL 248,5 million of the Bank's non-performing loan portfolio are sold to Girişim Varlık Yönetimi A.Ş. at a price of TL 40.3 million.

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 252,2 million of the Bank's non-performing loan portfolio were sold to Girişim Varlık Yönetimi A.Ş. at a price of TL 44 million and TL 250,5 million of the Bank's non-performing loan portfolio were sold to Efes Varlık Yönetim A.Ş. at a price of TL 41 million.

The maturity schedule of loans and advances to customers at 31 December 2015 and 2014 are summarised below:

	31 December 2015	31 December 2014
Up to 3 months	42.616.346	39.197.718
3 to 12 months	34.802.687	29.014.030
Current	**77.419.033**	**68.211.748**
1 to 5 years	53.425.747	46.566.593
Over 5 years	19.635.112	19.089.859
Non-current	**73.060.859**	**65.656.452**
Total	**150.479.892**	**133.868.200**

The repricing schedule of loans and advances to customers at 31 December 2015 and 2014 are summarised below:

	31 December 2015	31 December 2014
Up to 3 months	60.788.870	61.015.004
3 to 12 months	44.549.095	31.127.676
1 to 5 years	39.025.020	35.163.779
Over 5 years	6.116.907	6.561.741
Total	**150.479.892**	**133.868.200**

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NOTE 31 - PAYABLES FROM FINANCE SECTOR OPERATIONS

a) Banking

	31 December 2015			31 December 2014		
	Demand	Time	Total	Demand	Time	Total
Saving deposits	11.275.748	67.455.714	78.731.462	9.349.364	55.693.817	65.043.181
Commercial deposits	10.134.810	42.515.523	52.650.333	9.318.933	29.662.363	38.981.296
Bank deposits	256.697	12.661.189	12.917.886	501.286	13.082.116	13.583.402
Funds provided from repo transactions	-	24.169.207	24.169.207	-	28.408.773	28.408.773
Other	1.028.245	2.925.399	3.953.644	615.793	3.387.864	4.003.657
Total	**22.695.500**	**149.727.032**	**172.422.532**	**19.785.376**	**130.234.933**	**150.020.309**

Effective interest rates of USD, EUR and TL denominated customer deposits are 1,02% p.a. (31 December 2014: 1,19% p.a.), 0,51% p.a. (31 December 2014: 0,77% p.a.) and 9,53% p.a. (31 December 2014: 9,89% p.a.).

As at 31 December 2015 and 2014, the contractual maturity date and contractual repricing schedules based on the remaining period of banking customer deposits are as follows:

	31 December 2015	31 December 2014
Demand	19.971.284	17.572.163
Up to 3 months	125.277.763	106.273.793
3 to 12 months	11.521.758	14.001.312
1 to 5 years	13.118.878	8.574.579
Over 5 years	2.532.849	3.598.462
Total	**172.422.532**	**150.020.309**

NOTE 32 - MUTUAL FUNDS

As of 31 December 2015, the Group manages 43 (31 December 2014: 44) mutual funds with unaudited total value of TL 3.283.444 (31 December 2014: 3.233.211). 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 2015	31 December 2014
Earnings per share in full TL - ordinary share ('000)	10,96	10,19
Earnings per share of continuing operations in full TL		
- ordinary share ('000)	10,50	9,81
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 2015 and 2014 are as follows:

	31 December 2015	31 December 2014
Short term benefits	20.754	19.774
Benefits resulted from termination	883	655
Other long term benefits	259	260
Total	**21.896**	**20.689**

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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 minimize 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 2015 and 2014 terms of TL are as follows:

	31 December 2015	31 December 2014
Assets	128.626.065	100.539.856
Liabilities	(136.166.574)	(111.100.362)
Net foreign currency balance sheet position	**(7.540.509)**	**(10.560.506)**
Net foreign currency position of off-balance sheet derivative financial instruments	**8.402.667**	**11.258.432**
Net foreign currency balance sheet and off-balance sheet position	**862.158**	**697.926**

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31 December 2015	Total TL Equivalent	USD TL Equivalent	EUR TL Equivalent	GBP TL Equivalent	Other TL Equivalent
Assets:					
Cash and cash equivalents	8.229.608	5.864.491	2.213.366	34.705	117.046
Financial investments	29.204.701	23.367.054	5.837.647	-	-
Receivables from financial operations	66.913.937	40.103.231	26.747.536	12.698	50.472
Reserve deposits at Central Bank	22.776.999	15.304.344	3.865.549	-	3.607.106
Trade receivables	764.041	286.725	365.522	26.084	85.710
Other assets	736.780	475.138	182.051	2.140	77.451
Total Assets	**128.626.066**	**85.400.983**	**39.211.671**	**75.627**	**3.937.785**
Liabilities:					
Funds borrowed and debt securities in issue	36.031.708	26.354.414	9.468.915	5.273	203.106
Customer deposits	98.496.275	68.859.632	26.690.548	1.523.676	1.422.419
Trade payables	274.414	165.358	84.117	1.077	23.862
Other payables and provisions	1.364.178	623.653	692.714	2.582	45.229
Total Liabilities	**136.166.575**	**96.003.057**	**36.936.294**	**1.532.608**	**1.694.616**
Net assets/(liabilities) foreign currency position of off-balance sheet derivative financial instruments	**8.402.706**	**10.025.671**	**(908.680)**	**1.459.007**	**(2.173.292)**
Net assets/(liabilities)foreign currency position	**862.197**	**(576.403)**	**1.366.697**	**2.026**	**69.877**
Net assets/(liabilities) foreign currency monetary position	**862.197**	**(576.403)**	**1.366.697**	**2.026**	**69.877**

Net profit effect of the consolidated to the total net foreign currency position is TL 2.774 as of 31 December 2015 (Akbank and Philsa-Philip Morrissa excluded).

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31 December 2014	Total TL Equivalent	USD TL Equivalent	EUR TL Equivalent	GBP TL Equivalent	Other TL Equivalent
Assets:					
Cash and cash equivalents	5.237.279	3.761.304	1.278.393	50.427	147.155
Financial investments	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 assets	216.770	80.772	63.383	129	72.486
Total Assets	**100.539.856**	**68.733.296**	**28.130.877**	**94.953**	**3.580.730**
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 assets/(liabilities) foreign currency position of off-balance					
sheet derivative financial instruments	**11.258.432**	**7.843.349**	**3.389.745**	**1.236.042**	**(1.210.705)**
Net foreign currency position	**697.926**	**310.075**	**336.461**	**7.756**	**43.632**
Net foreign currency monetary position	**697.926**	**310.075**	**336.461**	**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).

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 2015 and 2014 is summarized as follows:

31 December 2015	**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	(28.385)	28.385	(20.963)	20.963
Hedged items (-)	-	-	-	-
USD net effect	**(28.385)**	**28.385**	**(20.963)**	**20.963**
Change in EUR against TL by 10%				
EUR net assets/liabilities	23.600	23.600	(4.582)	4.582
Hedged items (-)	-	-	-	-
EUR net effect	**23.600**	**23.600**	**(4.582)**	**4.582**
Change in GBP against TL by 10%				
GBP net assets/liabilities	14	(14)	-	-
Hedged items (-)	-	-	-	-
GBP net effect	**14**	**(14)**	**-**	**-**
Change in other currency against TL by 10%				
Other currency net assets/liabilities	(2.240)	2.240	5	(5)
Hedged items (-)	-		-	-
Other currency net effect	**(2.240)**	**2.240**	**5**	**(5)**

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	5.837	(5.837)	26.366	(26.366)
Hedged items (-)	-			
USD net effect	**5.837**	**(5.837)**	**26.366**	**(26.366)**
Change in EUR against TL by 10%				
EUR net assets/liabilities	(9.712)	9.712	2.944	(2.944)
Hedged items (-)				
EUR net effect	**(9.712)**	**9.712**	**2.944**	**(2.944)**
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		(2.192)	2.192	-
Hedged items (-)	-	-	-	-
Other currency net effect	**(2.192)**	**(2.192)**	**-**	**-**

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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 2015 and 2014, the Group's borrowings at floating rates are denominated in TL, USD, EUR and GBP.

The interest rate risk of Group companies other than that of the banking segment for the years ended 31 December 2015 and 2014 is summarized below as follows: (Please refer to Note 35.1.1.5 for banking industrial segment)

	31 December 2015	31 December 2014
Fixed interest rate financial instruments		
Financial assets	188.928	52.413
Time deposits	188.928	52.413
Financial liabilities	1.130.266	393.939
Floating interest rate financial instruments		
Financial liabilities	529.275	641.927

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 2015, 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 2014: TL 1.099) lower/higher, mainly as a result of higher interest expense on floating rate borrowings.

At 31 December 2015, 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 512 (31 December 2014: TL (4) lower/higher, mainly as a result of higher interest expense on floating rate borrowings.

At 31 December 2015, 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 (146) (31 December 2014: TL 191) 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 2015 and 2014 the contractual cash flows of the non-derivative financial liabilities of the Group companies banking segment are as follows:

				31 December 2015			
Liabilities	**Book value**	**Contructual Cash flows**	**Up to 1 month**	**1-3 months**	**3-12 months**	**1-5 years**	**5 years and over**
Customer deposits	173.640.026	175.956.942	121.993.491	25.234.138	11.985.377	13.988.530	2.755.406
Funds borrowed and debt securities in issue	38.587.062	42.266.675	1.132.501	7.362.329	12.772.790	14.751.396	6.247.659
Interbank money market deposits	80.633	80.633	50.082	30.551	-	-	-
	212.307.721	**218.304.250**	**123.176.074**	**32.627.018**	**24.758.167**	**28.739.926**	**9.003.065**

				31 December 2014			
Liabilities	**Book value**	**Contructual Cash flows**	**Up to 1 month**	**1-3 months**	**3-12 months**	**1-5 years**	**5 years and over**
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**

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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.

As of 31 December 2015 and 2014 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 2015[(1)(2)]	Book value	Contructual Cash flows	Up to 3 months	3-12 months	1-5 years	5 years and over
Financial liabilities	2.293.413	2.367.515	505.280	888.157	935.171	38.907
Financial lease obligations	118.265	129.552	7.434	22.446	83.313	16.359
Trade payables	1.423.803	1.529.844	1.478.743	50.885	216	-
Payables from insurance operations	-	-	-	-	-	-
Othe payables	48.916	56.032	54.557	1.475	-	-
	3.884.397	**4.082.943**	**2.046.014**	**962.963**	**1.018.700**	**55.266**

31 December 2014[(1)(2)]	Book value	Contructual Cash flows	Up to 3 months	3-12 months	1-5 years	5 years and over
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**

(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.

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There are risk control limits set for the market risks and credit risks arise from forward and option agreements and other similar agreements.

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 2015	31 December 2014
Above average	49,10%	41,80%
Average	37,10%	48,04%
Below average	13,30%	8,16%
Unrated	0,50%	2,00%

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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 2015 and 2014 are summarized below as follows:

31 December 2015	Corporate loans	Consumer loans and credit cards	Financial lease receivables	Total
Standard loans	109.354.585	38.544.677	3.901.989	151.801.251
Close monitoring loans	2.249.269	2.659.910	33.300	4.942.479
Non Performing loans	1.016.088	2.357.235	114.268	3.487.591
Total	**112.619.942**	**43.561.822**	**4.049.557**	**160.231.321**
Provisons	**(2.679.248)**	**(3.022.624)**	**(91.106)**	**(5.792.978)**
Net	**109.940.694**	**40.539.198**	**3.958.451**	**154.438.343**

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 2015	Corporate loans	Consumer loans and credit cards	Financial lease receivables	Total
Up to 1 month	1.647.651	1.639.137	9.741	3.296.529
Between 1- 2 months	304.223	701.961	1.632	1.007.816
Between 2-3 months	297.395	318.812	1.444	617.651
Leasing payment receivables (uninvoiced)	-	-	20.483	20.483
	2.249.269	**2.659.910**	**33.300**	**4.942.479**

The aging analysis of the loans under close monitoring for the year ended 31 December 2015 and 2014 are as follows:

31 December 2014	Corporate loans	Consumer loans and credit cards	Financial lease receivables	Total
Up to 1 month	686.229	1.621.594	8.821	2.316.644
Between 1- 2 months	230.447	518.661	807	749.915
Between 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**

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Maximum exposure to credit risk of banking industrial segment:

	31 December 2015	31 December 2014
Loans and advances to other banks	32.822.588	24.832.131
Loans and advances	150.479.892	133.868.200
Consumer loans and advances	*40.539.198*	*43.227.103*
Corporate loans and advances	*109.940.694*	*90.641.097*
Financial lease receivables	3.958.451	3.683.321
Trading financial assets (*)	33.981	54.896
Trading purpose derivative financial assets	2.697.157	1.410.739
Available for sale and held to maturity financial assets	53.673.459	48.101.547
Other assets	1.098.566	543.094
Total	**244.764.094**	**212.493.928**

(*) Share certificates are not included.

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 2015 and 2014 are as follows:

31 December 2015	Assets held at fair value through profit or loss	Available for sale financial assets	Held to maturity financial assets	Total
Aaa	-	-	-	-
Aa1, Aa2, Aa3	171	-	-	171
A1, A2, A3	8.434	255.376	-	263.810
Baa1, Baa2, Baa3	15.418	42.220.320	10.688.440	52.924.178
Ba1	-	509.323	-	509.323
Ba2 (*)	-	-	-	-
Total	**24.023**	**42.985.019**	**10.688.440**	**53.697.482**

(*) Government bond and treasury bills of Turkish Treasury.

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**

(*) Government bond and treasury bills of Turkish Treasury.

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The geographical distribution of the financial assets of banking industrial segment for the years ended 31 December 2015 and 2014 are summarized as follows:

31 December 2015	Turkey	USA	EU Contries	Non-EU Contries	Total
Loans and advances to banks	27.428.611	788.144	4.591.356	14.477	32.822.588
Loans and advances	145.663.561	10	3.947.392	868.929	150.479.892
Consumer loans and advances	40.539.198	-	-	-	40.539.198
Corporate loans and advances	105.124.363	10	3.947.392	868.929	109.940.694
Financial lease receivables	3.958.451	-	-	-	3.958.451
Trading financial assets (*)	33.981	-	-	-	33.981
Trading purpose derivative financial assets	1.037.090	192.519	1.445.505	22.043	2.697.157
Available for sale and held to maturity financial assets	52.687.976	-	985.483	-	53.673.459
Other assets	1.090.213	-	6.854	1.499	1.098.566
Total	**231.899.883**	**980.673**	**10.976.590**	**906.948**	**244.764.094**

31 December 2014	Turkey	USA	EU Contries	Non-EU Contries	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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The industrial distribution of the financial assets of banking sector for the years ended 31 December 2015 and 2014 are summarized as follows:

	Financial institutions	Public sector	Wholesale and retail trade	Manufacturing	Other	Individual	Total
Loans and advances to banks	32.822.588	-	-	-	-	-	32.822.588
Loan and advances	11.955.491	1.470.425	29.382.960	36.401.380	30.730.438	40.539.198	150.479.892
Consumer loans	-	-	-	-	-	40.539.198	40.539.198
Corporate loans	11.955.491	1.470.425	29.382.960	36.401.380	30.730.438	-	109.940.694
Financial lease receivables	81.809	-	165.831	180.141	3.530.670	-	3.958.451
Trading financial assets	13.411	10.103	-	-	10.467	-	33.981
Derivative financial instruments	1.703.661	-	-	-	977.973	15.523	2.697.157
Available for sale and assets held for sale financial assets	7.127.897	46.121.712	-	51.213	372.637	-	53.673.459
Other assets	1.098.566						1.098.566
31 December 2015	**54.803.423**	**47.602.240**	**29.548.791**	**36.632.734**	**35.622.185**	**40.554.721**	**244.764.094**
31 December 2014	**41.094.298**	**45.485.931**	**26.776.004**	**37.234.030**	**18.666.916**	**43.236.749**	**212.493.928**

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.

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The credit risks of the financial instruments of Group companies other than that of the banking segment for the years ended 31 December 2015 and 2014 is summarized below as follows:

31 December 2015	Trade receivables	Receivables from insurance operations	Other receivables (*)	Bank deposits	Derivative instruments
Maximum credit risk exposure as of reporting date (A+B+C+D)	**1.305.480**	**-**	**97.237**	**93.668**	**14.410**
Collateralized or secured with guarantees part of maximum credit	662.359	-	-	-	-
A. Neither past due nor impaired	1.217.159	-	97.237	93.668	14.410
B.Restructed otherwise accepted as past due and impaired	-	-	-	-	-
C. Past due but not impaired net book value	92.158	-	-	-	-
guaranteed amount by commitment	51.027	-	-	-	-
D. Net book value of impaired assets	(3.837)	-	-	-	-
- Past due (Gross amount)	66.715	-	754	-	-
- Impairment	(70.552)	-	(754)	-	-
- Collateralized or guaranteed part of net value	4.135	-	-	-	-

(*) Tax and other receivables are not included.

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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)	**1.063.657**	**-**	**92.894**	**97.106**	**2.992**
Collateralized or secured with guarantees part of maximum credit	574.263	-	-	-	-
A. Neither past due nor impaired	979.803	-	92.894	97.106	2.992
B.Restructed otherwise accepted as past due and impaired	-	-	-	-	-
C. Past due but not impaired net book value	87.691	-	-	-	-
guaranteed amount by commitment	20.142	-	-	-	-
D. Net book value of impaired assets	(3.837)	-	-	-	-
- Past due (Gross amount)	70.797	-	754	-	-
- Impairment	(74.634)	-	(754)	-	-
- Collateralized or guaranteed part of net value	8.366	-	-	-	-

[*] Tax and other legal receivables are not included.

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.

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As of 31 December 2015, 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 2015		31 December 2014	
Currency	**Applied Schock (+/- x basis points)**	**Gains/Losses**	**Gains/ Shareholders Equity-Losses/ Shareholders Equity**	**Gains/Losses**	**Gains/ Shareholders Equity-Losses/ Shareholders Equity**
TL	-400	3.388.004	11,14%	3.327.669	11,79%
TL	500	(3.577.919)	(11,77%)	(3.481.510)	(12,33%)
US Dollar	-200	567.488	1,87%	583.134	2,07%
US Dollar	200	(592.080)	(1,94%)	(609.306)	(2,16%)
Euro	-200	84.302	0,27%	73.285	0,25%
Euro	200	(500.965)	(1,65%)	(330.476)	(1,17%)
Total (for negative shocks)		**4.039.794**	**13,28%**	**3.984.088**	**14,11%**
Total (for positive shocks)		**(4.670.964)**	**(15,36%)**	**-4.421.292**	**(15,66%)**

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.

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.

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

The average market risk table of Akbank is as follows;

	31 December 2015		
	Average	**High**	**Low**
Interest Rate Risk	98.051	104.576	76.059
Share Certificates Risk	178	31	230
Currency Risk	59.743	81.212	46.269
Commodity Risk	-	-	-
Settlement Risk	69	142	47
Option Risk	1.788	689	412
Counterparty Credit Risk	134.879	168.912	104.838
Total Amount Subject to Risk	**294.708**	**355.562**	**227.855**

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).

The net liability/invested capital ratios at 31 December 2015 and 2014 are as follows:

	31 December 2015	31 December 2014
Total financial liabilities	224.504.454	192.817.096
Cash and cash equivalents	10.705.724	7.518.753
Net liability	213.798.730	185.298.343
Equity	39.971.438	36.857.880
Invested capital	253.770.168	222.156.223
Net liability/ invested capital ratio	84%	83%

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.

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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 2015 and 2014 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 2015 and 2014 are as follows:

	31 December 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Held for trading securities	**40.513**	**-**	**-**	**40.513**
- Government bonds	9.996	-	-	9.996
- Eurobonds	107	-	-	107
- Foreign govermnet bonds	-	-	-	-
- Treasury bonds	-	-	-	-
-Share certificates	6.532	-	-	6.532
-Other	23.878	-	-	23.878
Available for sale securities	**43.029.205**	**342.399**	**-**	**43.371.604**
-Government bonds	19.376.723	-	-	19.376.723
-Eurobonds	15.929.478	-	-	15.929.478
- Treasury bonds	-	-	-	-
- Foreign govermnet bonds	-	-	-	-
-Mutual funds	270.627	-	-	270.627
-Listed shares	-	115.958	-	115.958
-Other	7.452.377	226.441	-	7.678.818
Trading derivative financial assets	**-**	**2.697.157**	**-**	**2.697.157**
Hedging derivative financial assets	**-**	**651.368**	**-**	**651.368**
Total Assets	**43.069.718**	**3.690.924**	**-**	**46.760.642**
Trading derivative financial instruments	**-**	**1.767.851**	**-**	**1.767.851**
Hedging derivative financial instruments	**-**	**158.960**	**-**	**158.960**
Total liabilities	**-**	**1.926.811**	**-**	**1.926.811**

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 levels in the current year.

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	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 levels in the prior year.

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ii) Other industrial segment

	31 December 2015			
	Level 1	Level 2	Level 3	Total
Held for trading securities	**-**	**-**	**-**	**-**
Available for sale securities	-	-	-	-
Derivatives held for trading	-	1.843	-	1.843
Derivatives held for hedging	-	13.466	-	13.466
Total Assets	**-**	**15.310**	**-**	**15.309**
Derivatives held for trading	-	1.807	-	1.807
Derivatives held for hedging	-	1.215	-	1.215
Total Liabilities	**-**	**3.021**	**-**	**3.022**

	31 December 2014			
	Level 1	Level 2	Level 3	Total
Held for trading securities	**-**	**-**	**-**	**-**
Available for sale securities	-	-	-	-
Derivatives held for trading	-	1.117	-	1.117
Derivatives held for hedging	-	5.066	-	5.066
Total Assets	**-**	**6.183**	**-**	**6.183**
Derivatives held for trading	-	264	-	264
Derivatives held for hedging	-	93	-	93
Total Liabilities	**-**	**357**	**-**	**357**

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 levels in the current year.

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Classification of financial instruments and fair value

31 December 2015	Note	Held to maturity securities	Loans and Receivables (cash and cash equivalents included)	Available for sale financial Assets	Financial liabilities measured at amortized cost	Book value	Fair value
Financial Assets							
Cash and cash equivalents	5	-	10.705.724	-	-	10.705.724	10.705.724
Trade receivables	8	-	1.386.318	-	-	1.386.318	1.386.318
Other financial asset (*)	6, 9	10.688.533	1.416.014	43.388.825	-	55.493.372	55.645.761
Receivables from financial operations	30	-	154.438.343	-	-	154.438.343	155.016.752
Financial Liabilities							
Financial payables	7	-	-	-	40.678.713	40.678.713	40.240.524
Trade payables	8	-	-	-	2.386.991	2.386.991	2.386.991
Other financial liabilities (**)	9	-	-	-	5.036.963	5.036.963	5.036.963
Payables from financial operations	31	-	-	-	172.422.532	172.422.532	172.521.373
31 December 2014							
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 asset (*)	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

(*) 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

On February 25, 2016 Akbank's Board of Directors has resolved to propose to Ordinary General Meeting the following the appropiration of 2015 annual profit. The dividend to be distributed out of 2015 net profit of TL 2.994.848.300,95 will be as follows. Gross TL 200.000.000 equal to 5% of the paid-in capital of the Bank as of 31 December 2015 which is TL 4.000.000.000 will be allocated as primary cash gross dividend; and gross TL 400.000.000 will be allocated as secondary cash gross dividend. Total gross dividend of TL 600.000.000 equal to 15% of the paid in capital, will be distributed to shareholders. Cash dividend distribution will start on the 30 March 2016. In accordance with paragraph 1) clause (e) and (f) of article 5 of the Corporate Tax Law, TL 8.645.864,60 will be allocated to Special Reserve Account, and after allocating TL 40.000.000 to Legal Reserves, the remaining profit will be retained under Extraordinary Reserves.

Applied to the Capital Markets Board on February 1, 2016 in order to increase the Capital of Carrefoursa; which is subsidiary of group; appears as 113.839.302,57 TL; increased to TL 700.000.000,00 as a rate of 515% and amounted 596.160.697 TL .Part of 504.863.697,43 TL fulfilled through positive distinction from share capital adjustments account and part of 81.297.659,42TL fullfiled to through share premium inflation adjustments on equity account .

As of 11 January 2016, Teknosa İç ve Dış Ticaret A.Ş and Kliksa which has been providing multi-categorized e-commerce service since 2012 will continue to persist 100 % subsidiary companies of the group. Kliksa.com will start its operations as a outlet store under the umbrella of TeknoSA. With this action which mean is technically close to closure of the company, Kliksa's operations has been downsized.

10th article of Group's Core Contract entitled "The Capital" which included the issue of making changes in 500.000.000 TL registered equity ceiling which was valid in the period between 2011-2015 to Group's Capital Market Board was examined in terms of Capital Market Law in a way that it would be appropriate for Capital System Annunciation numbered II 18.1, and it was decided that capital span registered in Group's Core Contact would be extended for 5 years (2016-2020). Draft concerning changes in above-mentioned 10th article of the Group's Core Contact was approved by Ministery of Customs and Trade of the Turkish Republic in January 11, 2015.

With the decision of Board of Director of Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. (Exsa)'s on December 22, 2015, company has started to purchase public shares of Sabancı Holding at İstanbul stock market. Hence; with these transactions Exsa's share at Sabancı Holding reached at 1,17 % as of 26 February 2016.

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