

HACI ÖMER SABANCI HOLDİNG A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2014**

(ORIGINALLY ISSUED IN TURKISH)

CONTENTS	PAGE
CONDENSED CONSOLIDATED BALANCE SHEETS	1-2
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS	3
CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME	4
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	5
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS	6
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	7-79
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS	7-8
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	9-21
NOTE 3 BUSINESS COMBINATIONS	22-23
NOTE 4 SEGMENT REPORTING.....	24-43
NOTE 5 FINANCIAL ASSETS	44-46
NOTE 6 FINANCIAL LIABILITIES.....	46-49
NOTE 7 OTHER RECEIVABLES AND PAYABLES.....	50
NOTE 8 INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD.....	51-52
NOTE 9 PROPERTY, PLANT AND EQUIPMENT	53-54
NOTE 10 INTANGIBLE ASSETS	55
NOTE 11 GOODWILL	56
NOTE 12 CONTINGENT ASSETS AND LIABILITIES.....	56-58
NOTE 13 COMMITMENTS.....	59-62
NOTE 14 OTHER ASSETS AND LIABILITIES.....	63
NOTE 15 EQUITY.....	63-65
NOTE 16 NON CURRENT ASSETS HELD FOR SALE	65-66
NOTE 17 FINANCE INCOME/ EXPENSES	66
NOTE 18 TAX ASSETS AND LIABILITIES	67-70
NOTE 19 DERIVATIVE FINANCIAL INSTRUMENTS.....	70-71
NOTE 20 RECEIVABLES FROM FINANCE SECTOR OPERATIONS.....	72-74
NOTE 21 PAYABLES FROM FINANCE SECTOR OPERATIONS	74
NOTE 22 RELATED PARTY DISCLOSURES.....	74
NOTE 23 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS.....	75-78
NOTE 24 EVENTS AFTER THE REPORTING PERIOD.....	79

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEETS AT 31 MARCH 2014 AND 31 DECEMBER 2013

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

	Note References	Not Reviewed 31 March 2014	(Restated) Audited 31 December 2013
ASSETS			
Current Assets		107.913.888	105.134.288
Cash and Cash Equivalents		7.401.613	5.566.531
Financial Assets		14.063.008	16.993.146
- Held for Trading	5.a	54.571	124.740
- Available for Sale	5.b	13.554.997	13.127.822
- Held to Maturity	5.c	449.410	3.553.429
- Time Deposits	5.d	4.030	187.155
Trade Receivables		1.166.856	1.211.220
Receivables from Finance Sector Operations	20	60.124.541	59.416.942
Reserve Deposits with the Central Bank of the Republic Turkey		19.328.931	16.690.681
Other Receivables	7	636.814	611.929
Derivative Financial Instruments	19	1.318.860	1.767.417
Inventories		1.895.534	1.883.451
Prepaid Expenses		383.496	332.698
Other Current Assets	14	880.742	630.305
		107.200.395	105.104.320
Assets Classified as Held for Sale	16	713.493	29.968
Non-current Assets		103.944.267	101.436.531
Financial Assets		33.502.322	30.418.270
- Available for Sale	5.b	23.468.136	20.041.531
- Held to Maturity	5.c	10.034.186	10.376.739
Trade Receivables		64.965	41.189
Receivables From Finance Sector Operations	20	59.554.858	59.706.203
Other Receivables	7	46.027	45.679
Derivative Financial Instruments	19	445.947	630.177
Investments Accounted Through Equity Method	8	4.780.272	4.960.899
Investment Property		347.333	348.788
Property, Plant and Equipment	9	3.740.976	3.898.832
Intangible Assets		801.607	784.693
- Goodwill	11	478.935	478.935
- Other Intangible Assets	10	322.672	305.758
Prepaid Expenses		49.734	33.018
Deferred Tax Assets	18	595.771	495.383
Other Non-Current Assets	14	14.455	73.400
Total Assets		211.858.155	206.570.819

These condensed consolidated interim financial statements have been approved for issue by the Board of Directors on 12 May 2014 and signed on its behalf by Zafer Kurtul, Member of Board of Directors and CEO and Barış Oran, Head of Planning, Reporting and Finance Department.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEETS AT 31 MARCH 2014 AND 31 DECEMBER 2013

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

	Note References	Not Reviewed 31 March 2014	(Restated) Audited 31 December 2013
LIABILITIES			
Short Term Liabilities		155.912.748	150.872.625
Financial Liabilities	6	18.089.242	16.311.856
Current Portion of Long-term Financial Liabilities	6	2.111.011	2.013.844
Trade Payables		1.642.028	1.918.494
Payables from Finance Sector Operations	21	125.380.700	123.368.888
Short Term Employee Benefits		43.881	47.178
Other Payables	7	3.888.090	3.911.097
Derivative Financial Instruments	19	1.223.732	1.190.196
Deferred Income		276.028	322.641
Income Taxes Payable	18	319.392	104.128
Short Term Provisions		651.986	613.596
- Short Term Provisions for Employee Benefits		207.871	165.467
- Other Short Term Provisions	12	444.115	448.129
Other Short Term Liabilities	14	1.840.789	1.070.707
		155.466.879	150.872.625
Liabilities Classified as Held for Sale	16	445.869	-
Long Term Liabilities		23.432.595	23.683.537
Financial Liabilities	6	10.910.326	11.905.902
Trade Payables		765	596
Payables from Finance Sector Operations	21	12.128.485	11.318.200
Other Payables	7	33.105	33.215
Derivative Financial Instruments	19	15.282	71.003
Deferred Income		63.094	66.683
Long Term Provisions		167.873	177.240
- Long Term Provisions for Employee Benefits		163.742	173.319
- Other Long Term Provisions	12	4.131	3.921
Deferred Tax Liabilities	18	110.849	107.706
Other Long Term Liabilities	14	2.816	2.992
EQUITY		32.512.812	32.014.657
Equity Attributable To The Parent	15	17.325.536	17.034.439
Share Capital	15	2.040.404	2.040.404
Adjustments to Share Capital		3.426.761	3.426.761
Share Premium		21.670	21.670
Accumulated Other Comprehensive Income or Loss That Will Not be Reclassified to Profit or Loss		938	1.240
- Actuarial Gains / Losses		938	1.240
Accumulated Other Comprehensive Income or Loss That Will Be Reclassified to Profit or Loss		(413.571)	(504.839)
- Currency Translation Reserve	15	284.538	258.722
- Hedge Reserve	15	(228.004)	(211.491)
- Revaluation Reserve	15	(470.105)	(552.070)
Restricted Reserves	15	870.933	926.278
Retained Earnings		10.975.227	9.391.529
Net Income for the Period		403.174	1.731.396
Non-controlling Interests		15.187.276	14.980.218
TOTAL EQUITY AND LIABILITIES		211.858.155	206.570.819

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014 AND 2013

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

	Note References	Not Reviewed 1 January - 31 March 2014	(Restated) Not Reviewed 1 January - 31 March 2013
CONTINUING OPERATIONS			
Sales (net)	4	2.544.403	1.558.604
Cost of Sales (-)	4	(2.026.212)	(1.317.387)
Gross Profit from Non-Financial Operations		518.191	241.217
Interest, Premium, Commission and Other Income	4	3.821.641	3.754.217
Interest, Premium, Commission and Other Expenses (-)		(2.124.673)	(1.611.642)
Gross Profit from Financial Operations		1.696.968	2.142.575
GROSS PROFIT		2.215.159	2.383.792
General and Administrative Expenses (-)		(1.006.747)	(1.112.974)
Marketing, Selling and Distribution Expenses (-)		(294.722)	(136.843)
Research and Development Expenses (-)		(1.517)	(4.213)
Other Operating Income		157.873	164.246
Other Operating Expenses (-)		(90.098)	(34.695)
Interest in Income of Investments			
Accounted Through Equity Method	8	73.850	112.525
OPERATING PROFIT		1.053.798	1.371.838
Income From Investment Activities		24.996	21.273
Expense From Investment Activities (-)		(876)	(148)
OPERATING PROFIT BEFORE FINANCIAL EXPENSES		1.077.918	1.392.963
Financial Income	17	11.483	13.524
Financial Expenses (-)	17	(43.531)	(33.939)
NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS		1.045.870	1.372.548
Tax Income / (Expense) from Continuing Operations			
Current Income Tax Expense	18	(359.347)	(303.620)
Deferred Income Tax Benefit / Charge	18	155.443	34.237
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS		841.966	1.103.165
DISCONTINUED OPERATIONS			
Net Income / (Loss) After Tax			
From Discontinued Operations	16	17.709	(9.865)
NET INCOME FOR THE PERIOD		859.675	1.093.300
ALLOCATION OF NET INCOME			
- Non-controlling Interests		456.501	538.476
- Equity Holders of the Parent		403.174	554.824
Earnings per share			
- thousands of ordinary shares (TL)		1,98	2,72
Earnings per share from continuing operations			
- thousands of ordinary shares (TL)		1,89	2,77

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HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014 AND 2013

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

	Note References	Not Reviewed 1 January - 31 March 2014	(Restated) Not Reviewed 1 January - 31 March 2013
NET INCOME FOR THE PERIOD		859.675	1.093.300
Other Comprehensive Income / (Loss)			
Items That Will Not be Reclassified Subsequently To Profit or Loss		(302)	(251)
Actuarial gains / (losses)	18	(302)	(251)
Items That Will be Reclassified Subsequently To Profit or Loss		215.664	(516.466)
Net unrealized fair value gains / (losses) from available for sale financial assets, after tax	18	226.779	(205.533)
Gains / (losses) on available for sale financial assets transferred to the income statement, after tax	18	7.486	(357.309)
Net gains / (losses) included in the income statement due to transfer of available for sale financial assets into held to maturity assets, after tax	18	(33.836)	(156)
Currency translation differences	18	32.532	(29.636)
Cash flow hedges, after tax	18	(11.049)	72.591
Income/ (loss) from the derivative financial assets related to the hedging of net investment in a foreign operation, after tax	18	(6.248)	3.577
OTHER COMPREHENSIVE INCOME / (LOSS) (AFTER TAX)		215.362	(516.717)
TOTAL COMPREHENSIVE INCOME		1.075.037	576.583
ALLOCATION OF TOTAL COMPREHENSIVE INCOME		1.075.037	576.583
- Non-controlling Interests		580.897	243.544
- Equity Holders of the Parent		494.140	333.039

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HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014 AND 2013

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

	Accumulated Other Comprehensive Income or Loss That Will														Total
	Share Capital	Adjustment to share capital	Treasury shares (-)	Share premium	Not Be Reclassified	Be Reclassified				Restricted reserves	Retained earnings	Net income for the period	Equity attributable to the parent	Non-controlling interests	
					Actuarial gains/ losses	to Profit or Loss									
					Currency translation reserve	Hedge reserve	Revaluation funds								
Balances at 1 January 2013	2.040.404	3.426.761	(52.227)	21.670	(2.736)	145.286	(223.386)	690.155	654.707	7.691.951	1.858.491	16.251.076	14.261.968	30.513.044	
Transfers	-	-	-	-	-	-	-	-	-	1.858.491	(1.858.491)	-	-	-	
Subsidiary liquidation	-	-	-	-	-	-	-	-	-	31.080	-	31.080	-	31.080	
Effect of subsidiary public offering	-	-	8.233	-	-	-	-	-	-	7.603	-	15.836	18.128	33.694	
Effect of change in the effective ownership of subsidiaries	-	-	-	-	-	-	-	-	-	(4.115)	-	(4.115)	6.476	2.361	
Dividends paid (*)	-	-	-	-	-	-	-	-	-	(213.542)	-	(213.542)	(385.258)	(598.800)	
Total comprehensive income	-	-	-	-	(251)	(27.103)	35.735	(230.166)	-	-	554.824	333.039	243.545	576.584	
Balances at 31 March 2013	2.040.404	3.426.761	(43.994)	21.670	(2.987)	118.183	(187.651)	459.989	654.707	9.371.468	554.824	16.413.374	14.144.859	30.558.233	
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	-	-	-	-	-	-	-	-	(55.345)	1.786.741	(1.731.396)	-	-	-	
Effect of the change in the effective ownership of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Change in the consolidation method	-	-	-	-	-	-	-	-	-	16.481	-	16.481	-	16.481	
Dividends paid (*)	-	-	-	-	-	-	-	-	-	(219.524)	-	(219.524)	(373.839)	(593.363)	
Total comprehensive income	-	-	-	-	(302)	25.816	(16.513)	81.965	-	-	403.174	494.140	580.897	1.075.037	
Balances at 31 March 2014	2.040.404	3.426.761	-	21.670	938	284.538	(228.004)	(470.105)	870.933	10.975.227	403.174	17.325.536	15.187.276	32.512.812	

(*) Dividends paid by the Holding per share with a TL 1 nominal value is TL 0,10 (31 March 2013: TL 0,10).

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014 AND 2013

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

	Note References	Not Reviewed 1 January - 31 March 2014	(Restated) Not Reviewed 1 January - 31 March 2013
Net income before tax from continuing operations		1.045.870	1.372.548
Net income before tax from discontinued operations	16	16.364	(9.985)
Adjustments to reconcile income before taxation to net cash provided by operating activities			
Depreciation and amortisation expenses	4	117.902	97.418
Provision for loan losses	20	466.580	400.703
Changes in the fair value of derivative instruments		594.345	11.368
Interest income and foreign currency gains		(159.434)	446.069
Interest expense		63.890	8.949
Provision for employment termination benefits		22.280	14.834
Impairment charge on property, plant and equipment, intangible assets and investment property	4	(832)	(193)
Currency translation differences		16.501	(42.386)
Income from associates	8	(73.850)	(112.525)
Provision for / (reversal of) inventory impairment		(2.912)	(136)
Provision for / (reversal of) doubtful receivables		(5.619)	(3.432)
Other		18.458	(144.670)
Net cash provided by operating activities before changes in operating assets and liabilities			
Changes in trade receivables		26.207	(220.723)
Changes in inventories		(9.170)	60.525
Changes in other receivables and other current assets		(284.243)	233.789
Changes in trade payables		(276.296)	(119.940)
Changes in other liabilities and other payables		667.172	(128.768)
Net cash provided by operating activities of assets classified as held for sale		(82.945)	118.898
Changes in assets and liabilities in finance segment:			
Changes in securities held for trading		70.197	(21.396)
Changes in receivables from financial operations		(1.153.785)	(4.458.358)
Changes in payables from financial operations		2.773.976	392.188
Changes in reserve with the Central Bank of the Republic of Turkey		(2.235.668)	(1.237.975)
Income taxes paid		(152.985)	(190.758)
Employment termination benefits paid		(15.656)	(9.604)
Net cash provided by operating activities		1.446.347	(3.543.560)
Cash flows from investing activities:			
Capital expenditures	4	(131.736)	(94.844)
Sale / (purchase) of available for sale and held to maturity financial assets		268.300	5.630.348
Net cash provided by the sale of tangible and intangible assets and assets classified as held for sale		24.229	11.738
Dividends received		319.974	286.638
Net cash (used in) investment activities of assets classified as held for sale		-	(3.776)
Net cash (used in) investing activities		480.767	5.830.104
Cash flows from financing activities:			
Changes in financial liabilities		855.398	1.221.071
Dividends paid		(219.524)	(213.542)
Dividends paid to non-controlling interests		(373.839)	(385.258)
Capital increase of joint ventures		-	(420.513)
Net cash (used in) financing activities of assets classified as held for sale		-	(8.785)
Net cash provided by / (used in) financing activities		262.035	192.973
Effect of change in foreign currency rates on cash and cash equivalents		47.233	26.012
Net increase / (decrease) in cash and cash equivalents		2.236.382	2.505.529
Cash and cash equivalents at the beginning of the period (*)		2.597.707	4.748.724
Cash and cash equivalents at the end of the period		4.834.089	7.254.253

(*) Cash and cash equivalents at the beginning of the period comprise interest accruals of TL 1.487 and cash and cash equivalents at the end of the period comprise interest accruals of TL 208 (31 March 2013: TL 624 and TL 619 respectively). Restricted cash in the banks is not included in the cash and cash equivalents. At the beginning and at the end of the current period, restricted deposit is TL 2.968.616 and TL 2.567.524, respectively (31 March 2013: TL 1.660.155 and TL 1.556.978, respectively).

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 1 - ORGANISATION 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 15). The number of employees in 2014 is 58.907 (31 December 2013: 58.907). Holding’s registered address is as follows:

Sabancı Center, 4. Levent, İstanbul, Türkiye.

The Holding is registered with the Capital Markets Board (“CMB”) and its shares have been quoted on Borsa İstanbul (“BİST”) (previously known as the İstanbul Stock Exchange (“ISE”)) since 1997. As of 31 March 2014, the principal shareholders and their respective shareholding rates in the Holding are as follows (Note 15):

	%
Sabancı Family (*)	43,65
Public Quotation	40,11
Sakıp Sabancı Holding A.Ş. (*)	14,07
Other (*)	2,17
	100,00

(*) Publicly traded / registered shares are excluded since the Central Registry Agency is not able to share the number of registered shares on principle.

Subsidiaries

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

Subsidiaries	Name of Exchange Traded	Nature of business	Business segment	Number of employees
Akbank T.A.Ş. (“Akbank”)	BİST	Banking	Banking	16.554
Kordsa Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş. (“Kordsa Global”)	BİST	Tire reinforcement	Industry	4.064
Temsa Global Sanayi ve Ticaret A.Ş. (“Temsa”)	-	Automotive	Industry	1.863
Çimsa Çimento Sanayi ve Ticaret A.Ş. (“Çimsa”)	BİST	Cement and clinker	Cement	2.084
Teknosa İç ve Dış Ticaret A.Ş. (“Teknosa”)	BİST	Trade	Retail	4.131
Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. (“Exsa”)	-	Trade	Other	23
Ankara Enternasyonel Otelcilik A.Ş. (“AEO”)	-	Tourism	Other	4
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. (“Tursa”)	-	Tourism	Other	9
Bimsa Uluslararası İş, Bilgi ve Yönetim Sistemleri A.Ş. (“Bimsa”)	-	Trade of data and processing systems	Other	114
Sasa Polyester Sanayi A.Ş. (“Sasa”) (*)	BİST	Chemicals and textile	Industry	1.214
Yünsa Yünlü Sanayi ve Ticaret A.Ş. (“Yünsa”)	BİST	Textile	Industry	1.991
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. (“Carrefoursa”)	BİST	Trade of consumer goods	Retail	8.398

(*) The share transfer agreement to sell the shares of SASA Polyester Sanayi A.Ş., the Group’s subsidiary, representing 51% of the total capital of the entity to Indorama Netherlands B.V which is an associate of a Thailand company, Indorama Ventures Public Company Limited, has been signed on 9 April 2014. According to the share transfer agreement, the transfer price of the Group’s shares of 51% is equal to USD 62 Million excluding any adjustments. The share transfer price has been determined via the bargain system and the total amount will be collected on the closing day of the share transfer. The transfer of shares will be executed after the permissions taken from related authorities.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

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

Joint Ventures

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

Joint Ventures	Name of exchange traded	Nature of business	Segment	Ventures	Number of employees
Aksigorta A.Ş. (“Aksigorta”)	BİST	Insurance	Insurance	Ageas	698
Avivasa Emeklilik ve Hayat A.Ş. (“Avivasa”)	-	Pension	Insurance	Aviva	1.771
Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (“Brisa”)	BİST	Tire	Industry	Bridgestone	2.248
Akçansa Çimento Sanayi ve Ticaret A.Ş. (“Akçansa”)	BİST	Cement and clinker	Cement	Heidelberg	1.687
Enerjisa Enerji A.Ş. (“Enerjisa Enerji”)	-	Energy	Energy	E.ON SE	9.086

All the Joint Ventures are registered in Turkey.

Affiliates

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

Associates	Name of exchange traded	Nature of business	Segment	Ventures	Number of employees (*)
Philsa Philip Morris Sabancı Sigara ve Tütün San. Ve Tic. A.Ş (“Philsa”)	-	Tobacco products production	Industry	Philip Morris	2.196
Philip Morris Sabancı Pazarlama Satış A.Ş. (“Philip Morrissa”)	-	Tobacco products marketing and sales	Industry	Philip Morris	2.196

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 *Basis of Presentation*

2.1.1 Financial Reporting Standards

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.

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets”, which were published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards / Turkish Financial Reporting Standards and interpretations (“TAS/TFRS”) that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué.

Also, the consolidated financial statements and its notes are presented in accordance with the format requirements as announced by the CMB’s statement on 7 June 2013.

The Group issued the condensed financial statements as of 31 March 2014 in accordance with Turkish Accounting Standard No: 34 “Interim Financial Reporting”.

Based on this Communique, explanations and disclosures which are required in the annual consolidated financial statements prepared in accordance with TAS / TFRS have been summarized or not presented to comply with TAS 34. The accompanying condensed interim consolidated financial statements should be read in conjunction with the consolidated statements for the year ended 31 December 2013. Interim financial results are not solely indicators of the results for the year end.

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.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (continued)

2.1.2 Adoption of New and Revised Turkish Accounting Standards

(a) New and Revised TFRSs affecting disclosures, financial performance and balance sheet

None.

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

Amendments to TFRS 10, 11, TAS 27	<i>Investment Entities</i> ¹
Amendments to TAS 32	<i>Offsetting Financial Assets and Financial Liabilities</i> ¹
Amendments to TAS 36	<i>Recoverable Amount Disclosures for Non-Financial Assets</i> ¹
Amendments to TAS 39	<i>Novation of Derivatives and Continuation of Hedge Accounting</i> ¹
TFRS Interpretation 21	<i>Levies</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2014.

Amendments to TFRS 10, 11, TAS 27 *Investment Entities*

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

Amendments to TAS 32 *Offsetting Financial Assets and Financial Liabilities*

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

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

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

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

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (continued)

2.1.2 Adoption of New and Revised Turkish Accounting Standards (continued)

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

IFRS Interpretation 21 Levies

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

(c) New and Revised IFRSs in issue but not yet effective

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

IFRS 9 Financial Instruments

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

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

On November 2013, it is tentatively decided that the mandatory effective date of IFRS 9 will be no earlier than annual periods beginning on or after 1 January 2017.

The Group evaluates the standards’ effects on the financial position and performance.

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 Turkish Accounting 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 on which the Holding has the power to control directly or indirectly. The Group has control over a company if it is exposed to variable returns as a result of a business relationship with a company or has right on these returns and at the same time has the power to influence these returns with its power on the company.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (continued)

2.1.3 Basis of Consolidation (continued)

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable TFRS). 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 March 2014 and 31 December 2013:

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

(*)The share transfer agreement to sell the shares of SASA Polyester Sanayi A.Ş., the Group's subsidiary, representing 51% of the total capital of the entity to Indorama Netherlands B.V which is an associate of a Thailand company, Indorama Ventures Public Company Limited, has been signed on 9 April 2014. According to the share transfer agreement, the transfer price of the Group's shares of 51% is equal to USD 62 Million excluding any adjustments. The share transfer price has been determined via the bargain system and the total amount will be collected on the closing day of the share transfer. The transfer of shares will be executed after the permissions taken from related authorities.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 *Basis of Presentation (continued)*

2.1.3 **Basis of Consolidation (continued)**

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

Financial statements of Subsidiaries whose financial position at 31 March 2014 and result of operations for period ended 31 March 2014 are insignificant to the overall consolidated financial statements, are not consolidated on the grounds of materiality. Such Subsidiaries are classified as available for sale equity securities in these consolidated financial statements (Note 5.b).

- d) Joint arrangements are agreements where Holding and its subsidiaries together with one or more parties are subject to joint control and undertake an economic operation through an agreement. Joint agreements are grouped according to the procedure described below and the relevant accounting:
- i) Joint operation – If Holding and its subsidiaries have rights and liabilities relating to operations subject to a joint arrangement, such rights and liabilities are accounted through proportionate consolidation method in the consolidated financial statements.
 - ii) Joint venture – If Holding and its subsidiaries have rights on net assets relating to operations subject to a joint arrangement, such net assets are accounted through equity method in the consolidated financial statements.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (continued)

2.1.3 Basis of Consolidation (continued)

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 March 2014:

Joint Ventures	Direct and indirect ownership interest by the Holding and its Subsidiaries	Proportion of effective interest
	%	%
Akçansa	39,72	39,72
Aksigorta	36,00	36,00
Avivasa	49,83	49,83
Brisa	43,63	43,63
Enerjisa Enerji	50,00	50,00

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 2013:

Joint Ventures	Direct and indirect ownership interest by the Holding and its Subsidiaries	Proportion of effective interest
	%	%
Akçansa	39,72	39,72
Aksigorta	36,00	36,00
Avivasa	49,83	49,83
Brisa	43,63	43,63
Enerjisa Enerji ⁽¹⁾	50,00	50,00

⁽¹⁾ According to the Share Purchase Agreement signed with E.ON SE dated 3 December 2012; Verbund AG’s Enerjisa Enerji A.Ş shares were transferred to E.ON SE. As of April 2013, the legal procedures and official share transfer are completed.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (continued)

2.1.3 Basis of Consolidation (continued)

- e) Investments in Associates are accounted for by the equity method. These are companies where the Group has significant influence rather than control over the business operations. Unrealized gains that result from intercompany transactions between the Holding and its Associates are eliminated on consolidation considering the Group share, whereas unrealized losses are eliminated unless they do not address any impairment. Equity accounting is not applied for Investments in Associates if the carrying amount of the investment in an Associate reaches zero, unless the Holding has incurred obligations or guaranteed obligations in respect of the Associates. Such Associates are recognized at fair value if the fair value can be determined objectively; otherwise, they are recognized at cost (Note 8 and Note 2.e). Financial statements of associates, whose financial position at 31 March 2014 and result of operations for the period year ended 31 March 2014 are insignificant to the overall consolidated financial statements are not consolidated on the grounds of materiality. Such associates are classified as available for sale equity securities in these consolidated financial statements (Note 5.b).

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

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

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

- f) Other investments over which the Holding does not exercise a significant influence, or which are immaterial, are classified as available for sale. Available for sale investments that do not have a quoted market price in active markets and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value. Available for sale investments that have a quoted market price in active markets and whose fair values can be measured reliably are carried at fair value (Note 5.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.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 *Basis of Presentation (continued)*

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 March 2014 comparatively with the consolidated balance sheet as of 31 December 2013 and presented the consolidated statement of profit or loss, statement of cash flows and statement of changes in equity for the year 1 January-31 March 2014 comparatively with the year 1 January-31 March 2013.

The share transfer agreement to sell the shares of SASA Polyester Sanayi A.Ş., the Group’s subsidiary, representing 51% of the total capital of the entity to Indorama Netherlands B.V which is an associate of a Thailand company, Indorama Ventures Public Company Limited, has been signed on 9 April 2014. According to the share transfer agreement, the transfer price of the Group’s shares of 51% is equal to USD 62 Million excluding any adjustments. The share transfer price has been determined via the bargain system and the total amount will be collected on the closing day of the share transfer. The transfer of shares will be executed after the permissions taken from related authorities. As of 31 March 2014 and 2013, the income statement items of Sasa has been reclassified to “Discontinued Operations” on the consolidated financial statements.

In addition to the above-mentioned reclassifications, on 7 June 2013, Public Oversight Accounting and Auditing Standards Authority (“POA”) published the “Communiqué on the Principles of Financial Reporting” for the entities that are obliged to apply TAS / TFRS to prepare their financial statements in accordance with TAS/TFRS in the Official Gazette No. 28676 dated 13 June 2013 except for the financial institutions such as banks, insurance companies, capital market institutions operating under the scope of Banking Act 5411, the Capital Market Law No. 6362, No. 5684, No. 4683 of the Insurance Law, Private Pension Savings and Investment.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (continued)

2.1.5 Comparatives and Restatement of Prior Year Financial Statements (continued)

The table below summarizes the restatements to the consolidated balance sheet as of 31 December 2013 and statement of profit or loss and statement of comprehensive income of the Group for the period ended 31 March 2013:

	As Previously Reported 31 December 2013	Adjustments/ Reclassifications	Restated 31 December 2013
ASSETS			
Current Assets	105.134.288	-	105.134.288
Cash and Cash Equivalents	9.746.904	(4.180.373)	5.566.531
Financial Assets	12.812.773	4.180.373	16.993.146
- Held for Trading	123.737	1.003	124.740
- Available for Sale	10.725.165	2.402.657	13.127.822
- Held to Maturity	1.776.715	1.776.714	3.553.429
- Time Deposits	187.156	-	187.156
Trade Receivables	1.211.220	-	1.211.220
Receivables from Finance Sector Operations	59.416.942	-	59.416.942
Reserve Deposits with the Central Bank of the Republic Turkey	16.690.681	-	16.690.681
Other Receivables	611.929	-	611.929
Derivative Financial Instruments	1.767.417	-	1.767.417
Inventories	1.883.451	-	1.883.451
Prepaid Expenses	332.698	-	332.698
Other Current Assets	630.305	-	630.305
	105.104.320	-	105.104.320
Assets Classified as Held for Sale	29.968	-	29.968
Non-current Assets	101.436.531	-	101.436.531
Financial Assets	30.418.270	-	30.418.270
- Available for Sale	20.041.531	-	20.041.531
- Held to Maturity	10.376.739	-	10.376.739
Trade Receivables	41.189	-	41.189
Receivables From Finance Sector Operations	59.706.203	-	59.706.203
Other Receivables	45.679	-	45.679
Derivative Financial Instruments	630.177	-	630.177
Investments Accounted Through Equity Method	4.960.899	-	4.960.899
Investment Property	348.788	-	348.788
Property, Plant and Equipment	3.898.832	-	3.898.832
Intangible Assets	784.693	-	784.693
- Goodwill	478.935	-	478.935
- Other Intangible Assets	305.758	-	305.758
Prepaid Expenses	33.018	-	33.018
Deferred Tax Assets	495.383	-	495.383
Other Non-Current Assets	73.400	-	73.400
Total Assets	206.570.819	-	206.570.819

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (continued)

2.1.5 Comparatives and Restatement of Prior Year Financial Statements (continued)

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (continued)

2.1.5 Comparatives and Restatement of Prior Year Financial Statements (continued)

	As Previously Reported 1 January - 31 March 2013	Adjustments / Reclassifications	Restated 1 January - 31 March 2013
CONTINUING OPERATIONS			
Sales (net)	1.826.442	(267.838)	1.558.604
Cost of Sales (-)	(1.577.540)	260.153	(1.317.387)
Gross Profit From Non-Financial Operations	248.902	(7.685)	241.217
Interest, Premium, Commission and Other Income	3.754.217	-	3.754.217
Interest, Premium, Commission and Other Expense (-)	(1.611.642)	-	(1.611.642)
Gross Profit From Financial Operations	2.142.575	-	2.142.575
GROSS PROFIT	2.391.477	(7.685)	2.383.792
General and Administrative Expenses (-)	(1.116.726)	3.752	(1.112.974)
Marketing, Selling and Distribution Expenses (-)	(145.698)	8.855	(136.843)
Research and Development Expenses (-)	(4.862)	649	(4.213)
Other Operating Income	220.777	(56.531)	164.246
Other Operating Expenses (-)	(15.786)	(18.909)	(34.695)
Interest in Income of Investments Accounted Through Equity Method	113.595	(1.070)	112.525
OPERATING PROFIT	1.442.777	(70.939)	1.371.838
Income from Investment Activities	-	21.273	21.273
Expense from Investment Activities (-)	-	(148)	(148)
OPERATING PROFIT BEFORE FINANCIAL EXPENSES	1.442.777	(49.814)	1.392.963
Financial Income	39.563	(26.039)	13.524
Financial Expenses (-)	(69.775)	35.836	(33.939)
NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS	1.412.565	(40.017)	1.372.548
Tax income / (expense) from continuing operations			
Current Income Tax Expenses	(309.449)	5.829	(303.620)
Deferred Income Tax Benefit	34.256	(19)	34.237
NET INCOME FOR THE YEAR FROM CONTINUING OPERATIONS	1.137.372	(34.207)	1.103.165
DISCONTINUED OPERATIONS			
Net (Loss) After Tax From Discontinued Operations	(10.108)	243	(9.865)
NET INCOME / (LOSS) FOR THE PERIOD	1.127.264	(33.964)	1.093.300
ALLOCATION OF NET INCOME			
- Non-controlling Interests	556.604	(18.128)	538.476
- Equity Holders of the Parent	570.660	(15.836)	554.824

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (continued)

2.1.5 Comparatives and Restatement of Prior Year Financial Statements (continued)

	As Previously Reported 1 January - 31 March 2013	Adjustments / Reclassifications	Restated 1 January - 31 March 2013
NET INCOME FOR THE PERIOD			
Other Comprehensive Income / (Loss):	1.127.264	(33.964)	1.093.300
Items That Will Not be Reclassified Subsequently To Profit or Loss	-	-	-
Actuarial Gains / Losses	(251)	-	(251)
Items That Will Be Reclassified Subsequently To Profit or Loss	-	-	-
Net unrealized fair value gains/(losses) from available for sale financial assets, after tax	(205.533)	-	(205.533)
Gains/(losses) on available for sale financial assets, transferred to the income statement, after tax	(357.309)	-	(357.309)
Net gains / (losses) included in the income statement due to transfer of available for sale financial assets into held to maturity assets, after tax	(156)	-	(156)
Currency translation differences	(29.636)	-	(29.636)
Cash flow hedges, after tax	72.591	-	72.591
Income / (loss) from the derivative financial assets related to the hedging of net investment in a foreign operation, after tax	3.577	-	3.577
OTHER COMPREHENSIVE LOSS (AFTER TAX)	(516.717)	-	(516.717)
TOTAL COMPREHENSIVE INCOME	610.547	(33.964)	576.583
ALLOCATION OF TOTAL COMPREHENSIVE INCOME	610.547	(33.964)	576.583
- Non-controlling interests	261.672	(18.128)	243.544
- Equity holders of Parent	348.875	(15.836)	333.039

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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. Except for the principles set forth in note 2.1.5 There is no significant change in the accounting 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

The condensed consolidated interim financial statements have been prepared in accordance with TAS 34, the standard on the preparation and presentation of interim period financial statements. The accounting policies used in the preparation of the condensed interim consolidated financial statements for the period ended 31 March 2014 are consistent with those used in the preparation of consolidated financial statements for the year ended 31 December 2013. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the consolidated statements for the year ended 31 December 2013.

2.4 Critical Accounting Estimates and Assumptions

The preparation of consolidated financial statements in conformity with POA Turkish Accounting 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. If the changes in the accounting estimates relate to only one period, the change is applied in the period it has occurred. If the change relates to the future periods, it is applied both in the period the change has occurred and future periods prospectively by considering the impact on the net profit or loss for the period.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 3 - BUSINESS COMBINATIONS

The business combinations for the interim period 1 January and 31 March 2014 are as follows:

None.

The business combinations between the period 1 January and 31 December 2013 are as follows:

Ownership of the Group on Carrefoursa shares, which has been 38,78% previously, increased by 12% due to "Share Transfer Agreement" dated 30 April 2013 and reached to 50,79%. Accordingly, Carrefour Nederland B.V.'s shares decreased from 58,19% to 46,19%. Following the completion of all legal procedures, as of July 2013 official share transfer has been realized. Share amount has been paid in cash. As a result of the acquisition of 12% equity shares of Carrefoursa; in accordance with the Article 17 of the Capital Markets Board's Communique Serial: IV, No: 44, "Principles Regarding the Collection of Corporation Shares Through Takeover Bid", and with the framework of the permit numbered 29833736 - 110.05.01-2827 of the Capital Markets Board of Turkey dated 26 September 2013, H.Ö Sabancı Holding's call to repurchase of CARFA and CARFB shares owned by other shareholders resulted in its ownership to increase to 50.93%. As a result of the share transfer, the control of Carrefoursa, has been transferred to Sabancı Holding and therefore the Company has been consolidated as a subsidiary as of 1 July 2013 and "non-controlling interests" amounting to TL 504.107, which represent 49,07% of total shares, has been accounted for under equity. Since the ownership of the Group on Carrefoursa shares was 38,78% before the share transfer, net loss amounting to TL 16.479 of the company for the period ended 30 June 2013 has been accounted for under "interest in income of investments accounted through equity method".

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

Consideration paid	141.000
Fair value of previously held shares	455.665
Non-controlling interests	504.107
	1.100.772
Book value of Carrefoursa as of 30 June 2013	739.982
Goodwill (*)	360.790

(*) Goodwill is accounted for on a provisional basis in accordance with TFRS 3 "Business Combinations" as of 31 December 2013.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

Enerjisa, a joint venture of the Group has won the privatization tenders of İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş. (AYEDAŞ) and Toroslar Elektrik Dağıtım A.Ş. (TOROSLAR), both of which were under the control of the Republic of Turkey Prime Ministry Privatization Administration, by offering the highest bids amounting to USD 1 billion 227 million and USD 1 billion 725 million respectively.

As of 31 July 2013, legal procedures regarding AYEDAŞ distribution region have been completed and share purchase agreement has been signed.

As of 30 September 2013, legal procedures regarding TOROSLAR distribution region have been completed and share purchase agreement has been signed.

Enerjisa Elektrik Dağıtım A.Ş. has been accounted through equity method since it is included within Enerjisa Enerji A.Ş.’s, the Group’s joint venture. Therefore, the total transferred assets, liabilities and goodwill are presented by their net asset values in the assets accounted through equity method account on the Group’s consolidated balance sheet.

The details of the identifiable assets acquired and the liabilities assumed in accordance with TFRS 3 “Business Combinations” are as follows:

Ayedaş Distribution Region:

	<u>Fair value</u>
Total current assets	504.825
Total non-current assets	2.175.783
Total liabilities	(1.210.220)
Fair value of net assets	1.470.388
Cash and cash equivalents paid	2.363.448
Goodwill	893.060

Toroslar Distribution Region:

	<u>Fair value</u>
Total current assets	996.221
Total non-current assets	3.353.621
Total liabilities	(1.941.286)
Fair value of net assets	2.408.556
Cash and cash equivalents paid	3.512.721
Goodwill	1.104.165

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING

According to the changes stated in Note 2.1.3 Changes in the Basis of Consolidation, the Group has restated Segmental Analysis. In this context, since Joint Ventures are accounted through Equity Method, segmental analysis for sales and operating profit is performed through Companies’ standalone financial results by the senior management. Segmental analysis for net income is performed through consolidated financial results. Segment reporting details presented below reflect the combined total of standalone performance results of all companies regardless of the type and shareholding rates of the affiliates.

Holding key management reviews the results and performance of its reportable operating segments based on EBITDA (earnings before interest, foreign currency gains and losses and due date income and expenses as part of other operating income and expenses and depreciation and amortization). In addition to the requirements of segment reporting, The Group’s management presented this information for certain financial statement readers to utilize this data during their analyses.

a) External Revenues (Consolidated):

	1 January - 31 March 2014	1 January - 31 March 2013
Finance / Banking	3.821.641	3.754.216
Industry	914.786	693.332
Retail	1.376.058	660.392
Cement	225.464	189.894
Other	28.095	14.987
Total (*)	6.366.044	5.312.821

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

b) Segment assets (Consolidated):

	31 March 2014	31 December 2013
Finance / Banking	198.282.857	193.709.430
Industry	3.418.653	3.679.868
Retail	2.556.022	2.725.550
Cement	1.398.857	1.323.596
Other	1.309.510	1.028.150
Segment assets (*)	206.965.899	202.466.594
Assets classified as held for sale (Note 16)	713.493	29.968
Investments accounted under equity method (Note 8)	4.780.272	4.960.899
Unallocated assets	537.481	436.550
Less: intersegment eliminations	(1.138.990)	(1.323.192)
Total assets as per consolidated financial statements	211.858.155	206.570.819

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

c) **Segment liabilities (Consolidated):**

	31 March 2014	31 December 2013
Finance / Banking	175.322.249	171.263.563
Industry	1.955.324	2.095.004
Retail	1.434.939	1.557.034
Cement	476.427	279.059
Other	418.293	472.396
Segment liabilities (*)	179.607.232	175.667.056
Liabilities associated with assets classified as held for sale	445.869	-
Unallocated liabilities	430.240	211.835
Less: intersegment eliminations	(1.137.999)	(1.322.729)
Total liabilities as per consolidated financial statements	179.345.342	174.556.162

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

d) The balance sheet items by segment:

i) Banking:

	Combined (*)	Consolidated (**)	Combined (*)	Consolidated (**)
	31 March 2014	31 March 2014	31 December 2013	31 December 2013
Cash and cash equivalents	7.142.522	7.142.522	5.407.668	5.407.668
Financial assets	47.564.879	47.564.879	47.410.968	47.410.968
Derivative financial instruments	1.764.411	1.764.411	2.397.047	2.397.047
Reserve deposits with the Central Bank of Republic of Turkey	19.328.931	19.328.931	16.690.681	16.690.681
Receivables from finance sector operations	119.896.513	119.896.513	119.530.903	119.530.903
Property, plant and equipment	832.428	832.428	849.510	849.510
Intangible assets	173.513	173.513	162.215	162.215
Other receivables and assets (***)	1.579.660	1.579.660	1.260.438	1.260.438
Total segment assets	198.282.857	198.282.857	193.709.430	193.709.430
Financial liabilities	29.752.912	29.752.912	28.957.596	28.957.596
Payables from finance sector operations	138.375.452	138.375.452	135.595.588	135.595.588
Derivative financial instruments	1.223.394	1.223.394	1.242.558	1.242.558
Other payables and liabilities (***)	5.970.491	5.970.491	5.467.821	5.467.821
Total segment liabilities	175.322.249	175.322.249	171.263.563	171.263.563

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and 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 13.719.404 as of 31 March 2014 (31 December 2013: TL 13.472.181).

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

d) The balance sheet items by segment (continued):

ii) Insurance:

	Combined (*)	Consolidated (**)	Combined (*)	Consolidated (**)
	31 March 2014	31 March 2014	31 December 2013	31 December 2013
Cash and cash equivalents	1.212.998	-	1.144.926	-
Financial assets	536.339	-	594.090	-
Receivables from finance sector operations	492.753	-	432.541	-
Investments accounted through equity method	-	303.435	-	298.133
Property, plant and equipment	17.002	-	16.950	-
Intangible assets	34.399	-	30.505	-
Other receivables and assets (***)	762.126	-	607.981	-
Total segment assets	3.055.617	303.435	2.826.993	298.133
Payables from finance sector payables	2.137.383	-	2.006.295	-
Trade payables	-	-	-	-
Other payables and liabilities (***)	164.635	-	85.071	-
Total segment liabilities	2.302.018	-	2.091.366	-

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liabilities. These items are included in non-segment assets and liabilities.

Insurance segment consists of Aksigorta and Avivasa.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

d) The balance sheet items by segment (continued):

iii) Energy:

	Combined (*) 31 March 2014	Consolidated (**) 31 March 2014	Combined (*) 31 December 2013	Consolidated (**) 31 December 2013
Cash and cash equivalents	941.263	-	865.113	-
Financial assets	424	-	616	-
Trade receivables	1.780.060	-	1.748.785	-
Inventories	81.193	-	86.308	-
Investments accounted through equity method	-	3.789.215	-	3.840.575
Property, plant and equipment	8.731.641	-	8.523.690	-
Intangible assets	6.529.000	-	6.584.804	-
Other receivables and assets (***)	5.121.165	-	4.821.929	-
Total segment assets	23.184.746	3.789.215	22.631.245	3.840.575
Financial liabilities	7.969.851	-	7.583.767	-
Payables to privatization administration	3.815.101	-	3.631.549	-
Trade payables	1.196.313	-	1.303.460	-
Other payables and liabilities (***)	2.157.566	-	2.033.198	-
Total segment liabilities	15.138.831	-	14.551.974	-

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liabilities. These items are included in non-segment assets and liabilities.

Energy segment consists of Enerjisa and its subsidiaries.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

d) The balance sheet items by segment (continued):

iv) Industry:

	Combined (*)	Consolidated (**)	Combined (*)	Consolidated (**)
	31 March 2014	31 March 2014	31 December 2013	31 December 2013
Cash and cash equivalents	81.692	70.229	68.841	55.679
Financial assets	10	10	10	10
Trade receivables	1.356.799	924.017	1.417.586	961.417
Inventories	1.268.629	941.763	1.277.315	996.182
Investments accounted through equity method	161.484	373.550	229.450	477.475
Property, plant and equipment	1.672.357	1.146.538	1.802.319	1.281.287
Intangible assets	138.040	105.707	136.318	102.191
Other receivables and assets (***)	1.056.006	943.883	419.130	313.071
Total segment assets	5.735.017	4.505.697	5.350.969	4.187.312
Financial liabilities	1.898.161	1.223.090	1.861.783	1.281.322
Trade payables	685.930	513.903	762.209	571.923
Other payables and liabilities (***)	765.663	664.200	307.970	241.759
Total segment liabilities	3.349.754	2.401.193	2.931.962	2.095.004

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liabilities. These items are included in non-segment assets and liabilities.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

d) The balance sheet items by segment (continued):

v) Retail:

	Combined (*)	Consolidated (**)	Combined (*)	Consolidated (**)
	31 March 2014	31 March 2014	31 December 2013	31 December 2013
Cash and cash equivalents	269.802	269.802	481.633	481.633
Trade receivables	59.036	59.036	67.612	67.368
Inventories	829.484	829.484	774.524	774.524
Investment property	254.649	254.649	255.299	255.299
Property, plant and equipment	746.706	746.706	746.970	746.970
Intangible assets	18.639	18.639	15.946	15.946
Other receivables and assets (***)	316.870	377.706	322.730	383.810
Total segment assets	2.495.186	2.556.022	2.664.714	2.725.550
Financial liabilities	80.493	80.493	27.146	27.146
Trade payables	1.021.137	1.021.137	1.215.483	1.215.467
Other payables and liabilities (***)	333.309	333.309	314.405	314.421
Total segment liabilities	1.434.939	1.434.939	1.557.034	1.557.034

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liabilities. These items are included in non-segment assets and liabilities.

Retailing segment consists of Teknosa and Carrefoursa.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

d) The balance sheet items by segment (continued):

vi) Cement:

	Combined (*)	Consolidated (**)	Combined (*)	Consolidated (**)
	31 March 2014	31 March 2014	31 December 2013	31 December 2013
Cash and cash equivalents	138.354	77.912	56.888	44.901
Financial assets	162.085	57	161.994	57
Trade receivables	587.640	229.127	539.262	208.268
Inventories	250.575	123.655	222.183	105.110
Investments accounted through equity method	-	314.072	-	344.716
Property, plant and equipment	1.440.923	773.224	1.440.164	778.098
Intangible assets	55.552	20.127	55.816	20.587
Other receivables and assets (***)	317.536	174.755	317.811	166.576
Total segment assets	2.952.665	1.712.929	2.794.118	1.668.313
Financial liabilities	582.338	270.117	302.113	123.002
Trade payables	274.583	93.744	307.612	114.895
Other payables and liabilities (***)	199.679	112.566	92.189	41.162
Total segment liabilities	1.056.600	476.427	701.914	279.059

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liabilities. These items are included in non-segment assets and liabilities.

Cement segment consists of Akçansa and Çimsa.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

d) The balance sheet items by segment (continued):

vii) Other:

	Combined (*)	Consolidated (**)	Combined (*)	Consolidated (**)
	31 March 2014	31 March 2014	31 December 2013	31 December 2013
Cash and cash equivalents	700.214	700.214	478.027	478.027
Financial assets	11.272.934	385	11.272.928	382
Trade receivables	22.952	22.731	17.607	17.552
Inventories	631	631	7.636	7.636
Property, plant and equipment	259.403	223.495	260.338	223.790
Intangible assets	4.722	4.722	4.854	4.854
Other receivables and assets (***)	298.754	357.332	236.376	295.909
Total segment assets	12.559.610	1.309.510	12.277.766	1.028.150
Financial liabilities	580	580	250.320	250.320
Trade payables	18.810	18.624	23.273	23.185
Other payables and liabilities (***)	283.994	399.089	124.327	198.891
Total segment liabilities	303.384	418.293	397.920	472.396

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies before elimination which belong to the related segment considering the Holding's portion of ownership.

(***) Other receivables and other assets, other payables and other liabilities do not include deferred tax assets and liabilities. These items are included in non-segment assets and liabilities.

Other segment consists of Sabancı Holding A.Ş., Exsa, Tursa, AEO and Bimsa.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

e) The reconciliation of the consolidated income statement:

	31 March 2014			31 March 2013		
	Total Consolidation of Segments Before Elimination	Elimination and Consolidation Adjustments	Consolidated	Total Consolidation of Segments Before Elimination	Elimination and Consolidation Adjustments	Consolidated
Total revenue	6.383.266	(17.222)	6.366.044	5.321.945	(9.124)	5.312.821
Cost of sales and interest, premiums, commissions and other expenses	(4.167.996)	17.111	(4.150.885)	(2.947.102)	18.073	(2.929.029)
General administrative expenses	(1.010.852)	4.105	(1.006.747)	(1.115.510)	2.536	(1.112.974)
Sales, marketing and distribution expenses	(294.865)	143	(294.722)	(137.020)	177	(136.843)
Research and development expenses	(1.517)	-	(1.517)	(4.213)	-	(4.213)
Other operating income / (expense) - net	71.698	(3.923)	67.775	69.379	60.172	129.551
Interest in income of joint ventures	73.849	1	73.850	112.524	1	112.525
Operating profit	1.053.583	215	1.053.798	1.300.003	71.836	1.371.838
Income / (expense) from investing activities-net	39.514	(15.394)	24.120	25.525	(4.400)	21.125
Operating profit before financial expense	1.093.097	(15.179)	1.077.918	1.325.528	67.436	1.392.963
Financial income / (expense) - net	(42.370)	10.322	(32.048)	(23.525)	3.110	(20.415)
Profit before tax	1.050.727	(4.857)	1.045.870	1.302.003	70.546	1.372.548
Tax	(203.903)	(1)	(203.904)	(269.209)	(174)	(269.383)
Net income / (loss) from discontinued operations after tax	17.709	-	17.709	(9.865)	-	(9.865)
Profit for the period	864.533	(4.858)	859.675	1.022.929	70.372	1.093.300
Net income attributable to equity holders of the parent			403.174			554.824

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

f) The income statement items by segment:

i) Banking:

	Combined (*)	Consolidated (**)	Combined (*)	Consolidated (**)
	31 March 2014	31 March 2014	31 March 2013	31 March 2013
Interest, commission, and other income	3.832.000	3.832.000	3.758.723	3.758.723
Interest, commission, and other expenses	(2.140.721)	(2.140.721)	(1.625.113)	(1.625.113)
General administration expenses	(911.904)	(911.904)	(1.051.649)	(1.051.649)
Other operating income / (expense) - net	68.704	68.704	66.305	66.305
Interest in income of joint ventures	-	-	-	-
Operating profit	848.079	848.079	1.148.266	1.148.266
Income / (expense) from investing activities - net	1.231	1.231	4.113	4.113
Operating profit before financial expense	849.310	849.310	1.152.379	1.152.379
Financial income / (expense) - net	-	-	-	-
Profit before tax	849.310	849.310	1.152.379	1.152.379
Tax	(173.481)	(173.481)	(258.013)	(258.013)
Net income	675.829	675.829	894.366	894.366
Net income attributable to equity holders of the parent		275.535		364.454
EBITDA	895.978	895.978	1.189.228	1.189.228

(*) 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 interests is TL 400.294 as of 31 March 2014 (31 March 2013: TL 529.912).

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

f) The income statement items by segment (continued):

ii) Insurance:

	Combined (*) 31 March 2014	Consolidated (**) 31 March 2014	Combined (*) 31 March 2013	Consolidated (**) 31 March 2013
Gross premiums	533.256	-	470.631	-
Premiums, commissions, and other expenses	(465.608)	-	(421.725)	-
General administration expenses	(65.400)	-	(59.206)	-
Other operating income / (expense) - net	71.133	-	39.911	-
Interest in income of joint ventures	-	23.271	-	12.089
Operating profit	73.381	23.271	29.611	12.089
Income / (expense) from investing activities-net	5.810	-	-	-
Operating profit before financial expense	79.191	23.271	29.611	12.089
Financial income / (expense) - net	(5.125)	-	5.200	-
Profit before tax	74.066	23.271	34.811	12.089
Tax	(17.348)	-	(7.760)	-
Net income	56.718	23.271	27.051	12.089
Net income attributable to equity holders of the parent	-	23.271	-	12.089
EBITDA	63.647		27.187	

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies which belong to the related segment considering the Holding's portion of ownership.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

f) The income statement items by segment (continued):

iii) Energy:

	Combined (*) 31 March 2014	Consolidated (**) 31 March 2014	Combined (*) 31 March 2013	Consolidated (**) 31 March 2013
Sales revenue (net)	2.636.083	-	1.272.336	-
Cost of sales	(2.275.665)	-	(1.054.756)	-
General administration expenses	(222.004)	-	(101.635)	-
Sales, marketing and distribution expense	-	-	(4.464)	-
Other operating income / (expense) - net	5.065	-	6.353	-
Interest in income of joint ventures	-	(36.082)	-	38.818
Operating profit	143.479	(36.082)	117.834	38.818
Income / (expense) from investing activities - net	-	-	-	-
Operating profit before financial expense	143.479	(36.082)	117.834	38.818
Financial income / (expense) - net	(330.665)	-	(29.063)	-
Profit before tax	(187.186)	(36.082)	88.771	38.818
Tax	114.614	-	(11.137)	-
Net income	(72.572)	(36.082)	77.634	38.818
Net income attributable to equity holders of the parent		(36.082)		38.818
EBITDA	240.047		169.923	

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies which belong to the related segment considering the Holding's portion of ownership.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

f) The income statement items by segment (continued):

iv) Industry:

	Combined (*) 31 March 2014	Consolidated (**) 31 March 2014	Combined (*) 31 March 2013	Consolidated (**) 31 March 2013
Sales revenue (net)	1.302.800	914.786	1.013.835	694.594
Cost of sales	(1.024.085)	(755.957)	(846.752)	(606.239)
General administration expenses	(42.520)	(27.389)	(36.714)	(23.613)
Sales, marketing and distribution expenses	(80.805)	(42.487)	(75.812)	(43.404)
Research and development expenses	(5.128)	(1.517)	(6.984)	(4.213)
Other operating income / (expense) - net	17.599	9.044	11.784	2.592
Interest in income of joint ventures	43.474	65.127	48.191	59.462
Operating profit	211.335	161.607	107.548	79.179
Income / (expense) from investing activities - net	22.164	22.164	107	128
Operating profit before financial expense	233.499	183.771	107.655	79.307
Financial income / (expense) - net	(34.312)	(22.404)	(25.108)	(13.758)
Profit before tax	199.187	161.367	82.547	65.549
Tax	(27.966)	(17.928)	(5.195)	(2.759)
Profit / (loss) after tax from discontinued operations (***)	17.709	17.709	243	243
Net income	188.930	161.148	77.595	63.033
Net income attributable to equity holders of the parent	-	123.990	-	61.667
EBITDA	248.187	181.361	155.711	111.773

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies which belong to the related segment considering the Holding’s portion of ownership.

(***) Profit after tax from discontinued operations contains net income of SASA for the period.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

f) The income statement items by segment (continued):

v) Retail:

	Combined (*) 31 March 2014	Consolidated (**) 31 March 2014	Combined (*) 31 March 2013	Consolidated (**) 31 March 2013
Sales revenue (net)	1.379.715	1.377.405	1.259.562	661.073
Cost of sales	(1.077.104)	(1.074.794)	(1.001.373)	(544.467)
General administration expenses	(36.190)	(36.190)	(30.649)	(7.324)
Sales, marketing and distribution expenses	(250.162)	(250.162)	(212.069)	(91.480)
Other operating income / (expense) - net	(9.567)	(9.567)	(7.366)	(5.040)
Interest in income of joint ventures	-	-	-	(3.113)
Operating profit	6.692	6.692	8.105	9.649
Income / (expense) from investing activities - net	2.810	2.810	2.081	2.490
Operating profit before financial expense	9.502	9.502	10.186	12.139
Financial income / (expense) - net	(8.151)	(8.151)	(5.553)	(3.473)
Profit before tax	1.351	1.351	4.633	8.666
Tax	(1.402)	(1.402)	(3.680)	(2.798)
Profit / (loss) after tax from discontinued operations (***)	-	-	(25.271)	(10.108)
Net income	(51)	(51)	(24.318)	(4.240)
Net income attributable to equity holders of the parent		(379)		(7.806)
EBITDA	41.942	41.942	33.735	21.449

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies which belong to the related segment considering the Holding's portion of ownership.

(***) Profit after tax from discontinued operations contains net income of Diasa for the period.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

f) The income statement items by segment (continued):

vi) Cement:

	Combined (*) 31 March 2014	Consolidated (**) 31 March 2014	Combined (*) 31 March 2013	Consolidated (**) 31 March 2013
Sales revenue (net)	550.410	225.464	424.212	189.894
Cost of sales	(407.772)	(168.558)	(361.166)	(158.099)
General administration expenses	(23.696)	(12.250)	(19.858)	(9.919)
Sales, marketing and distribution expenses	(6.503)	(1.546)	(4.327)	(1.622)
Other operating income / (expense) - net	(549)	374	(1.971)	(3.628)
Interest in income of joint ventures	-	21.534	-	5.269
Operating profit	111.890	65.018	36.890	21.895
Income / (expense) from investing activities - net	4.834	1.198	5.448	2.247
Operating profit before financial expense	116.724	66.216	42.338	24.142
Financial income / (expense) - net	(9.360)	(4.549)	(10.940)	(6.577)
Profit before tax	107.364	61.667	31.398	17.565
Tax	(21.605)	(8.733)	(8.295)	(4.783)
Net income	85.759	52.934	23.103	12.782
Net income attributable to equity holders of the parent		38.130		9.658
EBITDA	142.256	78.802	65.702	36.588

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies which belong to the related segment considering the Holding’s portion of ownership.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

f) The income statement items by segment (continued):

vii) Other:

	Combined (*) 31 March 2014	Consolidated (**) 31 March 2014	Combined (*) 31 March 2013	Consolidated (**) 31 March 2013
Sales revenue (net)	664.086	33.611	623.947	17.661
Cost of sales	(27.979)	(27.967)	(13.214)	(13.184)
General administration expenses	(24.208)	(23.119)	(24.353)	(23.005)
Sales, marketing and distribution expenses	(670)	(670)	(514)	(514)
Other operating income / (expense) - net (***)	3.224	3.142	11.474	9.149
Interest in income of joint ventures	-	-	-	-
Operating profit	614.453	(15.003)	597.340	(9.893)
Income / (expense) from investing activities - net	12.111	12.111	58.201	16.547
Operating profit before financial expense	626.564	(2.892)	655.541	6.654
Financial income / (expense) - net	(7.266)	(7.266)	(102)	283
Profit before tax	619.298	(10.158)	655.439	6.937
Tax	(2.359)	(2.359)	(1.031)	(1.031)
Net income	616.939	(12.517)	654.408	5.906
Net income attributable to equity holders of the parent		(21.291)		75.944
EBITDA	619.014	(10.600)	598.754	(8.640)

(*) Combined data reflects the total amounts of the Companies, which belong to the related segment.

(**) Consolidated data reflects the total amounts of the Companies which belong to the related segment considering the Holding's portion of ownership.

(***) Since the net profit after tax from the sale of Sabancı Holding shares in 2013, owned by Tursa, as well as Sabancı Holding, Akbank and Teknosa shares owned by Exsa in 2013, are accounted for under equity, the combined and consolidated results have not been included in the above table.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

g) Net income attributable to equity holders of the parent

The net income attributable to equity holders of the parent with adjusted segments is as follows:

	31 March 2014	31 March 2013
Banking	275.535	417.022
Insurance	23.271	12.089
Industry	119.225	61.667
Cement	38.130	9.658
Energy	(36.082)	38.818
Retail	(2.205)	(7.806)
Other	(21.291)	75.944
Total	396.583	607.392

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

	31 March 2014	31 March 2013
Adjusted net income for reported operating segments (Equity holders of the Parent)	396.583	607.392
Akbank Competition Board penalty	-	(52.568)
Carrefoursa income from the reversal of provision	1.826	-
Temsa profit from the sale of real estate	8.392	-
Temsa lawsuit provision expense	(3.627)	-
Net income (Equity holders of the Parent)	403.174	554.824

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

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

1 January – 31 March 2014

	<u>Finance</u>		Industry	Cement	Energy	Retail	Other	Total
	Banking	Insurance						
Depreciation and amortisation	47.899	-	30.181	15.242	-	20.305	4.275	117.902
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	-	-	-	832	-	832
Capital expenditure	42.931	-	52.727	10.228	-	22.146	3.704	131.736

1 January – 31 March 2013

	<u>Finance</u>		Industry	Cement	Energy	Retail	Other	Total
	Banking	Insurance						
Depreciation and amortisation	40.962	-	32.340	13.981	-	6.424	3.711	97.418
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	-	-	-	193	-	193
Capital expenditure	19.645	-	46.148	13.210	-	11.651	4.190	94.844

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 4 – SEGMENT REPORTING (Continued)

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

1 January – 31 March 2014

	<u>Finance</u>		Industry	Cement	Energy	Retail	Other	Total
	Banking	Insurance						
Depreciation and amortisation	47.899	2.046	53.608	31.138	100.166	20.305	4.567	259.729
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	-	-	-	832	-	832
Capital expenditure	42.931	5.850	79.101	32.025	249.372	22.146	3.704	435.129

1 January – 31 March 2013

	<u>Finance</u>		Industry	Cement	Energy	Retail	Other	Total
	Banking	Insurance						
Depreciation and amortisation	40.962	2.131	52.269	28.998	55.660	21.663	4.033	205.716
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	-	-	-	193	-	193
Capital expenditure	19.645	3.639	59.562	29.183	537.141	21.184	4.190	674.544

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 5 - FINANCIAL ASSETS

a) Held for trading securities:

The analysis of financial assets at fair value through profit and loss is as follows:

	31 March 2014	31 December 2013
Share certificates	2.373	58.377
Government bonds	8.263	8.239
Eurobonds	2.217	2.167
Other	41.718	55.957
Total	54.571	124.740

b) Available-for-sale securities:

	31 March 2014	31 December 2013
Debt securities		
- Government bonds	25.414.896	23.173.174
- Eurobonds	8.146.153	6.902.968
- Investment funds	255.979	248.690
- Other bonds denominated in foreign currency	3.190.410	2.828.830
Sub-total	37.007.438	33.153.662
Equity securities		
- Listed	90	91
- Unlisted	15.605	15.600
Sub-total	15.695	15.691
Total financial assets available for sale	37.023.133	33.169.353

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.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 5 - FINANCIAL ASSETS (Continued)

c) Financial assets held to maturity:

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

	31 March 2014	31 December 2013
Government bonds	10.483.596	13.930.168
Total	10.483.596	13.930.168

Period remaining to contractual maturity dates for financial assets held for trading, held to maturity and available-for-sale as at 31 March 2014 and 31 December 2013 is as follows:

	31 March 2014			31 December 2013		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	8.260.635	-	8.260.635	4.180.374	-	4.180.374
3 to 12 months	5.492.208	-	5.492.208	12.066.875	-	12.066.875
1 to 5 years	13.903.172	-	13.903.172	11.382.555	-	11.382.555
Over 5 years	19.631.239	-	19.631.239	19.271.697	-	19.271.697
No maturity	273.595	451	274.046	322.309	451	322.760
Total	47.560.849	451	47.561.300	47.223.810	451	47.224.260

Period remaining to contractual repricing dates for investment security, available for sale and held to maturity at 31 March 2014 and 31 December 2013 is as follows:

	31 March 2014			31 December 2013		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	17.409.456	-	17.409.456	17.016.404	-	17.016.404
3 to 12 months	11.621.562	-	11.621.562	12.668.468	-	12.668.468
1 to 5 years	9.314.557	-	9.314.557	6.889.754	-	6.889.754
Over 5 years	8.941.679	-	8.941.679	10.326.874	-	10.326.874
No maturity	273.595	451	274.046	322.310	451	322.761
Total	47.560.849	451	47.561.300	47.223.810	451	47.224.261

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 5 - FINANCIAL ASSETS (Continued)

d) Time Deposits:

	31 March 2014	31 December 2013
3 to 12 months	4.030	187.155
Total	4.030	187.155

NOTE 6 - FINANCIAL LIABILITIES

Short-term funds borrowed, bank borrowings and debt securities:

	31 March 2014	31 December 2013
Short-term	18.089.242	16.311.856
Short-term portion of long term	2.111.011	2.013.844
Total short-term	20.200.253	18.325.700

Long-term funds borrowed, bank borrowings and debt securities:

Long-term	10.910.326	11.905.902
Total	31.110.579	30.231.602

The maturity schedule of financial liabilities at 31 March 2014 and 31 December 2013 is summarized below:

	31 March 2014	31 December 2013
Up to 3 months	3.461.107	6.612.819
3 to 12 months	16.739.146	11.712.881
Short-term financial liabilities and short term portion of long-term financial liabilities	20.200.253	18.325.700
1 to 5 years	9.549.809	10.535.757
Over 5 years	1.360.517	1.370.145
Long-term financial liabilities	10.910.326	11.905.902
Total financial liabilities	31.110.579	30.231.602

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 6 - FINANCIAL LIABILITIES (Continued)

The maturity schedule of long term financial liabilities at 31 March 2014 and 31 December 2013 is summarized below:

	31 March 2014	31 December 2013
2015	5.563.609	6.354.895
2016	978.966	1.082.645
2017	2.869.508	1.779.555
2018	137.726	1.318.662
2019 and after	1.360.517	1.370.145
Total	10.910.326	11.905.902

The repricing schedule of borrowings at 31 March 2014 and 31 December 2013 is summarized below:

	31 March 2014	31 December 2013
Up to 3 months	15.184.691	15.574.420
3 to 12 months	8.564.630	7.032.834
1 to 5 years	6.207.812	6.462.417
Over 5 years	1.153.446	1.161.931
Total	31.110.579	30.231.602

The transactions related with the funds and loans as of 31 March 2014 are as follows:

a) Akbank – Funds borrowed via syndicated credit facilities

As of 31 March 2014, there are three syndicated loans. The first syndicated loan facility amounts to EUR 817.7 million and USD 221.8 million provided by 34 international banks and signed on 19 March 2014. All-in annual costs are Euribor/Libor+%0,90. The second syndicated loan facility amounts to EUR 779 million and USD 419,5 million provided by 38 international banks and signed on 16 August 2013. All-in annual costs are Euribor/Libor+%0,75. The last syndicated loan facility amounts to USD 100 million which have two years maturity provided by 44 international banks and signed on 21 March 2013. All-in annual costs are Euribor/Libor+%1,25.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 6 - FINANCIAL LIABILITIES (Continued)

b) Enerjisa - Funds borrowed

On 13 June 2008 Group's joint venture Enerjisa, signed a EUR 1 billion loan agreement provided from international financial institutions, International Finance Corporation ("IFC"), Akbank and the European Investment Bank's co-ordination. These funds are considered to be used in the company's energy investments. The part of the loan amounting to EUR 513 million is coordinated by IFC, EUR 495 million has a maturity of 12 years and the remaining EUR 18 million has a maturity of 15 years. EUR 158 million of the aforementioned part will be provided by IFC and the remaining EUR 355 million will be provided as a syndicated loan under the supervision of IFC and WestLB. KfW IPEX-Bank GmbH, Bank Austria Creditanstalt AG, Erste Bank der Oesterreichischen Sparkassen AG, ING Bank N.V., Raiffeisen Zentralbank Oesterreich AG, WestLB AG and Société Générale Bank have been participated in this financing package as authorised leading regulators. Akbank will provide a parallel loan agreement of EUR 352 million which has a maturity of 12 years, with the participation of National Bank of Greece and remaining EUR 135 million of loan will be provided by EIB. As of 31 December 2012, total loan amount of EUR 1 billion has been used. The above mentioned loan's repayments commenced on 15 June 2012 and the outstanding balance as of 31 March 2014 is EUR 811 million.

Enerjisa signed another agreement on 23 December 2010 to borrow funds amounting to EUR 270 million with the participations of Yapı ve Kredi Bankası A.Ş. for EUR 100 million, Akbank T.A.Ş. İstanbul Kurumsal Şubesi for EUR 100 million and Finansbank A.Ş. Bahrain for EUR 70 million for the purpose of financing Arkun Barrage and hydroelectric power plant energy project of the Enerjisa. As of 30 November 2012, total loan amount of EUR 270 million has been used.

Enerjisa also signed an agreement on 24 March 2011 with IFC and certain international financial institutions under the coordination of IFC, WestLB and Unicredit to borrow funds amounting EUR 700 million for the purpose of financing energy projects. EUR 65 million of the loan is provided by IFC and EUR 515 million of it is provided by the participation of several financial institutions, namely KfW IPEX-Bank GmbH, UniCredit Bank Austria AG, Erste Bank, ING Bank N.V., Raiffeisen Bank International, FMO, BAWAG, WestLB AG and Societe Generale Bank, under the coordination of IFC, WestLB and Unicredit. Proparco has provided EUR 40 million of the loan and TSKB has provided EUR 80 million of the loan. As of 31 March 2014, Enerjisa has utilized EUR 226 million with respect to this EUR 700 million loan agreement (31 December 2013: EUR 226 million).

Enerjisa signed another loan agreement on 26 April 2012 with European Bank for Reconstruction and Development ("EBRD") amounting to EUR 135 million to finance Bares Wind Power Plant. EUR 100 million of the loan provided by EBRD and EUR 35 million of it is provided by BAWAG. As of 24 August 2012, total loan amount of EUR 135 million has been used.

As of 25 July 2012, Enerjisa, joint venture of the Group, signed a loan agreement of EUR 750 million with a maturity of 11,5 years with various banks for the financing of Tufanbeyli Thermal Plant. The major part of EUR 608 million with maturity 11,5 years of the loan has been insured by Korea Trade Insurance Corporation (K-Sure). Creditors of the loan include Societe Generale, UniCredit Bank Austria AG, HSBC Bank plc, Raiffeisen Bank International AG, The Bank of Tokyo-Mitsubishi UFJ Ltd., BNP Paribas and Fortis Bank SA/NV, Akbank T.A.Ş., Deutsche Bank AG, Natixis and Erste Group Bank AG. As of 31 March 2014, Enerjisa has utilized EUR 554 million with respect to this EUR 750 million loan agreement.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 6 - FINANCIAL LIABILITIES (Continued)

Issued securities:

Securities issued consist of USD and TL assets.

The repayment plan for USD securities issued is summarized below in USD:

	<u>31 March 2014</u>		<u>31 December 2013</u>	
	<u>USD</u>	<u>TL</u>	<u>USD</u>	<u>TL</u>
2014	411.906	887.946	497.127	1.059.079
2015	1.260.832	2.717.976	1.274.524	2.715.246
2016	235.750	508.206	260.786	555.578
2017	605.052	1.304.311	609.135	1.297.701
2018	715.084	1.541.507	716.987	1.527.469
2019	18.046	38.902	19.842	42.271
2020	17.091	36.843	18.900	40.265
2021	16.186	34.892	18.006	38.360
2022	337.484	727.514	335.209	714.129
Total	3.617.431	7.798.097	3.750.516	7.990.098

The balance amounting to USD 3.617.431 consists of securitization deals and USD denominated securities issued by the Bank.

Additionally, as of 31 March 2014, there are bonds issued by the Bank amounting to TL 492.348 with 3 months maturity, TL 722.288 with 6 months maturity, TL 745.052 with 1 year maturity, TL 383.147 with 3 years maturity and TL 870.358 with 5 years maturity (31 December 2013: 6 months maturity TL 933.802; 1 year maturity TL 778.610; 2 years maturity TL 151.665; 3 years maturity TL 391.956 and 5 years maturity TL 883.017).

On April 15, 2013, Başkent Elektrik Dağıtım A.Ş issued bonds with a total face value of TL 350 million, a maturity date of 11 April 2016, quarterly coupon payments and a coupon rate of DIBS + 2%.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 7 – OTHER RECEIVABLES AND PAYABLES

Other short term receivables:	31 March 2014	31 December 2013
Receivables from credit card payments	14.574	36.497
Other receivables	622.240	575.432
Total	636.814	611.929

Other long term receivables:	31 March 2014	31 December 2013
Deposits and guarantees given	26.784	3.331
Other receivables	19.243	42.348
Total	46.027	45.679

Other short term payables:	31 March 2014	31 December 2013
Payables related to credit card transactions	2.233.750	2.336.981
Taxes and funds payable	227.828	202.186
Export deposits and transfer orders	99.007	63.170
Payment orders to correspondent banks	90.397	161.185
Other	1.237.108	1.147.575
Total	3.888.090	3.911.097

Other long term payables:		
Financial lease payables	20.067	20.590
Other	13.038	12.625
Total	33.105	33.215

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 8 – INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Book value of Associates and Joint Ventures is as follows:

	31 March 2014	Share (%)	31 December 2013	Share (%)
Aksigorta	170.117	36,00	179.323	36,00
Avivasa	133.318	49,83	118.810	49,83
Brisa	212.066	43,63	248.025	43,63
Akçansa	314.072	39,72	344.716	39,72
Enerjisa	3.789.215	50,00	3.840.575	50,00
Philsa	147.284	25,00	204.542	25,00
Philip Morrissa	28.090	24,75	37.829	24,75
Temsa Egypt	(13.890)	73,75	(12.921)	73,75
Total	4.780.272		4.960.899	

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

	31 March 2014	31 March 2013
Aksigorta	12.993	3.621
Avivasa	10.278	8.468
Brisa	21.653	11.271
Carrefoursa (Note 3)	-	(3.113)
Akçansa	21.534	5.269
Enerjisa	(36.082)	38.818
Philsa	27.696	25.062
Philip Morrissa	16.359	24.199
Temsa Egypt	(581)	(1.070)
Total	73.850	112.525

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 8 – INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (Continued)

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

	<u>31 March 2014</u>		<u>31 December 2013</u>	
	<u>Total assets</u>	<u>Total liabilities</u>	<u>Total assets</u>	<u>Total liabilities</u>
Aksigorta	2.050.134	1.578.457	1.894.896	1.397.290
Avivasa	1.026.348	759.288	957.446	719.501
Brisa	1.454.491	968.435	1.418.146	849.673
Akçansa	1.445.547	641.557	1.361.387	480.380
Enerjisa	23.874.795	16.297.038	23.386.619	15.705.547
Philsa	1.959.558	1.370.423	2.515.535	1.697.366
Philip Morrissa	870.736	757.240	1.087.898	935.056
Temsa Egypt	27.645	46.479	27.208	44.728
Total	32.709.254	22.418.917	32.649.135	21.829.541

Sales Revenue

	1 January - 31 March 2014	1 January - 31 March 2013
Aksigorta	476.363	410.902
Avivasa	56.893	59.729
Brisa	388.013	318.930
Carrefoursa (Note 3)	-	598.613
Akçansa	324.945	234.318
Enerjisa	2.636.083	1.272.336
Philsa(*)	2.666.934	2.222.807
Philip Morrissa	2.851.988	2.485.938
Temsa Egypt	238	748

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

Net Income

	1 January - 31 March 2014	1 January - 31 March 2013
Aksigorta	36.092	10.057
Avivasa	20.626	16.994
Brisa	49.629	25.833
Carrefoursa (Note 3)	-	(8.027)
Akçansa	68.356	22.244
Enerjisa	(72.164)	77.636
Philsa	110.784	100.248
Philip Morrissa	66.099	97.774
Temsa Egypt	(788)	(1.451)

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment for three month period ended 31 March 2014 is as follows:

	1 January 2014	Currency translation differences	Additions	Disposals	Transfers (*)	Impairment	Transfers to assets classified as held for sale	31 March 2014
Cost:								
Land and land improvements	565.916	805	254	(3)	963	-	(22.716)	545.219
Buildings	2.351.394	6.320	378	(908)	3.183	-	(59.829)	2.300.538
Machinery and equipment	2.933.715	(14.954)	5.600	(7.738)	27.999	-	(386.837)	2.557.785
Motor vehicles	197.188	24	11.030	(39.754)	10.770	561	(1.780)	178.039
Furniture and fixtures	2.233.971	1.390	30.966	(7.038)	6.651	-	(5.641)	2.260.299
Total	8.282.184	(6.415)	48.228	(55.441)	49.566	561	(476.803)	7.841.880
Construction in progress	209.008	1.413	49.136	(222)	(56.695)	-	(6.288)	196.352
Total	8.491.192	(5.002)	97.364	(55.663)	(7.129)	561	(483.091)	8.038.232
Accumulated depreciation:								
Land and land improvements	(213.407)	(259)	(1.865)	-	-	-	5.366	(210.165)
Buildings	(832.645)	(2.398)	(15.280)	293	-	-	37.110	(812.920)
Machinery and equipment	(1.805.938)	29.235	(26.756)	7.486	4	-	284.102	(1.511.867)
Motor vehicles	(514.749)	(41)	(6.859)	17.912	-	-	1.661	(502.076)
Furniture and fixtures	(1.225.621)	(966)	(43.885)	5.744	(4)	269	4.235	(1.260.228)
Total	(4.592.360)	25.571	(94.645)	31.435	-	269	332.474	(4.297.256)
Net book value	3.898.832							3.740.976

(*) Transfers during the period consists of TL 7.129 to intangible assets.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT (Continued)

The movement in property, plant and equipment for nine month period ended 31 March 2013 is as follows:

	1 January 2013	Currency translation differences	Additions	Disposals	Transfers (*)	Impairment	31 March 2013
Cost:							
Land and land improvements	312.621	684	110	-	718	-	314.133
Buildings	1.960.243	2.677	635	(23.275)	98	-	1.940.378
Machinery and equipment	2.625.073	18.409	7.108	(4.299)	1.188	19	2.647.498
Motor vehicles	169.253	37	14.765	(7.186)	-	-	176.869
Furniture and fixtures	1.546.027	687	22.190	(31.592)	2.689	473	1.540.474
Total	6.613.217	22.494	44.808	(66.352)	4.693	492	6.619.352
Construction in progress	174.317	(5.212)	41.820	(4.320)	(5.353)	-	201.252
Total	6.787.534	17.282	86.628	(70.672)	(660)	492	6.820.604
Accumulated depreciation:							
Land and land improvements	(57.485)	(88)	(1.562)	-	-	-	(59.135)
Buildings	(781.584)	(1.667)	(14.062)	23.089	-	-	(774.224)
Machinery and equipment	(1.577.575)	(6.679)	(27.188)	3.578	3	(18)	(1.607.879)
Motor vehicles	(87.877)	(36)	(6.195)	2.408	-	-	(91.700)
Furniture and fixtures	(1.172.873)	(371)	(32.243)	29.859	98	(280)	(1.175.810)
Total	(3.677.394)	(8.841)	(81.250)	58.934	101	(298)	(3.708.748)
Net book value	3.110.140						3.111.856

(*) Transfers during the period consists of TL 559 to intangible assets.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 10 - INTANGIBLE ASSETS

The movements in intangible assets for nine month periods ended 31 March 2014 and 2013 are as follows:

	1 January 2014	Currency translation differences	Additions	Disposals	Business combinations	Transfers to assets classified as held for sale	Transfers	Impairment / (reversal)	31 March 2014
Cost	713.034	5.770	33.769	(23)	-	(12.847)	7.129	-	746.832
Accumulated amortization (-)	(407.276)	(4.915)	(21.974)	22	-	9.983	-	-	(424.160)
Net book value	305.758								322.672

	1 January 2013	Currency translation differences	Additions	Disposals	Business combinations	Transfers	Impairment	31 March 2013
Cost	542.475	1.111	8.216	-	-	-	660	552.462
Accumulated amortization (-)	(290.212)	(623)	(16.044)	-	-	(101)	-	(306.980)
Net book value	252.263							245.482

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 11 - GOODWILL

The movements of goodwill for the three month period ended on 31 March 2014 and 2013 are as follows:

	31 March 2014	31 March 2013
1 January	478.935	181.644
Currency translation differences	-	5
Total	478.935	181.649

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short term provisions	31 March 2014	31 December 2013
Provision for liabilities	342.368	352.010
<i>Credit points</i>	115.944	114.587
<i>Litigation</i>	92.310	96.672
<i>Uncompensated and not encashed non-cash loans</i>	50.008	52.027
<i>Onerous contracts</i>	80.920	80.920
<i>Other short term provisions</i>	3.186	7.804
Other	101.747	96.119
Total	444.115	448.129

Other long term provisions	31 March 2014	31 December 2013
Provision for liabilities	4.131	3.921
<i>Uncompensated and not encashed non-cash loans</i>	-	-
<i>Other long term provisions</i>	4.131	3.921
Total	4.131	3.921

Commitments – Banking segment	31 March 2014	31 December 2013
Letters of guarantee given	18.454.545	16.974.742
Letters of credits	5.245.715	6.030.755
Foreign currency acceptance credits	1.580.679	1.705.986
Other guarantees given	3.547.225	3.144.150
Total	28.828.164	27.855.633

Commitments – Non-banking segment	31 March 2014	31 December 2013
Letters of guarantee given	310.361	548.596
Other guarantees given	95.271	377.581
Collateral notes given	-	35
Mortgages, guarantees and pledges for tangible assets	97.732	94.565
Total	503.364	1.020.777

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

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 March 2014 and 31 December 2013 are as follows:

	31 March 2014	31 December 2013
Repurchase commitments	28.134.473	23.003.288
Resale commitments	1.000.328	-

Commitments to forward currency purchase/sale and swap transactions:

Transactions held for trading:

	31 March 2014	31 December 2013
Foreign currency purchases	6.357.201	5.833.256
Foreign currency sales	6.395.105	5.804.606
Total	12.752.306	11.637.862

	31 March 2014	31 December 2013
Currency swap purchases	26.085.611	24.038.821
Currency swap sales	23.933.787	22.572.098
Interest rate swap purchases	17.317.239	18.109.785
Interest rate swap sales	17.317.239	18.109.785
Total	84.653.876	82.830.489

	31 March 2014	31 December 2013
Spot purchases	5.360.897	4.544.293
Spot sales	5.430.069	4.553.556
Total	10.790.966	9.097.849

	31 March 2014	31 December 2013
Currency, interest and securities options purchases	31.534.195	30.912.645
Currency, interest and securities options sales	31.517.814	30.790.492
Total	63.052.009	61.703.137

	31 March 2014	31 December 2013
Future purchases	1.910	5.229
Future sales	67.264	70.213
Total	69.174	75.442

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Commitments to forward currency purchase/sale and swap transactions (continued):

Transactions held for trading (continued):

	31 March 2014	31 December 2013
Other purchase transactions	112.398	202.181
Other sales transactions	2.167.216	1.322.316
Total	2.279.614	1.524.497

Derivative transactions for hedging:

	31 March 2014	31 December 2013
Interest swap purchases	2.992.585	3.387.336
Interest swap sales	2.992.585	3.387.336
Total	5.985.170	6.774.672

	31 March 2014	31 December 2013
Foreign currency purchases	41.712	54.054
Foreign currency sales	130.146	169.278
Total	171.858	223.332

	31 March 2014	31 December 2013
Currency swap purchases	1.930.713	3.102.178
Currency swap sales	1.624.514	2.640.102
Total	3.555.227	5.742.280

The maturity analysis of the off-balance sheet assets of the Banking segment at 31 March 2014 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees given	2.174.819	16.279.726	18.454.545
Letters of credits	3.994.056	1.251.659	5.245.715
Acceptance credits	1.564.533	16.146	1.580.679
Other guarantees	1.876.824	1.670.401	3.547.225
Total	9.610.232	19.217.932	28.828.164

The maturity analysis of the off-balance sheet assets of the Banking segment at 31 December 2013 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees given	2.253.468	14.721.274	16.974.742
Letters of credits	4.730.953	1.299.802	6.030.755
Acceptance credits	1.652.958	53.028	1.705.986
Other guarantees	1.266.886	1.877.263	3.144.149
Total	9.904.265	17.951.367	27.855.632

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 13 - COMMITMENTS

Collaterals, pledges and mortgages (“CPM”) given by the Subsidiaries at 31 March 2014 is as follows;

	31 March 2014				
	Total TL Equivalent	TL	USD	EUR	Other
A.Total amount of the collaterals given for its own legal entity	416.249	184.765	82.724	14.514	6.687
B.Collaterals given on behalf of fully consolidated companies	2.683.460	2.258.023	83.455	57.479	69.836
C.Collaterals given on behalf of the third parties’ debt for continuation of their economic activities	28.828.163	12.345.557	4.533.279	2.094.321	257.589
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 Collaterals	31.927.872	14.788.345	4.699.458	2.166.314	334.112
A.Total amount of the mortgages given for its own legal entity	90.214	-	16.882	17.706	-
B.Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C.Mortgages given on behalf of third parties’ debt for continuation of their economic activities	-	-	-	-	-
D.Total amount of other Mortgages					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other Group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Mortgages	90.214	-	16.882	17.706	-
A.Total amount of the pledges given for its own legal entity	-	-	-	-	-
B. Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C. Pledges given on behalf of third parties’ debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other Pledges					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other Group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	-	-	-	-	-

As of 31 March 2014, the the ratio of other CPMs given by the Group to the equity is 0%.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 13 – COMMITMENTS (Continued)

Collaterals, pledges and mortgages (“CPM”) given by Joint Ventures at 31 March 2014 is as follows:

	31 March 2014				
	Total TL Equivalent	TL	USD	EUR	Other
A. Total amount of the collaterals given for its own legal entity	599.543	467.559	59.953	232	-
B. Collaterals given on behalf of fully consolidated companies	21.974	21.847	58	-	-
C. Collaterals given on behalf of the third parties’ debt for continuation of their economic activities	8	3	2	-	-
D. Total amount of other collaterals	3.330	3.330	-	-	-
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	3.330	3.330	-	-	-
Total Collaterals	624.855	492.739	60.013	232	-
A. Total amount of the mortgages given for its own legal entity	4.112.626	-	-	1.367.593	-
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	4.112.626	-	-	1.367.593	-
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 March 2014, the ratio of the Group’s other CPM’s to the Group’s equity is 0,010%.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 13 – COMMITMENTS (Continued)

Collaterals, pledges and mortgages (“CPM”) given by the Subsidiaries at 31 December 2013 is as follows;

	31 December 2013				
	Total TL Equivalent	TL	USD	EUR	Other
A. Total amount of the collateral given for its own legal entity	936.658	297.738	255.171	30.270	5.421
B. Collaterals given on behalf of fully consolidated companies	2.546.322	2.225.773	70.090	13.498	131.318
C. Collaterals given on behalf of the third parties’ debt for continuation of their economic activities	27.855.633	10.823.407	4.730.847	2.274.465	256.212
D. Total amount of other collaterals	-	-	-	-	-
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other Group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Collaterals	31.338.613	13.346.918	5.056.108	2.318.233	392.951
A. Total amount of the mortgages given for its own legal entity	87.224	-	16.507	17.706	-
B. Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C. Mortgages given on behalf of third parties’ debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other Mortgages	-	-	-	-	-
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other Group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Mortgages	87.224	-	16.507	17.706	-
A. Total amount of the pledges given for its own legal entity	-	-	-	-	-
B. Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C. Pledges given on behalf of third parties’ debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other Pledges	-	-	-	-	-
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other Group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	-	-	-	-	-

As of 31 December 2013, the ratio of the Group’s other CPM’s to the Group’s equity is 0%.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 13 – COMMITMENTS (Continued)

Collaterals, pledges and mortgages (“CPM”) given by the Joint Ventures at 31 December 2013 is as follows;

	31 December 2012				
	Total TL Equivalent	TL	USD	EUR	Other
A.Total amount of the collateral given for its own legal entity	287.232	171.381	54.087	141	-
B. Collaterals given on behalf of fully consolidated companies	16.305	16.194	-	-	-
C. Collaterals given on behalf of the third parties’ debt for continuation of their economic activities	27	22	2	-	-
D. Total amount of other collaterals	4.016	4.016	-	-	-
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other Group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	4.016	4.016	-	-	-
Total Collaterals	307.580	191.613	54.089	141	-
A.Total amount of the mortgages given for its own legal entity	4.011.181	-	-	1.365.974	-
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	4.011.181	-	-	1.365.974	-
A.Total amount of the pledges given for its own legal entity	-	-	-	-	-
B. Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C. Pledges given on behalf of third parties’ debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other Pledges	-	-	-	-	-
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other Group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	-	-	-	-	-

As of 31 December 2013, the ratio of the Group’s other CPM’s to the Group’s equity is 0,013%.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 14 - OTHER ASSETS AND LIABILITIES

Other Current Assets	31 March 2014	31 December 2013
Cheques in clearance	676.137	407.406
Deductible, deferred and other VAT	77.490	95.638
Other	127.115	127.261
Total	880.742	630.305

Other Non-Current Assets	31 March 2014	31 December 2013
Long term tax claims and other legal receivables	5.157	5.157
Deductible, deferred and other VAT	3.554	62.793
Other	5.744	5.450
Total	14.455	73.400

Other Short Term Liabilities	31 March 2014	31 December 2013
Cheques in clearance	1.255.522	744.734
Saving deposits insurance	18.297	33.975
Other short term liabilities	566.970	291.998
Total	1.840.789	1.070.707

Other Long Term Liabilities	31 March 2014	31 December 2013
Other long term liabilities	2.816	2.992
Total	2.816	2.992

NOTE 15 – EQUITY

H.Ö. Sabancı Holding A.Ş.’s authorised and issued capital consists of 204.040.393.100 (31 December 2013: 204.040.393.100) shares of Kr 1 each.

The Holding’s authorised and paid-in share capital and shareholding structure at 31 March 2014 and 31 December 2013 is as follows:

Shareholders:	Share (%)	31 March 2014	Share (%)	31 December 2013
Sabancı family members (*)	43,65	890.628	43,65	890.628
Public quotation	40,11	818.531	40,11	818.531
Sakıp Sabancı Holding A.Ş.(*)	14,07	287.100	14,07	287.100
Other (*)	2,17	44.145	2,17	44.145
Share capital	100,00	2.040.404	100,00	2.040.404
Treasury shares (-)		-		-
Share premium		21.670		21.670

(*) Publicly traded / registered shares are excluded since the Central Registry Agency is not able to share the number of registered shares on principle.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 15 – EQUITY (Continued)

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 March 2014	31 December 2013
Legal reserves	537.564	592.909
Investments sales income	333.369	333.369
Total	870.933	926.278

Dividend Distribution

Based on CMB Decree No. 02/51, dated 27 January 2010, there is no mandatory minimum profit distribution requirement for the quoted entities at the stock exchange for profits arising from operations. Regarding the dividend distribution for the current and following years, the entities are to distribute their profits for the current and following years under the scope of CMB Communiqué No. IV-27, their articles of association and their previously publicly declared profit distribution policies. In regards to the profit distribution, in accordance with the decision of the General Assembly, the distribution can be made as cash or as bonus shares or as a combination of a certain percentage of cash and bonus shares. It is also permitted to retain this amount in the Company reserves.

Furthermore, the Group companies that are obliged to prepare consolidated financial statements based on the related resolution of the 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/IFRS.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 15 – EQUITY (Continued)

Accumulated Other Comprehensive Income or Loss to be Reclassified to Profit or Loss

	Fair Value Revaluation Fund	Cash Flow Hedge Fund	Net Investment Hedge Fund	Currency translation differences
Balance as of 1 January 2013	690.155	(189.176)	(34.210)	145.286
Increases/(decreases) during the period	(105.567)	23.579	1.822	(27.103)
Gains transferred to income statement	(182.004)	19.289	-	-
Net gains & losses included in the income statement due to transfer of available for sale financial assets into held to maturity assets	(79)	-	-	-
Tax effect	57.484	(8.591)	(364)	-
Balance as of 31 March 2013	459.989	(154.899)	(32.752)	118.183
Balance as of 1 January 2014	(552.070)	(142.727)	(68.764)	258.722
Increases/(decreases) during the period	115.885	(19.026)	(3.184)	25.816
Gains/(losses) transferred to income statement	3.815	1.569	-	-
Net gains & losses included in the income statement due to transfer of available for sale financial assets into held to maturity assets	(17.244)	-	-	-
Tax effect	(20.491)	3.491	637	-
Balance as of 31 March 2014	(470.105)	(156.693)	(71.311)	284.538

NOTE 16 – ASSETS CLASSIFIED AS HELD FOR SALE

1 January - 31 March 2014

The share transfer agreement to sell the shares of SASA Polyester Sanayi A.Ş., the Group’s subsidiary, representing 51% of the total capital of the entity to Indorama Netherlands B.V which is an associate of a Thailand company, Indorama Ventures Public Company Limited, has been signed on 9 April 2014. According to the share transfer agreement, the transfer price of the Group’s shares of 51% is equal to USD 62 Million excluding any adjustments. The share transfer price has been determined via the bargain system and the total amount will be collected on the closing day of the share transfer. The transfer of shares will be executed after the permissions taken from related authorities. As of 31 March 2014 and 2013, the the income statement items of Sasa has been reclassified as income and loss from discontinued operations on the consolidated financial statements.

The statement of profit or loss of Sasa for the period ended 31 March 2014 and 31 March 2013 is as follows:

Statement of profit or loss

	1 January - 31 March 2014	1 January - 31 March 2013
Income	346.439	286.167
Expense	(330.075)	(286.044)
Net profit before tax	16.364	123
Tax	1.345	120
Net profit	17.709	243

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 16 – ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

1 January - 31 March 2013

The Group has signed an agreement for the sale of its 40% shares in Diasa Dia Sabancı Süpermarketleri Ticaret A.Ş to Şok Marketler Ticaret A.Ş. Within the scope of the same agreement, Dia Group sold the 60% of Diasa shares to Yıldız Holding and Şok Süpermarketler A.Ş. As of 1 July 2013, 40% of the shares owned by Sabancı Holding were sold for TL 45.265 and the gain on sale amounting to TL 84.841 has been accounted for under profit from discontinued operations. Net loss of Diasa for the period ended 31 March 2013 has been classified as income or (loss) from discontinued operations in the statement of profit or loss for 2013.

The statement of profit or loss of Diasa for the period ended 31 March 2013 is as follows:

Statement of profit or loss

	1 January - 31 March 2013
Income	87.109
Expense	(97.217)
Net loss before tax	(10.108)
Tax	-
Net loss	(10.108)

NOTE 17 - FINANCE INCOME/EXPENSES

	1 January - 31 March 2014	1 January - 31 March 2013
Financial income		
Foreign currency gains	11.433	2.753
Interest income	-	1.159
Other	50	9.612
Total	11.483	13.524
Financial expenses		
Interest expense	20.408	20.713
Foreign currency losses	15.161	4.667
Other financial expenses	7.962	8.559
Total	43.531	33.939

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 18 - TAX ASSETS AND LIABILITIES

	31 March 2014	31 December 2013
Corporate and income taxes payable	368.249	449.777
Less: prepaid taxes	(48.857)	(345.649)
Total taxes payable	319.392	104.128

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

The Corporate Tax Law was amended as of 13 June 2006 with Law No 5520. The majority of the clauses of Law No 5520 are effective as of 1 January 2006. The corporate tax rate of the fiscal year 2013 is 20% (2012: 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.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns by the 25th of the fourth month following the close of the financial year to which they relate.

Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

There are numerous exemptions in the Corporate Tax Law concerning the corporations. Those related to Group are as follows:

Exemption for participation in subsidiaries

Dividend income from participation in shares of capital of another full-fledged taxpayer corporation (except for dividends from investment funds participation certificates and investment partnerships shares) are exempt from corporate tax.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 18 - TAX ASSETS AND LIABILITIES (Continued)

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 revoked phrase “only attributable to 2006, 2007 and 2008” stated in Provisional Article 69 of Income Tax Law No:193 with the effect of Article 5 of Law No:6009 after having published in the Official Gazette No: 27659 as at 1 August 2010 and the Constitutional Court’s issued resolution no: 2009/144 published in the Official Gazette as at 8 January 2010 has been revised. The revised regulation allows companies to continue to benefit from the exception of undeductible and carryforward investment incentive due to insufficient earnings irrespective of having any time constraints. However, deductible amount for investment incentive exception used in the determination of tax base cannot exceed 25% of the related period’s income. In addition, companies that opt to use the investment incentive exemption are allowed to apply 20% of income tax, instead of 30% under the related revised regulation.

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.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 18 - TAX ASSETS AND LIABILITIES (Continued)

The tax charges for comprehensive income statement items for the periods ended 31 March 2014 and 2013 are as follows:

	31 March 2014			31 March 2013		
	Before Tax	Tax Charge	After Tax	Before Tax	Tax Charge	After Tax
Net unrealized fair value from available for sale financial assets	283.474	56.695	226.779	(256.916)	(51.383)	(205.533)
Net gain on available for sale financial assets transferred to the income statement	9.358	1.872	7.486	(446.636)	(89.327)	(357.309)
Net gain included in the income statement due to transfer of available for sale financial assets into held to maturity assets	(42.295)	(8.459)	(33.836)	(195)	(39)	(156)
Cash flow hedges	(13.811)	(2.762)	(11.049)	90.739	18.148	72.591
Income / (loss) from the derivative financial assets related to the hedging of net investment in a foreign operation, after tax	(7.810)	(1.562)	(6.248)	4.471	894	3.577
Actuarial gains / losses	(378)	(76)	(302)	(301)	(50)	(251)
Currency translation differences	32.532	-	32.532	(29.636)	-	(29.636)
Other comprehensive income	261.070	45.708	215.362	(638.474)	(121.757)	(516.717)

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 balance sheet. Temporary differences and deferred tax assets and liabilities presented in the table below are based on the gross values.

At 31 March 2014, the Group has not recognized deferred income tax assets over carry forward tax losses in the amount of TL 89.909 which can be offset against future taxable profits for a period of five years (31 December 2013: TL 69.459). As of 31 March 2014 and 31 December 2013, carried forward tax losses and the latest annual periods are as follows:

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 18 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax (continued)

	31 March 2014	31 December 2013
2014	-	38.201
2015	32.029	-
2016	31.774	31.258
2017	-	-
2018	26.106	-
Total	89.909	69.459

The movements in deferred income tax assets / (liabilities) for the three-month periods ended 31 March 2014 and 2013 are as follows:

	31 March 2014	31 March 2013
Balances at 1 January	387.677	92.478
Charged to equity	(40.682)	13.608
Transferred to assets classified as held for sale	(16.070)	(498)
Currency translation differences	(1.446)	604
Charged to statement of profit or loss	155.443	34.257
Balances at 31 March	484.922	140.449

NOTE 19 - DERIVATIVE FINANCIAL INSTRUMENTS

31 March 2014

	Fair Value	
	Asset	Liability
Derivative instruments held for trading:		
Foreign exchange derivatives		
Currency and interest rate swaps purchases and sales	719.767	723.512
Forward currency purchases and sales	176.974	139.295
Currency and interest rate futures purchases and sales	60.166	11.969
Currency options purchases and sales	357.438	339.315
Other	4.119	624
Total derivative instruments held for trading	1.318.464	1.214.715
Derivative instruments held for hedging:		
Currency and interest rate futures purchases and sales	445.947	9.365
Currency options purchases and sales	396	14.934
Total derivative instruments held for hedging	446.343	24.299
Total derivative instruments	1.764.807	1.239.014

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 19 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

31 December 2013

	Fair Value	
	Asset	Liability
Derivative instruments held for trading:		
Foreign exchange derivatives		
Currency and interest rate swaps purchases and sales	998.700	610.806
Forward currency purchases and sales	205.316	143.100
Currency and interest rate futures purchases and sales	79.013	31.312
Currency options purchases and sales	472.704	394.617
Other	11.137	1.966
Total derivative instruments held for trading	1.766.870	1.181.801
Derivative instruments held for hedging:		
Currency and interest rate swaps purchases and sales	630.177	63.810
Currency options purchases and sales	547	15.588
Total derivative instruments held for hedging	630.724	79.398
Total derivative instruments	2.397.594	1.261.199

Akbank and Enerjisa hedge cash flow risk arising from the financial liabilities through the use of interest rate swaps. Within the scope of cash flow hedge accounting, effective portion of the fair value changes of the hedging instrument is recognized under “Hedge Funds” within equity. Akbank also hedges its TL denominated fixed rate financial assets and foreign currency denominated financial liabilities with cross currency swaps.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 20 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS

a) Banking

Loans and advances to customers	31 March 2014	31 December 2013
Customer loans and credit cards receivables	40.496.212	41.247.665
Project finance loans	15.802.592	15.943.292
Small-scale enterprises	9.939.668	9.993.406
Health care and social services	2.459.652	6.839.242
Other manufacturing industries	6.736.674	6.031.637
Construction	8.208.547	5.163.172
Financial institutions	5.628.236	3.248.227
Telecommunication	3.134.101	3.167.176
Mining	2.584.825	2.724.094
Chemicals	2.012.467	2.122.150
Textile	2.082.978	2.068.930
Food and beverage, wholesale and retail	2.226.591	1.975.774
Automotive	1.376.325	1.946.653
Tourism	1.506.585	1.546.061
Agriculture and forestry	703.078	649.093
Electronics	421.284	334.895
Other	12.832.300	12.507.430
Non-performing loans	1.796.317	1.676.682
Total loans and advances to customers	119.948.432	119.185.579
Allowance for loan losses	(3.555.383)	(3.271.943)
Leasing receivables	3.286.350	3.209.509
Net loans and advances to customers	119.679.399	119.123.145

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 20 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

The movement of loan loss provision of banking segment as of 31 March 2014 by class is as follows:

	Corporate	Commercial	Total
1 January 2014	1.531.588	1.740.355	3.271.943
Gross provisions	165.643	300.937	466.580
Recoveries	(95.074)	(78.409)	(173.483)
Written - off	(5.829)	(3.828)	(9.657)
31 March 2014	1.596.328	1.959.055	3.555.383

The movement of loan loss provision of banking segment as of 31 March 2013 by class is as follows:

	Corporate	Commercial	Total
1 January 2013	1.143.279	1.080.824	2.224.103
Gross provisions	103.853	296.850	400.703
Recoveries	(25.000)	(65.675)	(90.675)
Written - off	(1.681)	(6.977)	(8.658)
31 March 2013	1.220.451	1.305.022	2.525.473

The maturity schedule of loans and advances to customers at 31 March 2014 and 31 December 2013 are summarised below:

	31 March 2014	31 December 2013
Up to 3 months	36.778.785	38.189.764
3 to 12 months	22.202.077	20.047.630
Current	58.980.862	58.237.394
1 to 5 years	39.951.423	40.061.603
Over 5 years	17.460.764	17.614.639
Non-current	57.412.187	57.676.242
Total	116.393.049	115.913.636

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 20 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

The repricing schedule of loans and advances to customers at 31 March 2014 and 31 December 2013 are summarized below:

	31 March 2014	31 December 2013
Up to 3 months	51.608.280	60.545.013
3 to 12 months	29.150.941	20.551.883
1 to 5 years	30.286.929	29.340.965
Over 5 years	5.346.899	5.475.775
Total	116.393.049	115.913.636

NOTE 21 - PAYABLES FROM FINANCE SECTOR OPERATIONS

Banking

	31 March 2014			31 December 2013		
	Demand	Time	Total	Demand	Time	Total
Saving deposits	8.351.035	49.715.128	58.066.163	8.414.302	48.197.928	56.612.230
Commercial deposits	7.769.016	28.841.047	36.610.063	8.302.564	32.579.926	40.882.490
Bank deposits	374.247	9.639.749	10.013.996	681.270	10.733.996	11.415.266
Funds provided from repo transactions	-	28.143.796	28.143.796	-	22.898.256	22.898.256
Other	1.069.682	3.605.485	4.675.167	902.285	1.976.561	2.878.846
Total	17.563.980	119.945.205	137.509.185	18.300.421	116.386.667	134.687.088

NOTE 22 - 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 periods ended 31 March 2014 and 2013 are as follows:

	31 March 2014	31 March 2013
Short term employee benefits	8.533	7.469
Benefits resulted from termination	-	105
Other long term benefits	65	62
Total	8.598	7.636

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 23 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

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 as at 31 March 2014 and 31 December 2013 in terms of TL are as follows:

	31 March 2014	31 December 2013
Assets	89.039.655	87.512.789
Liabilities	(102.225.102)	(103.153.412)
Net foreign currency balance sheet position	(13.185.447)	(15.640.623)
Net foreign currency of off-balance sheet derivative financial instruments	12.873.358	16.029.519
Net foreign currency balance sheet and off-balance sheet position	(312.089)	388.896

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 23 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Foreign Exchange Risk (continued)

31 March 2014

	Total TL Equivalent	USD	EUR	GBP	Other
Assets:					
Cash and cash equivalents	4.949.817	3.260.825	1.510.302	35.685	143.005
Financial assets	16.475.116	11.397.235	5.077.881	-	-
Receivables from financial operations	47.762.441	31.358.266	16.344.950	35.967	23.258
Reserve deposits at Central Bank	18.868.934	11.435.537	4.292.012	-	3.141.385
Trade receivables	725.752	201.362	439.768	4.315	80.307
Other current assets	257.595	103.583	73.971	120	79.921
Total assets	89.039.655	57.756.808	27.738.884	76.087	3.467.876
Liabilities:					
Funds borrowed and debt securities in issue	26.585.788	18.838.360	7.705.187	4.737	37.504
Customer deposits	74.165.388	48.670.988	22.060.133	1.297.160	2.137.107
Trade payables	419.648	187.424	163.028	430	68.766
Other payables and provisions	1.054.278	557.963	437.762	11.578	46.975
Total Liabilities	102.225.102	68.254.735	30.366.110	1.313.905	2.290.352
Net foreign currency position of off-balance sheet derivative financial instruments	12.873.358	9.382.458	3.359.421	1.241.924	(1.110.445)
Net foreign currency position	(312.089)	(1.115.469)	732.195	4.106	67.079
Net foreign currency monetary position	(312.089)	(1.115.469)	732.195	4.106	67.079

Net foreign currency position of the joint ventures accounted through equity method is TL 1.052.597 as of 31 March 2014. Net profit effect of the joint ventures to the total consolidated net foreign currency position is TL 1.365.046 as of 31 March 2014.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 23 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Foreign Exchange Risk (continued)

31 December 2013

	Total TL Equivalent	USD	EUR	GBP	Other
Assets:					
Cash and cash equivalents	6.294.468	4.276.373	1.889.346	36.111	92.638
Financial assets	14.953.479	10.073.776	4.879.703	-	-
Receivables from financial operations	48.632.089	32.379.412	16.188.976	32.539	31.162
Reserve deposits at Central Bank	16.569.052	8.796.173	4.881.266	-	2.891.613
Trade receivables	827.201	367.857	390.768	6.824	61.752
Other current assets	236.500	85.652	67.558	453	82.837
Total assets	87.512.789	55.979.243	28.297.617	75.927	3.160.002
Liabilities:					
Funds borrowed and debt securities in issue	25.539.083	18.279.795	7.251.297	7.991	-
Customer deposits	75.932.324	48.175.948	23.894.618	1.137.300	2.724.458
Trade payables	476.588	158.842	248.350	254	69.142
Other payables and provisions	1.205.417	464.733	695.627	1.299	43.758
Total liabilities	103.153.412	67.079.318	32.089.892	1.146.844	2.837.358
Net foreign currency position of off-balance sheet derivative financial instruments	16.029.519	10.791.297	4.428.082	1.079.508	(269.368)
Net foreign currency position	388.896	(308.778)	635.807	8.591	53.276
Net foreign currency monetary position	388.896	(308.778)	635.807	8.591	53.276

Net foreign currency position of the joint ventures accounted through equity method is TL 1.444.905 as of 31 December 2013. Net profit effect of the joint ventures to the total consolidated net foreign currency position is TL 1.056.009 as of 31 December 2013.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 23 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Foreign Exchange Risk (continued)

Change of foreign currency has no material effect on financial statements because foreign exchange risk of the Bank is not material.

The foreign exchange risk of Group companies other than that of the banking segment for the years ended 31 March 2014 and 2013 is summarized as follows:

31 March 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	(18.662)	18.662	-	-
Hedged items (-)	-	-	-	-
USD net effect	(18.662)	18.662	-	-
Change in EUR against TL by 10%				
EUR net assets/liabilities	(14.052)	14.052	-	-
Hedged items (-)	-	-	-	-
EUR net effect	(14.052)	14.052	-	-
Change in GBP against TL by 10%				
GBP net assets/liabilities	(27)	27	-	-
Hedged items (-)	-	-	-	-
GBP net effect	(27)	(27)	-	-
Change in other currency against TL by 10%				
Other currency net assets/liabilities	5.825	(5.825)	-	-
Hedged items (-)	-	-	-	-
Other currency net effect	5.825	(5.825)	-	-
	(26.917)	26.917	-	-

31 March 2013	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	6.419	(6.419)	-	-
Hedged items (-)	-	-	-	-
USD net effect	6.419	(6.419)	-	-
Change in EUR against TL by 10%				
EUR net assets/liabilities	15.102	(15.102)	-	-
Hedged items (-)	-	-	-	-
EUR net effect	15.102	(15.102)	-	-
Change in GBP against TL by 10%				
GBP net assets/liabilities	104	(104)	-	-
Hedged items (-)	-	-	-	-
GBP net effect	104	(104)	-	-
Change in other currency against TL by 10%				
Other currency net assets/liabilities	1.228	(1.228)	-	-
Hedged items (-)	-	-	-	-
Other currency net effect	1.228	(1.228)	-	-
	22.853	(22.853)	-	-

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

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

NOTE 23 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Foreign Exchange Risk (continued)

As of 31 March 2014 and 2013, the appreciation and depreciation of TL against EUR, USD and GBP by 10% with all other variables held constant on Group’s joint ventures’ balance sheet and off balance sheet net foreign currency position affect the net income as a loss of TL 78.149 (31 March 2013: loss of TL 41.407) and gain of TL 75.368, respectively (31 March 2013: gain of TL 84.818).

NOTE 24 - EVENTS AFTER THE REPORTING PERIOD

The share transfer agreement to sell the shares of SASA Polyester Sanayi A.Ş., the Group’s subsidiary, representing 51% of the total capital of the entity to Indorama Netherlands B.V which is an associate of a Thailand company, Indorama Ventures Public Company Limited, has been signed on 9 April 2014. According to the share transfer agreement, the transfer price of the Group’s shares of 51% is equal to USD 62 Million excluding any adjustments. The share transfer price has been determined via the bargain system and the total amount will be collected on the closing day of the share transfer. The transfer of shares will be executed after the permissions taken from related authorities. As of 31 March 2014 and 2013, the income statement items of Sasa has been reclassified to “Discontinued Operations” on the consolidated financial statements.

The share transfer agreement to sell the shares of Temsa İş Makineleri A.Ş. the subsidiary of Temsa Global, representing 49% of the total share capital of the entity to Japanese 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 have been executed after the permissions taken from related authorities on 28 April 2014.

In accordance with the resolution of the Board of Directors dated 25 April 2014 and No. 974 of Yünsa, one of the Group’s subsidiaries, 80.000 m2 of the entity’s total land of 278.771 m2 located in Tekirdağ, Çerkezköy Industrial Zone, which will not be used in the entity’s growth plans has been resolved unanimously to be allotted and sold to Çerkezköy Industrial Zone for USD 100 / m2.

TL 252.2 Million of the Akbank’s non-performing loan portfolio has been sold to Girişim Varlık Yönetimi A.Ş. at a price of TL 44 million.