

HACI ÖMER SABANCI HOLDİNG A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2016**

(ORIGINALLY ISSUED IN TURKISH)

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HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEET AT 31 MARCH 2016

(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 Audited 31 March 2016	Audited 31 December 2015
ASSETS			
Current Assets		128.810.010	123.206.744
Cash and Cash Equivalents		7.754.650	10.705.724
Financial Assets		1.621.164	1.702.308
- Held for Trading	4.a	59.752	40.513
- Available for Sale	4.b	1.444.132	1.540.670
- Held to Maturity	4.c	114.251	121.125
- Time Deposits	4.d	3.029	-
Trade Receivables		1.227.379	1.339.757
Receivables from Finance Sector Operations	19	79.102.186	78.541.392
Reserve Deposits with the Central Bank of Republic of Turkey		30.630.826	24.007.327
Other Receivables	6	1.544.757	1.036.876
Derivative Financial Instruments	18	3.494.433	2.717.395
Inventories		2.185.682	2.021.777
Prepaid Expenses		471.617	338.199
Current Tax Assets		852	4.478
Other Current Assets	13	672.794	677.290
		128.706.340	123.092.523
Assets Classified as Held for Sale		103.670	114.221
Non-Current Assets		143.707.757	142.313.323
Financial Assets		52.886.309	52.415.563
- Available for Sale	4.b	42.376.737	41.848.155
- Held to Maturity	4.c	10.509.572	10.567.408
Trade Receivables		138.108	46.561
Receivables from Finance Sector Operations	19	76.714.603	75.896.951
Other Receivables	6	591.628	379.138
Derivative Financial Instruments	18	548.228	651.367
Investments Accounted Through Equity Method	7	5.866.486	5.970.431
Investment Property		290.348	292.103
Property, Plant and Equipment	8	4.381.954	4.282.958
Intangible Assets		1.545.040	1.544.798
-Goodwill	10	1.014.815	1.014.355
-Other Intangible Assets	9	530.225	530.443
Prepaid Expenses		71.350	55.557
Deferred Tax Assets	17	617.425	714.698
Other Non-Current Assets	13	56.278	63.198
TOTAL ASSETS		272.517.767	265.520.067

These consolidated financial statements have been approved for issue by the Board of Directors on 6 May 2016 and signed on its behalf by Zafer Kurtul, Member of Board of Directors and CEO and Barış Oran, CFO.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEET AT 31 MARCH 2016

(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 Audited 31 March 2016	Audited 31 December 2015
LIABILITIES			
Short Term Liabilities		194.666.667	189.599.353
Financial Liabilities	5	10.857.932	8.678.744
Current Portion of Long-term Financial Liabilities	5	12.784.641	12.862.826
Trade Payables		2.330.163	2.386.775
Payables from Finance Sector Operations	20	158.927.012	156.890.448
Payables related with Employee Benefits		73.003	56.405
Other Payables	6	4.902.603	4.441.032
Derivative Financial Instruments	18	2.113.480	1.772.169
Deferred Income		130.611	164.578
Income Taxes Payable	17	302.023	402.774
Short Term Provisions		585.108	606.545
- Short Term Provisions for Employee Benefits		207.810	238.249
- Other Short Term Provisions		377.298	368.296
Other Short Term Liabilities	13	1.614.833	1.291.129
		194.621.409	189.553.425
Liabilities Classified as Held for Sale		45.258	45.928
Long Term Liabilities		37.219.597	35.949.276
Financial Liabilities	5	18.773.271	19.137.143
Trade Payables		240	216
Payables from Finance Sector Operations	20	16.904.738	15.532.084
Other Payables	6	744.621	595.931
Derivative Financial Instruments	18	271.300	158.960
Deferred Income		105.807	114.297
Long Term Provisions		295.405	289.523
- Long Term Provisions for Employee Benefits		290.630	284.829
- Other Long Term Provisions		4.775	4.694
Deferred Tax Liabilities	17	120.683	118.323
Other Long Term Liabilities		3.532	2.799
EQUITY		40.631.503	39.971.438
Equity Attributable To The Parent	14	21.176.288	20.942.594
Share Capital	14	2.040.404	2.040.404
Adjustments to Share Capital		3.426.761	3.426.761
Share Premium	14	22.237	22.237
Capital Adjustments due to Cross-ownership (-)	14	(229.170)	-
Accumulated Other Comprehensive Income or Loss That will not be Reclassified to Profit or Loss		(51.143)	(51.102)
- Actuarial Gain / Loss		(51.143)	(51.102)
Accumulated Other Comprehensive Income or Loss That will be Reclassified to Profit or Loss		(182.221)	(332.327)
- Currency Translation Reserve	14	278.840	283.604
- Hedge Reserve	14	(201.409)	(175.630)
- Revaluation Reserve	14	(259.652)	(440.301)
Restricted Reserves	14	915.753	892.819
Retained Earnings		14.593.153	12.707.474
Net Income for the Period		640.514	2.236.328
Non-controlling Interests		19.455.215	19.028.844
TOTAL EQUITY AND LIABILITIES		272.517.767	265.520.067

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31 MARCH 2016

(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 Audited 1 January- 31 March 2016	Not Audited 1 January- 31 March 2015
CONTINUING OPERATIONS			
Sales (net)	3	2.996.566	2.449.775
Cost of Sales (-)	3	(2.347.428)	(1.936.644)
Gross Profit from Non-Financial Operations		649.139	513.131
Interest, Premium, Commission and Other Income	3	5.263.724	4.249.303
Interest, Premium, Commission and Other Expense (-)	3	(2.902.676)	(2.220.949)
Gross Profit from Financial Operations		2.361.048	2.028.354
GROSS PROFIT		3.010.187	2.541.485
General and Administrative Expenses (-)		(1.226.819)	(1.247.333)
Marketing, Selling and Distribution Expenses (-)		(452.203)	(319.613)
Research and Development Expenses (-)		(1.501)	(833)
Other Income from Operating Activities		229.198	254.507
Other Expense from Operating Activities (-)		(146.946)	(114.069)
Interest in Income of Investments Accounted Through Equity Method	7	196.702	231.114
OPERATING PROFIT		1.608.618	1.345.258
Income from Investing Activities		5.335	156.309
Expense from Investing Activities (-)		(1.725)	(836)
OPERATING PROFIT BEFORE FINANCIAL EXPENSES		1.612.228	1.500.731
Financial Income	16	14.762	7.455
Financial Expenses (-)	16	(65.369)	(46.340)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS		1.561.621	1.461.846
Tax Income / (Expenses) from Continuing Operations			
Current Income Tax Expenses		(297.541)	(196.203)
Deferred Income Tax Benefit/(Expenses)	17	23.668	(45.322)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		1.287.748	1.220.321
DISCONTINUED OPERATIONS			
Profit After Tax From Discontinued Operations	15	(3.426)	12.963
PROFIT FOR THE PERIOD		1.284.322	1.233.284
ALLOCATION OF PROFIT			
- Non-controlling Interests		643.808	584.806
- Equity Holders of the Parent		640.514	648.478
Earnings per share			
- thousands of ordinary shares (TL)		3,14	3,18
Earnings per share from continuing operations			
- thousands of ordinary shares (TL)		3,16	3,11

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2016

(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 Audited 1 January- 31 March 2016	Not Audited 1 January- 31 March 2015
INCOME FOR THE PERIOD		1.284.322	1.233.284
Other Comprehensive Income / (Loss):			
Items that will not be Reclassified			
Subsequently To Profit or Loss			
Actuarial (losses) / gains	17	(49)	(2.013)
Items that will be Reclassified			
Subsequently to Profit or Loss			
Net unrealized fair value (losses) / gains from available for sale financial assets, after tax	17	402.174	(303.170)
(Losses) / gains on available for sale financial assets transferred to the income statement, after tax	17	529.789	(212.555)
Net gains / (losses) included in the income statement due to transfer of available for sale financial assets into held to maturity assets, after tax	17	(113.636)	(38.262)
Currency translation differences	17	21.516	(124.617)
Cash flow hedges, after tax	17	(6.427)	45.651
Income / (loss) from the derivative financial assets related to the hedging of net investment in a foreign operation, after tax	17	(22.104)	23.146
	17	(6.964)	3.467
OTHER COMPREHENSIVE INCOME / (LOSS) (AFTER TAX)		402.125	(305.183)
TOTAL COMPREHENSIVE INCOME		1.686.447	928.101
ALLOCATION OF TOTAL COMPREHENSIVE INCOME			
- Non-controlling Interests		895.868	366.659
- Equity Holders of the Parent		790.579	561.442

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2016

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

	In Profit or Loss													
	Adjustments to	Capital adjustments due to	Share	Not Be	Be Reclassified				Restricted	Retained	Net income	Equity	Non-controlling	Total
				Reclassified	Accumulated Other Comprehensive									
				Profit or Loss	Profit or Loss									
Share capital	share capital	cross-ownership	Premium	Actuarial	Currency	Hedge	Revaluation	Reserves	earnings	for the period	the parent	interests		
				losses/gains	reserve	reserve	reserve							
Balances at 1 January 2015	2.040.404	3.426.761	-	21.670	(10.526)	183.938	(188.975)	(95.908)	855.707	10.865.495	2.079.114	19.177.680	17.680.200	36.857.880
Transfers	-	-	-	-	-	-	-	-	34.153	2.044.961	(2.079.114)	-	-	-
Effect of change in the effective ownership of subsidiaries	-	-	-	-	-	-	-	-	-	(1.892)	-	(1.892)	-	(1.892)
Dividends paid(*)	-	-	-	-	-	-	-	-	-	(221.035)	-	(221.035)	(471.954)	(692.989)
Total comprehensive income	-	-	-	-	(1.932)	30.285	23.202	(138.592)	-	-	648.478	561.441	366.659	928.100
Balances at 31 March 2015	2.040.404	3.426.761	-	21.670	(12.458)	214.223	(165.773)	(234.500)	889.860	12.687.529	648.478	19.516.194	17.574.905	37.091.099
Balances at 1 January 2016	2.040.404	3.426.761	-	22.237	(51.102)	283.604	(175.630)	(440.301)	892.819	12.707.474	2.236.328	20.942.594	19.028.844	39.971.438
Transfers	-	-	-	-	-	-	-	-	22.934	2.213.394	(2.236.328)	-	-	-
Dividends(*)	-	-	-	-	-	-	-	-	-	(327.715)	-	(327.715)	(469.497)	(797.212)
Holding shares purchased by Subsidiaries (Note 14)	-	-	(229.170)	-	-	-	-	-	-	-	-	(229.170)	-	(229.170)
Total comprehensive income	-	-	-	-	(41)	(4.764)	(25.779)	180.649	-	-	640.514	790.579	895.868	1.686.447
Balances at 31 March 2016	2.040.404	3.426.761	(229.170)	22.237	(51.143)	278.840	(201.409)	(259.652)	915.753	14.593.153	640.514	21.176.288	19.455.215	40.631.503

(*) Dividends paid by the Holding per share with a TL 1 nominal value is TL 0,10 (31 December 2015: 0,10 TL).

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2016

(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 Audited Current Period 1 January - 31 March 2016	Not Audited Prior Period 1 January - 31 March 2015
Net income before tax from continuing operations		1.561.621	1.461.847
Net income before tax from discontinued operations		(3.426)	12.963
Adjustments to reconcile income before taxation to net cash provided by operating activities:			
Depreciation and amortisation expenses	3	141.964	133.557
Provision for loan losses		510.462	585.043
Changes in the fair value of derivative instruments		(247.878)	1.672
Interest income and foreign currency gains		(136.167)	(359.612)
Interest expense		29.269	49.162
Provision for employment termination benefits		35.985	39.903
Impairment charge on property, plant and equipment, intangible assets and investment property		(1.934)	1.956
Income from associates and joint ventures		(196.702)	(231.114)
Provision for / (reversal of) inventory impairment		(4.337)	2.917
Provision for/ (reversal of) doubtful receivables		2.217	1.179
Other		39.620	(25.784)
Net cash provided by operating activities before changes in operating assets and liabilities		1.730.694	1.673.689
Changes in trade receivables		18.615	(97.219)
Changes in inventories		(159.571)	7.953
Changes in other receivables and other current assets		(854.540)	(616.542)
Changes in trade payables		(56.588)	(273.489)
Changes in other liabilities and other payables		888.165	1.064.270
Net cash provided in operating activities of i assets classified as held for sale		9.881	(11.267)
Currency translation differences		495	(1.042)
Changes in assets and liabilities in finance segment:			
Changes in securities		(248.863)	(27.899)
Changes in receivables from financial operations		(1.830.695)	(5.543.792)
Changes in payables from financial operations		3.384.229	8.051.342
Central Bank of the Republic of Turkey account		(6.276.513)	(4.474.554)
Income taxes paid		(405.395)	(353.590)
Employment termination benefits paid		(31.132)	(36.212)
Net cash provided by operating activities		(3.831.218)	(638.352)
Cash flows from investing activities:			
Capital expenditures	3	(263.597)	(147.371)
Sale of available for sale and held to maturity financial assets		323.120	400.276
Proceeds from sale of non-current assets held for sale, property, plant and equipment and intangible assets		14.274	78.087
Dividends received		294.388	365.514
Net cash provided by investing activities		368.185	696.506
Cash flows from financing activities:			
Changes in financial liabilities		1.724.146	5.096.521
Dividends paid		(327.714)	(221.035)
Dividends paid to non-controlling interests		(469.497)	(471.954)
Net cash provided by financing activities		926.935	4.403.532
Effect of change in foreign currency rates on cash and cash equivalents		(76.925)	285.978
Net increase/(decrease) in cash and cash equivalents		(2.613.023)	4.747.664
Cash and cash equivalents at the beginning of the period (*)		7.560.688	4.845.065
Cash and cash equivalents at the end of the period		4.947.665	9.592.729

(*) Cash and cash equivalents at the beginning of the period comprise interest accruals of TL 1.449 and cash and cash equivalents at the end of the period comprise interest accruals of TL 208 (Current Period: None). 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 3.145.036 and TL 2.806.985, respectively (31 March 2015: TL 2.673.688 and TL 3.484.173, 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 FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

(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. The number of employees in 2016 is 60.969 (31 December 2015: 63.281). Holding's registered address is as follows:

Sabancı Center, 4. Levent, İstanbul, Türkiye.

The Holding is registered with the Capital Markets Board ("CMB") and its shares have been quoted on Borsa Istanbul ("BIST") (previously known as the Istanbul Stock Exchange ("ISE")) since 1997. As of 31 March 2016, the principal shareholders and their respective shareholding rates in the Holding are as follows (Note 14):

	%
Sakıp Sabancı Holding A.Ş.	14,07
Serra Sabancı	7,21
Suzan Sabancı Dinçer	6,94
Çiğdem Sabancı Bilen	6,94
Other	64,84
	100,00

Subsidiaries

As of 31 March 2016, the nature of the business of the Subsidiaries consolidated in these consolidated financial statements and, their respective business segments are as follows:

Subsidiaries	Name of Exchange Traded	Nature of business	Business segment	Number of Employees
Akbank T.A.Ş. ("Akbank")	BİST	Banking	Banking	14.282
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. ("Carrefoursa")	BİST	Trade of consumer goods	Retail	13.236
Teknosa İç ve Dış Ticaret A.Ş. ("Teknosa")	BİST	Trade	Retail	3.440
Çimsa Çimento Sanayi ve Ticaret A.Ş. ("Çimsa")	BİST	Cement and clinker	Cement	2.238
Kordsa Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş. ("Kordsa Global")	BİST	Tire reinforcement	Industry	3.898
Temsa Global Sanayi ve Ticaret A.Ş. ("Temsa")	-	Automotive	Industry	1.768
Yünsa Yünlü Sanayi ve Ticaret A.Ş. ("Yünsa")	BİST	Textile	Industry	1.455
Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. ("Exsa")	-	Trade	Other	9
Ankara Enternasyonel Otelcilik A.Ş. ("AEO")	-	Tourism	Other	3
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. ("Tursa")	-	Tourism	Other	7
Bimsa Uluslararası İş, Bilgi ve Yönetim Sistemleri A.Ş. ("Bimsa")	-	Trade of data And processing systems	Other	264

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

(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 in Note 4.

Joint Ventures

As of 31 March 2016, 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	Business Segment	Ventures	Number of Employees
Aksigorta A.Ş. (“Aksigorta”)	BİST	Insurance	Insurance	Ageas	604
Avivasa Emeklilik ve Hayat A.Ş. (“Avivasa”)	BİST	Pension	Insurance	Aviva	1.618
Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (“Brisa”)	BİST	Tire	Industry	Bridgestone	2.131
Akçansa Çimento Sanayi ve Ticaret A.Ş. (“Akçansa”)	BİST	Cement and clinker	Cement	Heidelberg	2.724
Enerjisa Enerji A.Ş. (“Enerjisa Enerji”)	-	Energy	Energy	E.ON SE	9.768
Temsa İş Makinaları	-	Automotive	Industry	Marubeni	168
Temsa Mısır	-	Automotive	Industry	Lasheen	-

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

Affiliates

As of 31 March 2016, the nature of business and operating segments of the Affiliates which are accounted through equity method in the consolidated financial statements are as follows:

Affiliates	Name of exchange traded	Nature of business	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	2.911
Philip Morris Sabancı Pazarlama Satış A.Ş. (“Philip Morrisa”)	-	Tobacco products marketing and sales	Industry	Philip Morris	

(*) Number of employees represents the total number of employees of Philsa and Philip Morrisa.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

(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 Statement of Compliance to TAS

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

The 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.

In addition, the consolidated financial statements and notes have been prepared in accordance with the format defined by the CMB announcement dated 7 June 2013. The financial statements, except for the financial assets and liabilities measured at their fair value are prepared on the historical cost basis. In determination of historical cost, generally the fair value of the payment made for the assets is taken into consideration.

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 FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

(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) Amendments to Turkish Accounting Standards effecting consolidated financial statements and disclosures

None.

(b) New and revised standards applicable in 2016 with no material effect on the consolidated financial statements of the Group

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

¹ Effective for annual periods beginning on or after 31 December 2015.

² Effective for annual periods beginning on or after 1 January 2016.

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

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

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(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)

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

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

Amendments to TAS 16 and TAS 41 also led to amendments in related provisions of TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40.

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

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

- Apply all of the business combinations accounting principles in TFRS 3 and other TFRSs, except for those principles that conflict with the guidance in TFRS 11,
- Disclose the information required by TFRS 3 and other TASs for business combinations.

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

Annual Improvements 2011-2013 Cycle

TFRS 1: Clarify which versions of TAS can be used on initial adoption.

Amendments to TAS 1 Disclosure Initiative

This amendment addresses perceived impediments to preparers exercising their judgment in presenting their financial reports.

Annual Improvements 2012-2014 Cycle

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

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

(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)

Annual Improvements 2012-2014 Cycle (continued)

TAS 34: Clarify the meaning of ‘elsewhere in the interim report’ and require a cross-reference.

Annual Improvements to 2012-2014 Cycle also led to amendments in related provisions of TAS19.

Amendments to TAS 27 Equity Method in Separate Financial Statements

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

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

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

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

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

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

TFRS 14 Regulatory Deferral Accounts

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

Led to amendments in related provisions of TFRS 14 and TFRS 1.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

(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)

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

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

TFRS 9	<i>Financial Instruments</i>
Amendments to TFRS 9 and TFRS 7	<i>Mandatory Effective Date of TFRS 9 and Transition Disclosures</i>

TFRS 9 Financial Instruments

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

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

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

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

2.1.3 Basis of Consolidation

- a) The consolidated financial statements include the accounts of the parent company, Hacı Ömer Sabancı Holding A.Ş., its Subsidiaries and Joint Ventures (collectively referred to as the “Group”) on the basis set out in sections (b) to (f) below. The financial statements of the companies included in the scope of consolidation have been prepared at the date of the consolidated financial statements, and are prepared in accordance with 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.
- 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.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

(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)

- d) When the Group loses control of a subsidiary, a gain or loss is recognized 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 recognized 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 2016 and 31 December 2015:

Subsidiaries	31 March 2016		31 December 2015	
	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	40,75	40,75	40,75	40,75
Bimsa	100,00	100,00	100,00	100,00
Çimsa	58,41	53,00	58,41	53,00
Exsa	61,68	46,23	61,68	46,23
Kordsa Global	71,11	71,11	71,11	71,11
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
Carrefoursa	50,74	50,74	50,74	50,74

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.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

(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)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. The non-controlling shareholders' shares on the Subsidiary's net assets and operating results are shown in the non-controlling interest and non-controlling interest profits/losses respectively in the consolidated balance sheet and profit and loss statement. Sabancı Family, owns shares in Sabancı Foundation and Akbank Pension Fund for Akbank employees established by Sabancı Family, and some Subsidiaries that are included in the consolidated financial statements. These shares are treated as non-controlling interests in consolidated financial statements and are not included in the net assets attributable to Holding shareholders and income for the period in the consolidated financial statements.

As a result of the financial position and operating results as of 31 March 2016, both alone and collectively, the Subsidiaries' financial statements that are immaterial according to the total consolidated financial statements are not included. These subsidiaries are classified under financial assets available-for-sale in the consolidated financial statements.

- e) Joint Agreements, Holding and its subsidiaries are subject to joint control and undertake an economic activity with one or more counterparty with this agreement. Joint Agreements are grouped as follows and are recognized by the relevant methods:

Joint Venture – In cases where Holding and its Subsidiaries gain rights on net assets that originate from joint arrangements through an agreement, net assets that are subject to joint ventures are accounted for using the equity method in the consolidated financial statements.

The table below sets out the Joint Ventures and shows the proportion of ownership interest and effective interest of the Holding in these Joint Ventures at 31 March 2016 and 31 December 2015:

	31 March 2016		31 December 2015	
	Direct and indirect ownership interest by the Holding and its Subsidiaries	Proportion of effective interest	Direct and indirect ownership interest by the Holding and its Subsidiaries	Proportion of effective interest
Joint ventures	%	%	%	%
Akçansa	39,72	39,72	39,72	39,72
Aksigorta	36,00	36,00	36,00	36,00
Avivasa	40,00	40,00	40,00	40,00
Brisa	43,63	43,63	43,63	43,63
Enerjisa Enerji	50,00	50,00	50,00	50,00
Temsa Mısır	73,75	73,75	73,75	73,75
Temsa İş Makinaları	51,00	51,00	51,00	51,00

Investments related to joint ventures are consolidated using the equity method. Sabancı family members do not have any interest in the share capital of the Joint Ventures.

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

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

2.1 Basis of Presentation (continued)

2.1.3 Basis of Consolidation (continued)

- f) Investments in associates are accounted for using the equity method. These institutions have no control but have important influence on the over the Group's activities. Unrealized profits from transactions between the Group and its associates have been eliminated to the extent of the Group's shares in the associate and unrealized losses are adjusted if the transaction does not show that the transferred asset is impaired. Regarding its associates, the Group has not entered into obligation or has not made a commitment.

The table below sets out all Associates and shows the total interest of the Holding in these associates at 31 March 2016 and 31 December 2015:

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.

- g) Financial assets that do not have a significant effect or are insignificant regarding the consolidated financial statements; that are not traded in an active market and fair values cannot be reliably determined, are recognized at cost in the consolidated financial statements after deducting impairment and related provisions. Financial assets available for sale they are traded in an active market and fair values can be determined reliably are recognized at fair value.

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 recognized 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.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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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)

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 2016 comparatively with the consolidated balance sheet as of 31 December 2015; presented the consolidated statement of profit or loss as of 31 March 2016 comparatively with the consolidated statement of profit or loss as of 31 March 2015, statement of cash flows and statement of changes in equity for the year 1 January-31 March 2016 comparatively with the year 1 January-31 March 2015.

According to the 31 December 2015 Board of Directors’ Decision No. 2015/29 it has been decided that, a subsidiary of the Group, Kordsa Global’s 51% and 100% shares in Nile Kordsa Company for Industrial Fabrics S.A.E. and Interkordsa GmbH respectively be classified under “Assets Held For Sale” in the balance sheet. Therefore, in the Group financial statements as of 31 March 2016, the financial results of Nile Kordsa Company for Industrial Fabrics S.A.E. and Interkordsa GmbH are classified under “Assets Held For Sale” in the balance sheet.

A subsidiary of the Group, Kordsa Global’s subsidiary Nile Kordsa Company for Industrial Fabrics S.A.E.’s loss as of 31 March 2016 is full TL 3.326.516 (31 March 2015: full TL 994.160 loss). In 31 March 2016 and 31 March 2015 consolidated financial statements the operating result of this company is classified as income/expense from discontinued operations.

A subsidiary of the Group, Kordsa Global’s subsidiary Interkordsa GmbH’s loss for the period is full TL 99.677 (31 March 2015: full TL 401.667 loss). In 31 March 2016 and 31 March 2015 consolidated financial statements the operating result of this company is classified as income/expense from discontinued operations.

2.2 Changes in Accounting Policies and Estimates and Errors

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

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

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.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

2.3 Summary of Significant Accounting Policies

The condensed consolidated interim financial statements for the period ended 31 March 2016 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 2016 are consistent with those used in the preparation of consolidated financial statements for the year ended 31 December 2015. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the consolidated statements for the year ended 31 December 2015.

2.4 Critical Accounting Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with Turkish Accounting Standards ("TAS") 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 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 taking into account in the determination of net income or loss for the period.

NOTE 3 – SEGMENT REPORTING

Holding key management reviews the results and performance of its reportable operating segments based on EBITDA (earnings before interest, foreign currency gains and losses and due date income and expenses as part of other operating income and expenses and depreciation and amortisation). 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 2016	1 January - 31 March 2015
Banking	5.263.724	4.249.303
Industry	842.773	741.782
Retail	1.869.014	1.441.834
Cement	253.665	234.964
Other	31.114	31.195
Total (*)	8.260.290	6.699.078

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

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NOTE 3 – SEGMENT REPORTING (Continued)

b) Segment assets (Consolidated):

	31 March 2016	31 December 2015
Banking	256.600.159	249.810.125
Industry	3.444.716	3.398.365
Retail	3.875.463	4.141.514
Cement	2.023.694	1.834.129
Other	2.206.401	1.680.947
Segment assets (*)	268.150.433	260.865.080
Assets classified as held for sale	103.670	114.221
Investments accounted through equity method (Note 7)	5.866.486	5.970.431
Unallocated assets	559.393	659.011
Less: intersegment eliminations	(2.162.215)	(2.088.679)
Total assets as per consolidated financial statements	272.517.767	265.520.067

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

c) Segment liabilities (Consolidated):

	31 March 2016	31 December 2015
Banking	227.148.756	221.272.563
Industry	1.799.509	1.749.732
Retail	3.052.479	3.175.204
Cement	1.001.318	655.160
Other	576.678	213.034
Segment liabilities (*)	233.578.740	227.065.693
Liabilities related with asset classified as held for sale (Note 5)	45.258	45.928
Unallocated liabilities	422.706	521.097
Less: intersegment eliminations	(2.160.440)	(2.084.089)
Total liabilities as per consolidated financial statements	231.886.264	225.548.629

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

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NOTE 3 – SEGMENT REPORTING (Continued)

b) The balance sheet items by segment:

i) Banking:

	Combined(*) 31 March 2016	Consolidated(**) 31 March 2016	Combined(*) 31 December 2015	Consolidated(**) 31 December 2015
Cash and cash equivalents	7.569.528	7.569.528	10.281.373	10.281.373
Financial assets	54.506.913	54.506.913	54.117.316	54.117.316
Derivative financial instruments	4.031.830	4.031.830	3.348.524	3.348.524
Reserve deposits with the Central Bank of Republic of Turkey	30.630.826	30.630.826	24.007.327	24.007.327
Receivables from finance sector operations	156.158.140	156.158.140	154.949.086	154.949.086
Property, plant and equipment	764.710	764.710	794.420	794.420
Intangible assets	223.920	223.920	224.105	224.105
Other receivables and other assets(***)	2.714.292	2.714.292	2.087.974	2.087.974
Total segment assets	256.600.159	256.600.159	249.810.125	249.810.125
Financial liabilities	40.059.781	40.059.781	38.667.696	38.667.696
Payables from finance sector operations	177.557.799	177.557.799	173.974.782	173.974.782
Derivative financial instruments	2.370.243	2.370.243	1.926.811	1.926.811
Other payables and other liabilities(***)	7.160.933	7.160.933	6.703.274	6.703.274
Total segment liabilities	227.148.756	227.148.756	221.272.563	221.272.563

(*) 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 17.574.294 as of 31 March 2016 (31 December 2015: TL 17.042.439).

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

NOTE 3 – SEGMENT REPORTING (Continued)

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

ii) Insurance:

	Combined (*) 31 March 2016	Consolidated(**) 31 March 2016	Combined (*) 31 December 2015	Consolidated(**) 31 December 2015
Cash and cash equivalents	1.429.239	-	1.006.854	-
Financial assets	669.889	-	1.020.931	-
Receivables from finance sector operations	460.959	-	550.954	-
Investments accounted through equity method (Note 7)	-	289.384	-	285.821
Property, plant and equipment	29.473	-	30.316	-
Intangible assets	49.914	-	47.788	-
Other receivables and other assets(***)	1.074.588	-	904.056	-
Total segment assets	3.714.062	289.384	3.560.899	285.821
Payables from finance sector operations	2.684.264	-	2.572.188	-
Other payables and other liabilities(***)	290.340	-	270.915	-
Total segment liabilities	2.974.604	-	2.843.103	-

(*) 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 FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 3 – SEGMENT REPORTING (Continued)

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

iii) Energy:

	Combined (*) 31 March 2016	Consolidated(**) 31 March 2016	Combined (*) 31 December 2015	Consolidated(**) 31 December 2015
Cash and cash equivalents	415.870	-	257.870	-
Financial assets	836	-	836	-
Trade receivables	2.059.947	-	1.987.498	-
Inventories	186.731	-	141.679	-
Investments accounted through equity method (Note 7)	-	4.797.258	-	4.719.888
Property, plant and equipment	10.077.896	-	10.023.084	-
Intangible assets	6.062.350	-	6.116.884	-
Other receivables and other assets(***)	7.923.628	-	7.760.894	-
Total segment assets	26.727.258	4.797.258	26.288.745	4.719.888
Financial liabilities	11.642.774	-	11.414.179	-
Payables to privatization administration	1.205.465	-	1.188.456	-
Trade payables	1.304.967	-	1.242.519	-
Other payables and other liabilities(***)	2.164.835	-	2.472.887	-
Total segment liabilities	16.318.041	-	16.318.041	-

(*) 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 Enerji A.Ş. and its subsidiaries.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 3 – SEGMENT REPORTING (Continued)

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

iv) Industry:

	Combined(*) 31 March 2016	Consolidated(**) 31 March 2016	Combined (*) 31 December 2015	Consolidated(**) 31 December 2015
Cash and cash equivalents	108.534	44.816	89.391	28.841
Financial assets	101	101	104	104
Trade receivables	1.738.222	941.374	1.722.989	930.694
Inventories	1.242.992	851.649	1.186.737	829.104
Investments accounted through equity method (Note 7)	239.808	448.573	275.573	558.031
Property, plant and equipment	1.917.285	1.193.421	1.879.884	1.188.731
Intangible assets	226.996	176.761	223.508	175.156
Other receivables and other assets(***)	545.011	340.263	702.666	359.959
Total segment assets	6.018.949	3.996.958	6.080.852	4.070.620
Financial liabilities	2.399.200	1.088.460	2.412.237	1.151.147
Trade payables	677.895	432.219	625.739	355.601
Other payables and other liabilities(***)	522.205	324.093	393.909	288.911
Total segment liabilities	3.599.300	1.844.772	3.431.885	1.795.659

(*) 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, Yünsa, Brisa, Philsa and Philsa Morrissa.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 3 – SEGMENT REPORTING (Continued)

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

v) Retail:

	Combined (*) 31 March 2016	Consolidated(**) 31 March 2016	Combined (*) 31 December 2015	Consolidated(**) 31 December 2015
Cash and cash equivalents	174.863	174.863	579.374	579.374
Trade receivables	102.499	102.345	81.557	81.557
Inventories	1.224.113	1.224.113	1.094.659	1.094.659
Investment property	192.864	192.864	193.873	193.873
Property, plant and equipment	1.089.677	1.089.677	1.107.403	1.107.403
Intangible assets	98.826	98.826	100.122	100.122
Other receivables and other assets(***)	931.784	992.774	923.690	984.526
Total segment assets	3.814.626	3.875.463	4.080.678	4.141.514
Financial liabilities	889.842	889.842	990.803	990.803
Trade payables	1.756.823	1.756.823	1.780.732	1.780.732
Other payables and other liabilities(***)	405.814	405.814	403.668	403.668
Total segment liabilities	3.052.479	3.052.479	3.175.203	3.175.203

(*) 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.

Retail segment consists of Teknosa and Carrefoursa.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

DİPNOT 3 - SEGMENT REPORTING (Continued)

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

vi) Cement:

	Combined (*) 31 March 2016	Consolidated(**) 31 March 2016	Combined (*) 31 December 2015	Consolidated(**) 31 December 2015
Cash and cash equivalents	269.146	253.064	249.187	234.263
Financial assets	162.783	72	162.783	64
Trade receivables	688.662	303.535	731.605	324.649
Inventories	240.594	109.135	231.269	96.065
Investments accounted through equity method (Note 7)	-	331.271	-	406.691
Property, plant and equipment	1.830.235	1.088.165	1.685.449	944.201
Intangible assets	59.284	18.727	61.733	19.363
Other receivables and other assets(***)	394.580	250.995	363.203	215.524
Total segment assets	3.645.284	2.354.964	3.485.229	2.240.820
Financial liabilities	964.292	712.933	490.602	377.658
Trade payables	348.095	126.437	475.337	204.388
Other payables and other liabilities(***)	294.637	161.948	132.335	73.114
Total segment liabilities	1.607.024	1.001.318	1.098.274	655.160

(*) 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 and Çimsa and Akçansa.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 3 – SEGMENT REPORTING (Continued)

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

vii) Other:

	Combined (*) 31 March 2016	Consolidated(**) 31 March 2016	Combined (*) 31 December 2015	Consolidated(**) 31 December 2015
Cash and cash equivalents	1.432.247	1.432.247	1.128.910	1.128.910
Financial assets	11.818.052	388	11.588.882	388
Trade receivables	32.663	31.950	65.838	64.321
Inventories	785	785	1.949	1.949
Property, plant and equipment	263.463	227.395	265.685	229.618
Intangible assets	12.027	12.027	11.733	11.733
Other receivables and other assets(***)	442.539	501.610	184.153	244.028
Total segment assets	14.001.776	2.206.402	13.247.150	1.680.947
Financial liabilities	2.063	2.063	-	-
Trade payables	31.360	31.360	65.231	65.231
Other payables and other liabilities(***)	470.276	543.256	147.802	147.802
Total segment liabilities	503.699	576.679	213.033	213.033

(*) 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 FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 3 – SEGMENT REPORTING (Continued)

e) The reconciliation of the consolidated statement of profit or loss:

	1 January - 31 March 2016			1 January - 31 March 2015		
	Total Consolidation of Segments Before Elimination	Elimination and Consolidation Adjustments	Consolidated	Total Consolidation of Segments Before Elimination	Elimination and Consolidation Adjustments	Consolidated
Total revenue	8.279.186	(18.895)	8.260.290	6.717.512	(18.434)	6.699.078
Cost of sales and interest, premiums, commissions and other expenses	(5.284.391)	34.287	(5.250.104)	(4.174.489)	16.896	(4.157.593)
General administration expenses	(1.235.925)	9.106	(1.226.819)	(1.252.727)	5.394	(1.247.333)
Sales, marketing and distribution expenses	(452.748)	545	(452.203)	(320.012)	399	(319.613)
Research and development expenses	(1.501)	-	(1.501)	(833)	-	(833)
Other operating income/(expense) - net	102.762	(20.510)	82.252	140.665	(226)	140.439
Interest in income of joint ventures	196.704	(2)	196.702	231.115	(1)	231.114
Operating profit	1.604.087	4.531	1.608.618	1.341.231	4.028	1.345.259
Income/(expense) from investing activities - net	23.275	(19.665)	3.610	169.063	(13.590)	155.473
Operating profit before financial expense	1.627.362	(15.134)	1.612.228	1.510.294	(9.562)	1.500.732
Financial income/(expense) – net	(59.679)	9.072	(50.607)	(47.594)	8.709	(38.885)
Income before tax	1.567.683	(6.062)	1.561.621	1.462.700	(853)	1.461.847
Tax	(273.873)	-	(273.873)	(241.525)	-	(241.525)
Profit/(loss) after tax from discontinued operations	(3.426)	-	(3.426)	12.963	-	12.963
Income for the period	1.290.384	(6.062)	1.284.322	1.234.137	(853)	1.233.284
Net income attributable to equity holders of the parent			640.514			648.478

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 3 – SEGMENT REPORTING (Continued)

f) The income statement items by segment:

i) Banking:

	Combined(*) 31 March 2016	Consolidated(**) 31 March 2016	Combined(*) 31 March 2015	Consolidated (**) 31 March 2015
Interest, commission and other income	5.272.750	5.272.750	4.258.261	4.258.261
Interest, commission and other expenses	(2.929.761)	(2.929.761)	(2.234.433)	(2.234.433)
General administration expenses	(1.126.942)	(1.126.942)	(1.147.804)	(1.147.804)
Other operating income/(expense) - net	141.831	141.831	140.005	140.005
Operating profit	1.357.878	1.357.878	1.016.029	1.016.029
Income/(expense) from investing activities - net	656	656	1.755	1.755
Income before tax	1.358.534	1.358.534	1.017.784	1.017.784
Tax	(277.415)	(277.415)	(209.104)	(209.104)
Net income	1.081.119	1.081.119	808.680	808.680
Net income attributable to equity holders of the parent		440.555		329.536
EBITDA	1.410.538	1.410.538	1.072.898	1.072.898

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

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

Akbank's net income attributable to non-controlling interest is TL 640.564 as of 31 March 2016 (31 March 2015: TL 479.144).

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 3 – SEGMENT REPORTING (Continued)

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

ii) Insurance:	Combined (*) 31 March 2016	Consolidated(**) 31 March 2016	Combined(*) 31 March 2015	Consolidated (**) 31 March 2015
Gross premiums	569.679	-	513.457	-
Premiums, commission and other expenses	(499.742)	-	(498.908)	-
General administration expenses	(86.551)	-	(74.895)	-
Other operating income/(expense) - net	62.631	-	100.704	-
Interest in income of joint ventures (Note 7)	-	16.055	-	11.883
Operating profit	46.017	16.055	40.358	11.883
Income/(expense) from investing activities - net	8.438	-	4.561	-
Operating profit before financial expense	54.455	16.055	44.919	11.883
Financial income/(expense) – net	(3.418)	-	(6.636)	-
Income before tax	51.037	16.055	38.283	11.883
Tax	(9.499)	-	(9.541)	-
Net income	41.538	16.055	28.742	11.883
Net income attributable to equity holders of the parent		16.055		11.883
EBITDA	49.044		26.000	

(*) 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 FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 3 – SEGMENT REPORTING (Continued)

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

iii) Energy:

	Combined(*) 31 March 2016	Consolidated(**) 31 March 2016	Combined(*) 31 March 2015	Consolidated (**) 31 March 2015
Sales revenue (net)	3.269.867	-	3.038.955	-
Cost of sales	(2.506.285)	-	(2.470.620)	-
General administration expenses	(301.199)	-	(223.213)	-
Sales, marketing and distribution expenses	-	-	-	-
Other operating income/(expense) - net	11.167	-	162.911	-
Interest in income of joint ventures (Note 7)	-	83.457	-	144.428
Operating profit	473.550	83.457	508.033	144.428
Operating profit before financial expense	473.550	83.457	508.033	144.428
Financial income/(expense) – net	(275.318)	-	(163.465)	-
Income before tax	198.232	83.457	344.568	144.428
Tax	(31.317)	-	(55.712)	-
Net income	166.915	83.457	288.856	144.428
Net income attributable to equity holders of the parent		83.457		144.428
EBITDA	575.567		582.036	

(*) 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 FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 3 – SEGMENT REPORTING (Continued)

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

iv) Industry:	Combined(*) 31 March 2016	Consolidated(**) 31 March 2016	Combined(*) 31 March 2015	Consolidated (**) 31 March 2015
Sales revenue (net)	1.244.947	842.979	1.130.774	741.788
Cost of sales	(953.306)	(678.497)	(901.397)	(617.224)
General administration expenses	(54.256)	(31.788)	(46.415)	(27.901)
Sales, marketing and distribution expenses	(111.141)	(47.186)	(84.428)	(36.621)
Research and development expenses	(5.884)	(1.501)	(4.744)	(833)
Other operating income/(expense) - net	19.985	10.807	29.825	19.556
Interest in income of joint ventures	67.044	76.879	42.041	54.298
Operating profit	207.389	171.693	165.656	133.063
Income/(expense) from investing activities - net	2.066	1.948	11.981	11.963
Operating profit before financial expense	209.455	173.641	177.637	145.026
Financial income/(expense) – net	(38.960)	(12.632)	(45.500)	(27.696)
Income before tax	170.495	161.009	132.137	117.330
Tax	(4.627)	(7.587)	(8.222)	(8.955)
Profit after tax from discontinued operations	(3.426)	(3.426)	12.963	12.963
Net income	162.442	149.996	136.878	121.338
Net income attributable to equity holders of the parent		120.500		90.430
EBITDA	249.167	191.462	189.181	143.857

(*) 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 FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 3 – SEGMENT REPORTING (Continued)

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

v) Retail:

	Combined(*) 31 March 2016	Consolidated(**) 31 March 2016	Combined(*) 31 March 2015	Consolidated (**) 31 March 2015
Sales revenue (net)	1.871.724	1.870.632	1.444.267	1.442.816
Cost of sales	(1.463.758)	(1.462.666)	(1.114.778)	(1.113.311)
General administration expenses	(41.516)	(41.516)	(38.302)	(38.318)
Sales, marketing and distribution expenses	(401.363)	(401.363)	(280.563)	(280.563)
Other operating income/(expense) - net	(61.284)	(61.284)	(28.631)	(28.631)
Operating profit	(96.197)	(96.197)	(18.007)	(18.007)
Income/(expense) from investing activities – net	746	746	141.062	141.062
Operating profit before financial expense	(95.451)	(95.451)	123.055	123.055
Financial income/(expense) – net	(40.334)	(40.334)	(10.230)	(10.230)
Income before tax	(135.785)	(135.785)	112.825	112.825
Tax	24.046	24.046	(10.322)	(10.322)
Net income	(111.739)	(111.739)	102.503	102.503
Net income attributable to equity holders of the parent		(58.360)		51.214
EBITDA	(34.282)	(34.282)	19.786	19.786

(*) 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.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 3 – SEGMENT REPORTING (Continued)

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

vi) Cement:

	Combined(*) 31 March 2016	Consolidated(**) 31 March 2016	Combined(*) 31 March 2015	Consolidated (**) 31 March 2015
Sales revenue (net)	582.711	253.665	533.922	234.970
Cost of sales	(423.186)	(176.576)	(396.963)	(177.760)
General administration expenses	(29.216)	(15.071)	(25.609)	(11.932)
Sales, marketing and distribution expenses	(6.659)	(2.223)	(6.234)	(1.647)
Other operating income/(expense) - net	4.360	5.855	8.289	6.930
Interest in income of joint ventures	-	20.312	-	20.506
Operating profit	128.010	85.962	113.405	71.067
Income/(expense) from investing activities - net	6.222	416	5.363	562
Operating profit before financial expense	134.232	86.378	118.768	71.629
Financial income/(expense) – net	(11.530)	(6.617)	(7.514)	(3.089)
Income before tax	122.702	79.761	111.254	68.540
Tax	(24.952)	(12.924)	(21.654)	(10.036)
Net income	97.750	66.837	89.600	58.504
Net income attributable to equity holders of the parent		43.591		40.749
EBITDA	154.261	93.846	139.468	81.273

(*) 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 FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 3 – SEGMENT REPORTING (Continued)

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

vii) Other:

	Combined(*) 31 March 2016	Consolidated(**) 31 March 2016	Combined(*) 31 March 2015	Consolidated (**) 31 March 2015
Sales revenue (net)	795.721	39.160	877.132	39.677
Cost of sales	(36.961)	(36.891)	(31.774)	(31.761)
General administration expenses	(22.442)	(20.608)	(28.268)	(26.772)
Sales, marketing and distribution expenses	(1.976)	(1.976)	(1.181)	(1.181)
Other operating income/(expense) - net	5.695	5.553	2.858	2.805
Operating profit	740.037	(14.762)	818.767	(17.232)
Income/(expense) from investing activities - net	19.509	19.509	13.721	13.721
Operating profit before financial expense	759.546	4.747	832.488	(3.511)
Financial income/(expense) – net	(96)	(96)	(6.579)	(6.579)
Income before tax	759.450	4.651	825.909	(10.090)
Tax	6	6	(3.109)	(3.109)
Net income	759.456	4.657	822.800	(13.199)
Net income attributable to equity holders of the parent		(5.284)		(19.762)
EBITDA	745.844	(9.028)	824.614	(11.797)

(*) 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 FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 3 – SEGMENT REPORTING (Continued)

g) Net profit/(loss) attributable to equity holders of the parent

Details of the net profit / (loss) attributable to equity holders of the parent with adjusted segments is as follows:

	31 March 2016	31 March 2015
Banking	440.555	329.536
Insurance	16.055	11.883
Industry	123.201	85.073
Cement	43.591	40.749
Energy	83.457	92.178
Retail	(42.424)	(4.833)
Other	(5.285)	(19.762)
Total	659.151	534.824

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

	31 March 2016	31 March 2015
Adjusted net profit for reported operating segments (Equity holders of the Parent)	659.151	534.824
Carrefoursa one-off income / expenses (income from provision reversal, expense from information systems integration correction and income from sale of real estate)	(13.134)	56.047
Temsa gain on sale of real estate	-	5.357
Kordsa gain on sale of real estate	946	-
Enerjisa Üretim – Gazipaşa Birkapılı sale	-	52.250
Other	(6.449)	-
Net income(Equity holders of the Parent)	640.514	648.478

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

1 January – 31 March 2016

	<u>Finance</u> Banking	Insurance	Industry	Cement	Energy	Retail	Other	Total
Depreciation and amortisation expenses	52.660	-	27.523	16.675	-	39.029	6.077	141.964
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	-	-	-	1.934	-	1.934
Capital expenditure	22.901	-	47.788	159.853	-	25.829	7.226	263.597

1 January – 31 March 2015

	<u>Finance</u> Banking	Insurance	Industry	Cement	Energy	Retail	Other	Total
Depreciation and amortisation expenses	56.869	-	27.672	16.936	-	26.210	4.691	132.378
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	-	-	-	1.956	-	1.956
Capital expenditure	41.916	-	34.948	18.435	-	45.438	6.634	147.371

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

NOTE 3 – SEGMENT REPORTING (Continued)

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

1 January – 31 March 2016

	<u>Finance</u> Banking	Insurance	Industry	Cement	Energy	Retail	Other	Total
Depreciation and amortisation expenses	52.660	3.980	52.231	34.803	111.793	39.029	6.151	300.647
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	-	-	-	1.934	-	1.934
Capital expenditure	22.901	3.893	115.873	178.032	319.247	25.829	7.223	672.998

1 January – 31 March 2015

	<u>Finance</u> Banking	Insurance	Industry	Cement	Energy	Retail	Other	Total
Depreciation and amortisation expenses	56.869	3.394	49.243	34.232	107.548	26.210	5.104	282.600
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	-	-	-	1.956	-	1.956
Capital expenditure	41.916	10.271	72.170	43.423	546.020	45.438	6.635	765.873

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

NOTE 4 - FINANCIAL ASSETS

a) Held for trading securities:

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

	31 March 2016	31 December 2015
Share certificates	17.977	6.532
Government bonds	9.004	9.996
Eurobonds	-	107
Other	32.771	23.878
Total	59.752	40.513

Period remaining to contractual maturity dates for financial assets at fair value through profit and loss as at 31 March 2016 and 31 December 2015 is as follows.

	31 March 2016	31 December 2015
3 to 12 months	10.934	13.069
1 to 5 years	23.529	10.953
No maturity	25.289	16.490
Total	59.752	40.513

Period remaining to contractual repricing dates:

	31 March 2016	31 December 2015
Up to 3 months	34.463	14.334
3 to 12 months	-	9.668
1 to 5 years	-	21
No maturity	25.289	16.490
Total	59.752	40.513

There are no financial assets held for trading securities in any company other than banking.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 4 - FINANCIAL ASSETS (Continued)

b) Available-for-sale securities:

	31 March 2016	31 December 2015
Debt securities		
- Government bonds	20.521.288	19.376.723
- Eurobonds	15.659.476	15.929.477
- Investment funds	186.119	270.628
- Other bonds denominated in foreign currency	7.319.798	7.678.819
Sub-total	43.686.681	43.255.647
Equity securities		
- Listed	90	90
- Unlisted	134.098	133.088
Sub-total	134.188	133.178
Total securities available for sale	43.820.869	43.388.825

Effective annual rates of debt securities denominated in USD, EUR and TL are 3,84% (31 December 2015: 3,80%), 2,54% (31 December 2015: 2,46%) and 9,66% respectively (31 December 2015: 9,68%). The Group's available for sale financial assets subject to funds provided from repo are TL 21.938.284 (31 December 2015: TL 20.185.224). The Group's available-for-sale financial assets given as collateral for their activities in the finance sector are TL 4.200.185 (31 December 2015: TL 1.939.145). There is no risk against insurance policy owners regarding held for trading financial assets (31 December 2015: None).

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. As of 31 March 2016, these securities have been valued 8,00% annual inflation forecast. If the valuation of these CPI indexed securities was made with reference to inflation indexed as of 31 March 2015, valuation differences under shareholders equity would have decreased by TL 57 million (full TL amount) and net income would have increased by TL 78 million (full TL amount), accordingly net income would have been TL 1.149 million (full TL amount).

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

NOTE 4 - FINANCIAL ASSETS (Continued)

b) Available-for-sale securities (continued):

Period remaining to contractual maturity dates for financial assets available-for-sale as at 31 March 2016 and 31 December 2015 is as follows.

	31 March 2016			31 December 2015		
	Other			Other		
	Banking	companies	Total	Banking	companies	Total
3 to 12 months	912.143	-	912.143	908.428	-	908.428
1 to 5 years	25.750.574	470	25.751.044	25.555.100	462	25.555.562
Over 5 years	16.625.693	-	16.625.693	16.292.593	-	16.292.593
No maturity	531.989	-	531.989	632.242	-	632.242
Total	43.820.399	470	43.820.869	43.388.363	462	43.388.825

Period remaining to contractual repricing dates:

	31 March 2016			31 December 2015		
	Other			Other		
	Banking	companies	Total	Banking	companies	Total
Up to 3 months	8.666.364	-	8.666.364	6.800.295	-	6.800.295
3 to 12 months	7.728.346	-	7.728.346	8.434.421	-	8.434.421
1 to 5 years	19.344.339	-	19.344.339	20.027.889	-	20.027.889
Over 5 years	7.755.554	-	7.755.554	7.722.413	-	7.722.413
No maturity	325.796	470	326.266	403.345	462	403.807
Total	43.820.399	470	43.820.869	43.388.363	462	43.388.825

c) Financial assets held to maturity:

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

	31 March 2016	31 December 2015
Government bonds	10.623.823	10.688.533
Total	10.623.823	10.688.533

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 4 - FINANCIAL ASSETS (Continued)

c) Financial assets held to maturity (continued):

Period remaining to contractual maturity dates for financial assets held for trading held to maturity in Banking and other companies' basis as at 31 March 2016 and 31 December 2015 is as follows:

	31 March 2016			31 December 2015		
	Other			Other		
	Banking	companies	Total	Banking	companies	Total
3 to 12 months	114.160	91	114.251	121.031	94	121.125
1 to 5 years	7.259.637	-	7.259.637	7.364.090	-	7.364.090
Over 5 years	3.249.935	-	3.249.935	3.203.318	-	3.203.318
Total	10.623.732	91	10.623.823	10.688.439	94	10.688.533

Period remaining to contractual repricing dates for investment security, available for sale and held to maturity at 31 March 2016 and 31 December 2015 is as follows:

	31 March 2016			31 December 2015		
	Other			Other		
	Banking	companies	Total	Banking	companies	Total
Up to 3 months	1.053.293	-	1.053.293	2.668.683	-	2.668.683
3 to 12 months	2.815.183	91	2.815.274	1.146.641	94	1.146.735
1 to 5 years	6.755.256	-	6.755.256	6.873.115	-	6.873.115
Over 5 years	-	-	-	-	-	-
Total	10.623.732	91	10.623.823	10.688.439	94	10.688.533

d) Time deposits:

	31 March 2016	31 December 2015
3 to 12 months	3.029	-
Total	3.029	-

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

(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 LIABILITIES

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

	31 March 2016	31 December 2015
Short term	10.857.932	8.678.744
Short-term portion of long term	12.784.641	12.862.826
Total short term	23.642.573	21.541.570

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

Long term	18.773.271	19.137.143
Total	42.415.844	40.678.713

The maturity schedule of financial liabilities at 31 March 2016 and 31 December 2015 is summarized below:

	31 March 2016	31 December 2015
Up to 3 months	7.770.755	8.782.744
3 to 12 months	15.871.818	12.758.826
Short term financial liabilities and short term portion of long term financial liabilities	23.642.573	21.541.570
1 to 5 years	13.324.762	13.571.788
Over 5 years	5.448.509	5.565.355
Long term financial liabilities	18.773.271	19.137.143
Total financial liabilities	42.415.844	40.678.713

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

(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 LIABILITIES (Continued)

The repayment schedule of long term financial liabilities at 31 March 2016 and 31 December 2015 is summarized below:

	31 March 2016	31 December 2015
2016	-	5.065.465
2017	7.313.973	4.695.704
2018	2.438.948	1.106.934
2019	2.900.523	2.703.684
2020	671.317	5.565.356
2021 and after	5.448.510	-
Total	18.773.271	19.137.143

The repricing schedule of borrowings at 31 March 2016 and 31 December 2015 is summarized below:

	31 March 2016	31 December 2015
Up to 3 months	24.640.080	23.186.344
3 to 12 months	7.142.079	6.510.319
1 to 5 years	7.676.770	8.009.643
Over 5 years	2.956.915	2.972.407
Total	42.415.844	40.678.713

The transactions related with the funds and loans as of 31 March 2016 are as follows:

Akbank – Funds borrowed via syndicated credit facilities

As of 31 March 2016, Akbank has three outstanding syndicated loan facilities. On 13 August 2015, the first syndicated loan facility signed and raised EUR 873,1 million and USD 260,8 million. The loan's maturity is 1 year with a cost of Euribor/Libor+0,75%. The second syndicated loan facility signed on 18 March 2016 and raised totally EUR 783,5 million and USD 370,4 million, the loan's maturity is 1 year. The cost of the loan is Euribor/Libor+0,75% and Libor+0,85%. The third syndicated loan facility signed on 9 July 2015 and raised USD 335 million, the loan's maturity is 3 years. The annual cost of the loan is and Libor+1,85%.

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

NOTE 5 - FINANCIAL LIABILITIES (Continued)

Issued securities:

Securities issued consist of USD and TL assets.

The repayment plan for USD securities issued is summarized below.

	31 March 2016		31 December 2015	
	USD	TL	USD	TL
2016	337.550	941.764	620.933	1.788.288
2017	769.847	2.147.873	751.749	2.165.036
2018	1.041.826	2.906.696	995.023	2.865.667
2019	308.160	859.766	301.974	869.684
2020	756.043	2.109.360	747.277	2.152.158
2021	54.757	152.772	53.713	154.693
2022	409.793	1.143.322	404.224	1.164.165
2023	27.475	76.655	28.490	82.051
2024	734.693	2.049.793	735.720	2.118.874
2025	329.291	918.722	325.773	938.226
2026	11.000	30.690	11.000	31.680
2027	11.000	30.690	11.000	31.680
Total	4.791.435	13.368.103	4.986.876	14.362.202

The balance amounting to USD 4.791.435 consists of securitization deals and USD denominated securities issued by the Bank.

	31 March 2016		31 December 2015	
	EUR	TL	EUR	TL
2016	34.185	108.347	50.520	158.747
2017	63.711	201.926	63.708	200.183
2018	63.697	201.881	63.693	200.136
2019	47.849	151.653	47.846	150.342
2020	335	1.062	332	1.043
2021	322	1.021	319	1.002
2022	310	983	307	965
2023	298	944	295	927
2024	286	906	283	889
2025	275	872	272	855
2026	264	837	261	820
2027	254	805	251	789
2028	244	773	241	757
2029	6.103	19.343	6.043	18.988
Total	218.133	691.353	234.371	736.443

The balance amounting to EUR 218.133 consists of securitization deals and EUR denominated securities issued by the Bank.

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NOTE 5 - FINANCIAL LIABILITIES (Continued)

Issued securities (continued):

	31 March 2016		31 December 2015	
	RON	TL	RON	TL
2016	4.850	3.418	4.805	3.321
2017	4.607	3.246	4.564	3.154
2018	76.079	53.605	75.413	52.110
2019	50.401	35.513	49.905	34.484
Total	135.937	95.782	134.687	93.069

The balance amounting to RON 135.937 consists of securization deals and RON denominated securities issued by the Bank.

	31 March 2016		31 December 2015	
	CZK	TL	CZK	TL
2016	-	-	350.610	41.253
2017	275.060	32.650	275.040	32.361
Total	275.060	32.650	625.650	73.614

The balance amounting to CZK 275.060 consists of securization deals and CZK denominated securities issued by the Bank.

	31 March 2016		31 December 2015	
	HUF	TL	HUF	TL
2019	762.016	7.795	786.358	7.989
Total	762.016	7.795	786.358	7.989

The balance amounting to HUF 762.016 consists of securization deals and HUF denominated securities issued by the Bank.

Additionally, as of 31 March 2016, there are bonds issued by the Bank amounting to TL 1.901.994 with 3 months maturity, TL 673.628 with 4 months maturity, TL 539.336 with 1 year maturity and TL 1.024.538 with over 5 years maturity. (31 December 2015: TL 568.089 with 3 months maturity, TL 917.737 with 4 months maturity, TL 62.858 with 6 months maturity, TL 765.023 with 1 year maturity and TL 1.060.114 with over 5 years maturity).

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

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

NOTE 6 – OTHER RECEIVABLES AND PAYABLES

Other short term receivables:	31 March 2016	31 December 2015
Receivables from credit card payments	10.780	16.902
Other receivables	1.533.977	1.019.974
Total	1.544.757	1.036.876

Other long term receivables:	31 March 2016	31 December 2015
Deposits and guarantees given	34.194	34.951
Other receivables	557.433	344.187
Total	591.628	379.138

Other short term payables:	31 March 2016	31 December 2015
Payables related to credit card transactions	3.111.127	3.154.070
Taxes and funds payable	312.522	283.883
Export deposits and transfer orders	65.545	39.292
Payment orders to correspondent banks	247.431	206.384
Other	1.165.978	757.403
Total	4.902.603	4.441.032

Other long term payables:	31 March 2016	31 December 2015
Financial lease payables	80.882	91.977
Taxes and funds payable	38.842	-
Other	624.897	503.954
Total	744.621	595.931

NOTE 7 – INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Book value of Associates and Joint Ventures is as follows:

	31 March 2016	Share (%)	31 December 2015	Share (%)
Aksigorta	131.396	36,00	126.198	36,00
Avivasa	157.988	40,00	159.623	40,00
Brisa	208.765	43,63	282.457	43,63
Akçansa	331.271	39,72	406.691	39,72
Enerjisa	4.797.258	50,00	4.719.888	50,00
Philisa	128.396	25,00	178.863	25,00
Philip Morrissa	36.552	24,75	24.434	24,75
Temsa Mısır	(13.405)	73,75	(15.535)	73,75
Temsa İş Makineleri	88.265	51,00	87.812	51,00
Total	5.866.486		5.970.431	

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

NOTE 7 – INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (Continued)

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

	1 January - 31 March 2016	1 January - 31 March 2015
Aksigorta	5.044	(120)
Avivasa	11.011	12.003
Brisa	9.835	12.256
Akçansa	20.312	20.506
Enerjisa	83.457	144.428
Philsa	28.921	27.878
Philip Morrisa	37.434	13.785
Temsa Mısır	236	14
Temsa İş Makineleri	453	364
Total	196.702	231.114

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

	31 March 2016		31 December 2015	
	Total assets	Total liabilities	Total assets	Total liabilities
Aksigorta	2.601.369	2.236.379	2.354.754	2.004.204
Avivasa	1.163.115	791.684	1.260.122	887.042
Brisa	2.253.192	1.774.702	2.338.617	1.691.225
Akçansa	1.514.502	667.812	1.544.135	507.325
Enerjisa	27.257.692	17.663.177	26.829.659	17.389.883
Philsa	2.400.599	1.887.015	3.518.240	2.802.787
Philip Morrisa	1.237.388	1.088.660	1.965.174	1.864.373
Temsa Mısır	21.934	40.110	27.294	48.358
Temsa İş Makineleri	390.599	217.530	344.729	215.869
Total	38.840.390	26.367.069	40.182.724	27.411.066

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NOTE 7 – INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (Continued)

Sales Revenue

	1 January - 31 March 2016	1 January - 31 March 2015
Aksigorta	499.173	455.720
Avivasa	70.506	57.737
Brisa	401.968	388.986
Akçansa	329.046	298.952
Enerjisa	3.269.867	3.018.878
Philsa(*)	3.058.484	2.962.912
Philip Morrissa	3.855.744	3.124.107
Temsa İş Makineleri	92.699	96.433

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

Net Income/ (loss) for the period

	1 January - 31 March 2016	1 January - 31 March 2015
Aksigorta	14.010	952
Avivasa	27.528	29.077
Brisa	22.542	28.091
Akçansa	69.301	67.276
Enerjisa	166.914	288.856
Philsa	115.683	111.514
Philip Morrissa	151.247	55.698
Temsa Mısır	320	19
Temsa İş Makineleri	889	4.411

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

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment for the period ended 31 March 2016 is as follows:

	1 January 2016	Currency translation differences	Additions	Disposals	Transfers (*)	Impairment	31 March 2016
Cost:							
Land and land improvements	586.172	(150)	15.962	(160)	-	-	601.824
Buildings	2.352.264	(2.626)	1.053	(1.428)	(7.167)	-	2.342.096
Machinery and equipment	2.887.108	(7.960)	11.836	(1.938)	6.399	-	2.895.445
Motor vehicles	111.801	44	1.610	(15.618)	-	-	97.837
Furniture and fixtures	2.711.864	391	22.151	(11.452)	12.062	4.216	2.739.232
Total	8.649.209	(10.301)	52.612	(30.596)	11.294	4.216	8.676.434
Construction in progress	346.690	(325)	182.694	(2.564)	(20.452)	-	506.043
Total	8.995.899	(10.626)	235.306	(33.160)	(9.158)	4.216	9.182.477
Accumulated depreciation:							
Land and land improvements	(224.464)	298	(1.656)	-	-	-	(225.822)
Buildings	(893.849)	227	(15.053)	673	-	-	(908.002)
Machinery and equipment	(1.678.897)	(405)	(28.917)	1.050	-	-	(1.707.169)
Motor vehicles	(489.080)	4	(2.518)	15.041	-	-	(476.553)
Furniture and fixtures	(1.426.651)	(69)	(56.394)	3.956	(1.727)	(2.092)	(1.482.977)
Total	(4.712.941)	55	(104.538)	20.720	(1.727)	(2.092)	(4.800.523)
Net book value	4.282.958						4.381.954

(*) Transfers that have been realized during the period amounting of TL 9.158 recognized in intangible assets.

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NOTE 8 – PROPERTY, PLANT AND EQUIPMENT (Continued)

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

	1 January 2015	Currency translation differences	Additions	Disposals	Transfers (*)	Impairment	Transfers to assets classified as held for sale	31 March 2015
Cost:								
Land and land improvements	601.530	2.145	497	(22.045)	-	-	-	582.127
Buildings	2.293.440	18.649	808	(16.917)	10.424	-	-	2.306.404
Machinery and equipment	2.710.167	79.272	5.352	(12.796)	31.460	-	-	2.813.455
Motor vehicles	108.230	283	131	(2.221)	-	-	-	106.423
Furniture and fixtures	2.444.467	1.586	34.766	(59.609)	26.716	4.912	1.796	2.454.634
Total	8.157.834	101.935	41.554	(113.558)	68.600	4.912	1.796	8.263.043
Construction in progress	197.800	3.970	69.040	(2.939)	(72.005)	-	-	195.866
Total	8.355.634	105.905	110.594	(116.527)	(3.405)	4.912	1.796	8.458.909
Accumulated depreciation:								
Land and land improvements	(214.975)	(1.214)	(1.546)	-	-	-	-	(217.735)
Buildings	(847.050)	(5.171)	(14.635)	9.897	-	-	-	(856.959)
Machinery and equipment	(1.580.469)	(34.065)	(32.224)	9.584	4.134	-	-	(1.633.060)
Motor vehicles	(492.255)	4.425	(2.454)	1.204	-	-	-	(489.080)
Furniture and fixtures	(1.322.313)	(1.288)	(51.122)	56.474	-	(2.956)	(1.668)	(1.322.873)
Total	(4.457.062)	(37.313)	(102.001)	77.159	4.134	(2.956)	(1.668)	(4.519.707)
Net book value	3.898.572							3.939.202

(*) Transfers that have been realized during the period amounting of TL 729 recognized to intangible assets.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 9 - INTANGIBLE ASSETS

The movements in intangible assets for the periods ended 31 March 2016 and 2015 are as follow:

	1 January 2015	Currency translation differences	Additions	Impairment	Disposals	Transfers	31 March 2016
Cost	1.167.409	(1.572)	28.291	-	(2.526)	9.158	1.200.760
Accumulated amortisation (-)	(636.966)	1.053	(36.391)	(190)	232	1.727	(670.535)
Net book value	530.443						530.225

	1 January 2015	Currency translation differences	Additions	Impairment	Disposals	Transfers	31 March 2015
Cost	921.948	9.019	36.400	-	(949)	3.405	969.823
Accumulated amortisation (-)	(485.649)	(5.173)	(30.500)	-	145	(4.134)	(525.311)
Net book value	436.299						444.512

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NOTE 10 - GOODWILL

The movements of goodwill for the three month period ended on 31 March 2016 and 2015 are as follows:

	2016	2015
1 January	1.014.355	478.935
Additions	460	-
Disposals (*)	-	(10.056)
31 March	1.014.815	468.879

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

NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short term provisions	31 March 2016	31 December 2015
Provision for liabilities	325.849	334.659
<i>Credit points provisions</i>	<i>138.137</i>	<i>141.262</i>
<i>Provision for lawsuit</i>	<i>68.824</i>	<i>68.664</i>
<i>Uncompensated and not encashed non-cash loans provisions</i>	<i>83.945</i>	<i>83.688</i>
<i>Onerous contracts</i>	<i>34.000</i>	<i>34.000</i>
<i>Other short-term provisions</i>	<i>942</i>	<i>7.045</i>
Other provisions	51.450	33.637
Total	377.298	368.296

Other long term provisions	31 March 2016	31 December 2015
Provision for liabilities	4.775	4.694
<i>Other long-term provisions</i>	<i>4.775</i>	<i>4.694</i>
Total	4.775	4.694

Commitments – Banking segment	31 March 2016	31 December 2015
Letters of guarantee given	20.833.320	22.551.263
Letters of credits	4.448.345	5.359.136
Foreign currency acceptance credits	1.943.907	933.230
Other guarantees given	3.185.085	3.513.090
Total	30.410.657	32.356.719

Commitments – Other companies	31 March 2016	31 December 2015
Letters of guarantee given	493.664	477.230
Other guarantees given	242.328	289.631
Mortgages, guarantees and pledges for tangible assets	75.335	74.870
Total	811.327	841.731

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

NOTE 11 – 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 2016 and 31 December 2015 are as follows:

	31 March 2016	31 December 2015
Repurchase commitments	28.526.092	74.870
Resale commitments	-	-

Commitments to forward currency purchase/sale and swap transactions:

Transactions types of held for trading

	31 March 2016	31 December 2015
Foreign currency purchases	8.409.161	6.686.807
Foreign currency sales	8.476.897	6.782.859
Total	16.886.058	13.469.666

	31 March 2016	31 December 2015
Currency swap purchases	45.900.787	42.647.513
Currency swap sales	41.009.726	39.246.203
Interest swap purchases	28.373.620	29.350.383
Interest swap sales	28.373.620	29.350.383
Total	143.657.753	140.594.482

	31 March 2016	31 December 2015
Spot purchases	5.614.188	2.169.146
Spot sales	5.611.994	2.155.390
Total	11.226.182	4.324.536

	31 March 2016	31 December 2015
Currency, interest and securities purchases options	32.656.248	34.647.992
Currency, interest and securities sales options	32.784.910	34.776.488
Total	65.441.158	69.424.480

	31 March 2016	31 December 2015
Future purchases	-	1.856
Future sales	59.687	83.775
Total	59.687	85.631

	31 March 2016	31 December 2015
Other purchase transactions	4.240.569	4.594.069
Other sales transactions	7.469.977	6.436.738
Total	11.710.546	11.030.807

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

NOTE 11 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Transactions held for trading (continued):

	31 March 2016	31 December 2015
Interest swap purchases	6.943.696	4.791.937
Interest swap sales	6.943.696	4.791.937
Total	13.887.392	9.583.874

	31 March 2016	31 December 2015
Foreign currency purchases	63.086	115.886
Foreign currency sales	159.217	246.300
Total	222.303	362.186

	31 March 2016	31 December 2015
Currency swap purchases	1.703.438	1.871.978
Currency swap sales	1.235.849	1.348.580
Total	2.939.287	3.220.558

The maturity analysis of the off-balance sheet assets of the Banking segment at 31 March 2016 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees given	1.370.390	19.462.930	20.833.320
Letters of credits	3.076.809	1.371.536	4.448.345
Acceptance credits	1.938.812	5.095	1.943.907
Other guarantees	1.413.575	1.771.510	3.185.085
Total	7.799.586	22.611.071	30.410.657

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

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

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FOR THE INTERIM PERIOD ENDED 31 MARCH 2016**

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NOTE 11 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

On 22 January 2013, Exsa, a subsidiary of the Group, is subjected to a tax penalty statement due to the corporate tax calculation in 2010 with an additional tax amounting to TL 39 million and its penalty amounting to TL 58 million. The main comment at the tax investigation report in accordance with the penalty is related to the spin-off transaction that took part in 2010 which was previously subjected to another investigation report in 2011. Regarding to that report in 2011, the Company has already reached a reconciliation with the Ministry of Finance. On 22 January 2013, the Company applied to the Ministry of Finance to reach a reconciliation settlement according to the same issue and the same year but no reconciliation was provided. The Company filed a lawsuit related to this matter. The lawsuit has been resolved in favor of the entity on 9 May 2014 and the decision has been appealed by the internal revenue service. Exsa management did not allow any provision in the financial statements for period ended on 31 March 2016 taking into account the legal advisors and tax experts’ opinions stating that the final legal process has not yet been completed and the uncertainty is still continuing.

Aksigorta, a joint venture of the Group, has been subjected to limited tax investigation by T.R. Ministry of Finance Tax Audit Board in 24 June 2014 regarding 2009, 2010, 2011 and 2012 banking and insurance transaction tax. As a result of the limited tax investigation, the Company was charged for TL 1,8 million tax and TL 2,8 million tax penalty for the year 2009, TL 2 million tax and TL 3 million tax penalty for the year 2010, TL 3 million tax and TL 4,6 million tax penalty for the year 2011, TL 4,3 million tax and TL 6,4 million tax penalty for the year 2012, a total of TL 27,9 million tax and tax penalty on the grounds that salvage transactions were not subject to banking and insurance transactions tax. The Company did not allow any provision in the financial statements since they believe that their practice is in accordance with the legislation. The Company has appealed for a reconciliation settlement for the taxes and penalties regarding the year 2009 on 16 January 2009 and years regarding 2010, 2011 and 2012 on 20 February 2015 to Large Taxpayers Office Reconciliation Commission.

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

NOTE 11 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

The economic risk concentration of the commitments of the Banking segment at 31 March 2016 and 31 December 2015 is as follows:

	31 March 2016	31 December 2015
Financial institutions	4.067.235	4.680.024
Construction	3.626.884	3.753.902
Chemicals	2.986.565	3.157.227
Wholesale	6.736.728	6.141.969
Small-scale enterprises	3.421.990	3.461.873
Steel and mining	1.630.775	1.771.624
Food and beverage	473.569	455.109
Electricity, gas and water	1.648.037	1.807.922
Automotive	739.488	767.684
Other manufacturing industries	1.541.130	1.599.379
Electronics	405.797	420.290
Textile	703.044	711.655
Transportation	317.999	318.507
Telecommunication	60.266	61.115
Tourism	182.271	187.396
Agriculture and forestry	53.536	53.886
Other	1.815.346	1.681.961
Total	30.410.660	31.031.523

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

NOTE 12 – COMMITMENTS

Collaterals, pledges and mortgages ("CPM") given by Subsidiaries at 31 March 2016 is as follows;

	31 March 2016				
	Total TL Equivalent	TL	USD	EUR	Other
A. Total amount of the collaterals given for its own legal entity	717.365	172.897	137.574	48.071	451
B. Collaterals given on behalf of fully consolidated companies	1.428.061	1.019.732	88.134	49.072	1.180
C. Collaterals given on behalf of the third parties' debt for continuation of their economic activities	30.594.025	12.390.880	4.419.788	1.677.839	273.635
. 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	32.739.451	13.583.509	4.645.497	1.774.982	275.266
A. Total amount of the mortgages given for its own legal entity	75.535	-	-	23.545	-
B. Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C. Mortgages given on behalf of third parties 'debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other mortgages					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Mortgages	75.535	-	-	23.545	-
A. Total amount of the pledges given for its own legal entity	-	-	-	-	-
B. Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C. Pledges given on behalf of third parties 'debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other pledges					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	-	-	-	-	-

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

NOTE 12 – COMMITMENTS (Continued)

Collaterals, pledges and mortgages ("CPM") given by Joint Ventures at 31 March 2016 is as follows:

	Total TL Equivalent	31 March 2016			
		TL	USD	EUR	Other
A. Total amount of the collaterals given for its own legal entity	2.093.211	1.918.875	59.997	1.353	-
B. Collaterals given on behalf of fully consolidated companies	-	-	-	-	-
C. Collaterals given on behalf of the third parties 'debt for continuation of their economic activities	254	253	-	-	-
D. Total amount of other collaterals					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	203	203	-	-	-
Total Collaterals	2.093.668	1.919.331	59.997	1.353	-
A. Total amount of the mortgages given for its own legal entity	-	-	-	-	-
B. Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C. Mortgages given on behalf of third parties' debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other mortgages					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Mortgages	-	-	-	-	-
A. Total amount of the pledges given for its own legal entity	-	-	-	-	-
B. Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C. Pledges given on behalf of third parties 'debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other pledges					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	-	-	-	-	-

As of 31 March 2016, the ratio of the Group's other CPM's to the Group's equity is 0,0005%.

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NOTE 12 – COMMITMENTS (Continued)

Collaterals, pledges and mortgages (“CPM”) given by the Subsidiaries at 31 December 2015 is as follows;

	31 December 2015				
	Total TL Equivalent	TL	USD	EUR	Other
A. Total amount of the collaterals given for its own legal entity	750.267	131.461	144.484	58.869	11.642
B. Collaterals given on behalf of fully consolidated companies	1.347.914	979.321	59.675	61.393	-
C. Collaterals given on behalf of the third parties’ debt for continuation of their economic activities	31.031.523	12.783.633	4.334.931	1.682.094	298.623
D. Total amount of other collaterals					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Collaterals	33.129.704	13.894.415	4.539.090	1.802.356	310.265
A. Total amount of the mortgages given for its own legal entity	75.535	-	-	23.771	-
B. Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C. Mortgages given on behalf of third parties ‘debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other mortgages					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Mortgages	75.535	-	-	23.771	-
A. Total amount of the pledges given for its own legal entity	-	-	-	-	-
B. Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C. Pledges given on behalf of third parties’ debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other pledges					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	-	-	-	-	-

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NOTE 12 – COMMITMENTS (Continued)

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

	Total TL Equivalent	31 December 2015			
		TL	USD	EUR	Other
A. Total amount of the collaterals given for its own legal entity	1.480.870	1.476.498	246	1.151	-
B. Collaterals given on behalf of fully consolidated companies	-	-	-	-	-
C. Collaterals given on behalf of the third parties 'debt for continuation of their economic activities	79	79	-	-	-
D. Total amount of other collaterals					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	203	203	-	-	-
Total Collaterals	1.481.152	1.476.780	246	1.151	-
A. Total amount of the mortgages given for its own legal entity	-	-	-	-	-
B. Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C. Mortgages given on behalf of third parties 'debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other mortgages					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Mortgages	-	-	-	-	-
A. Total amount of the pledges given for its own legal entity	-	-	-	-	-
B. Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C. Pledges given on behalf of third parties' debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other pledges					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	-	-	-	-	-

As of 31 December 2015, the ratio of the Group's other CPM's to the Group's equity is 0,0005%.

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NOTE 13 - OTHER ASSETS AND LIABILITIES

Other Current Assets	31 March 2016	31 December 2015
Cheques in clearance	491.396	513.180
Deductible, deferred and other VAT	101.902	100.018
Other current assets	79.496	64.092
Total	672.794	677.290

Other Non-Current Assets	31 March 2016	31 December 2015
Long term tax claims and other legal receivables	-	5.157
Deductible, deferred and other VAT	15.279	17.778
Other non-current assets	40.999	40.263
Total	56.278	63.198

Other Short Term Liabilities	31 March 2016	31 December 2015
Cheques in clearance	986.940	1.028.687
Saving deposits insurance	31.905	35.641
Other short term liabilities	595.988	226.801
Total	1.614.833	1.291.129

NOTE 14 – EQUITY

Hacı Ömer Sabancı Holding A.Ş.'s authorised and issued capital consists of 204.040.393.100 (31 December 2015: 204.040.393.100) shares of Kr 1 each.

The Holding's authorised and paid-in share capital and shareholding structure at 31 March 2016 and 31 December 2015 is as follows:

Shareholders:	Share (%)	31 March 2016	Share (%)	31 December 2015
Sakıp Sabancı Holding A.Ş.	14,07	287.100	14,07	287.100
Serra Sabancı	7,21	147.160	7,21	147.160
Suzan Sabancı Dinçer	6,94	141.567	6,94	141.567
Çiğdem Sabancı Bilen	6,94	141.567	6,94	141.567
Other	64,84	1.323.010	64,84	1.323.010
Share capital	100,00	2.040.404	100,00	2.040.404

Capital adjustments due to cross-ownership (-)	(229.170)	-
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Share Premium	22.237	22.237
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As a result of the Board of Directors decision dated 22 December 2015, EXSA Export Sanayi Mamulleri Satış ve Araştırma A.Ş. (Exsa) has started acquiring publicly traded shares of Sabancı Holding in Borsa İstanbul. With these transactions Exsa's share in Sabancı Holding's share capital has reached 1,17% as of 6 May 2016. These shares is classified as capital adjustments due to cross-ownership in equity.

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NOTE 14 – 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 2016	31 December 2015
Legal reserves	582.384	559.450
Investments sales income	333.369	333.369
Total	915.753	892.819

Dividend Distribution

Public companies, distribute their dividends according to CMB's Communiqué Serial II, No: 19.1 Profit Share that came into effect starting from 1 February 2014.

Partnerships distribute dividends within the framework of profit distribution policies determined by their general assembly and in accordance with related legislation provisions by general assembly resolution. Under the aforementioned Communiqué, a minimum distribution ratio has not been determined. Companies distribute dividends according to their articles of incorporation or profit distribution policies.

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NOTE 14 – 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 January 2015	(95.908)	(127.903)	(61.072)	183.938
Increases/ (decreases) during the period	(90.283)	26.047	1.766	30.285
Gains transferred to income statement	(19.490)	1.178	-	-
Net gains & losses included in the income statement due to transfer of available for sale financial assets into held to maturity assets	(63.477)	-	-	-
Tax effect	34.658	(5.436)	(353)	-
Balance as of 31 March 2015	(234.500)	(106.114)	(59.659)	214.223
Balance as of 1 January 2016	(440.301)	(86.721)	(88.909)	283.604
Increases/ (decreases) during the period	272.584	(31.637)	(3.547)	(4.764)
Net gains & losses included in the income statement due to transfer of available for sale financial assets into held to maturity assets	10.960	-	-	-
Tax effect	(45.012)	5.612	709	-
Balance as of 31 March 2016	(259.652)	(109.662)	(91.747)	278.840

NOTE 15 – ASSETS CLASSIFIED AS HELD FOR SALE

1 January - 31 March 2016

According to the 31 December 2015 Board of Directors' Decision No. 2015/29 it has been decided that, a subsidiary of the Group, Kordsa Global's 51% and 100% shares in Nile Kordsa Company for Industrial Fabrics S.A.E. and Interkordsa GmbH respectively be classified under "Assets Held For Sale" in the balance sheet. Therefore, in the Group financial statements as of 31 March 2016, the financial results of Nile Kordsa Company for Industrial Fabrics S.A.E. and Interkordsa GmbH are classified under "Assets Held For Sale" in the balance sheet.

A subsidiary of the Group, Kordsa Global's subsidiary Nile Kordsa Company for Industrial Fabrics S.A.E.'s loss as of 31 March 2016 is full TL 3.326.516 (31 March 2015: full TL 994.160 loss). In 31 March 2016 and 31 March 2015 consolidated financial statements the operating result of this company is classified as income/expense from discontinued operations.

A subsidiary of the Group, Kordsa Global's subsidiary Interkordsa GmbH's loss for the period is full TL 99.677 (31 March 2015: full TL 401.667 loss). In 31 March 2016 and 31 March 2015 consolidated financial statements the operating result of this company is classified as income/expense from discontinued operations.

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NOTE 15 – ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

1 January - 31 March 2015

The share transfer agreement was signed on 13 January 2015 regarding the sale of all shares in Group's subsidiary SASA Polyester Sanayi A.Ş., corresponding to 51 % of the share capital of the Company, to Erdemoğlu Holding A.Ş. According the share transfer agreement, the transfer price of Sabancı Holding's shares in SASA Polyester Sanayi A.Ş., corresponding to 51 % of the share capital is USD 102 million, excluding adjustments. USD 20 million of the transfer price was paid in advance, the remaining USD 82 million was collected on 30 April 2015 and share transfer has been completed.

Profit or loss of Sasa has been classified as income / (loss) from discontinued operations in consolidated statement of profit or loss of 31 March 2015.

The statement of profit or loss of SASA for the period ended 31 March 2015 is as follows:

Statement of profit or loss

	1 January - 31 March 2015
Income	295.563
Expense	(282.575)
Net profit before tax	12.988
Tax / Deferred Tax	567
Net profit	13.555

NOTE 16 - FINANCE INCOME/EXPENSES

	1 January- 31 March 2016	1 January- 31 March 2015
Finance income		
Foreign currency gains	14.762	7.455
Total	14.762	7.455
Finance expenses		
Foreign currency loss	6.784	16.393
Interest expenses	49.490	23.665
Other financial expenses	9.095	6.281
Total	65.369	46.340

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

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NOTE 17 - TAX ASSETS AND LIABILITIES

	31 March 2016	31 December 2015
Corporate and income taxes payable	304.644	953.826
Less: prepaid taxes	(2.621)	(551.052)
Total taxes payable	302.023	402.774

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

The Corporate Tax Law was amended as of 13 June 2006 with Law No 5520. The majority of the clauses of Law No 5520 are effective as of 1 January 2006. The corporate tax rate of the fiscal year 2015 is 20% (2015: 20%). Corporation tax is applied on the total income after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, and investment allowance, etc.) and 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.

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NOTE 17 - 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 carry forward 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.

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NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

The tax charges for comprehensive income statement items for the periods ended 31 March 2016 and 2015 are as follows:

	31 March 2016			31 March 2015		
	Before tax	Tax charge	After tax	Before tax	Tax charge	After tax
Net unrealized fair value from available for sale financial assets	662.236	(132.447)	529.789	(265.694)	53.139	(212.555)
Net gain on available for sale financial assets transferred to the income statement	(142.045)	28.409	(113.636)	(47.828)	9.566	(38.262)
Net gain included in the income statement due to transfer of available for sale financial assets into held to maturity assets	26.895	(5.379)	21.516	(155.771)	31.154	(124.617)
Cash flow hedges	(27.630)	5.526	(22.104)	28.933	(5.787)	23.146
Income/ (loss) from the derivative financial assets related to the hedging of net investment in a foreign operation	(8.705)	1.741	(6.964)	4.334	(867)	3.467
Change in currency translation differences	(6.427)	-	(6.427)	45.651	-	45.651
Actuarial loss/gain	(61)	12	(49)	(2.516)	503	(2.013)
Other Comprehensive Income	504.263	(102.138)	402.125	(392.891)	87.708	(305.183)

Deferred tax

The Group recognizes 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.

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NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

At 31 March 2016, the Group has deferred income tax assets over carry forward tax losses in the amount of TL 226.255 which can be offset against future taxable profits for a period of five years (31 December 2015: TL 105.255). As of 31 March 2016 and 31 December 2015, carried forward tax losses and the latest annual periods are as follows:

	31 March 2016	31 December 2015
2016	-	11.196
2017	-	8.405
2018	1.088	11.899
2019	62.473	29.736
2020	162.694	44.019
Total	226.255	105.255

Deferred tax assets/(liabilities) for the periods ended 31 March 2016 and 31 December 2015 are as follows:

	31 March 2016	31 December 2015
Deferred Tax Assets	617.425	714.698
Deferred Tax Liabilities	(120.683)	(118.323)
Net Deferred Tax Assets	496.742	596.375

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NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax (continued)

The movements in deferred income tax assets/ (liabilities) for the periods ended 31 March 2016 and 2015 are as follows:

	2016	2015
1 January balances	596.375	362.437
Subsidiaries business combinations effect	115	-
Charged to equity	(125.788)	(18.566)
Currency translation differences	(4.749)	(9.790)
Charged to statement of profit or loss	23.668	(45.459)
Transfers to assets held-for-sale	7.071	-
Other	50	-
31 March	496.742	288.622

NOTE 18- DERIVATIVE FINANCIAL INSTRUMENTS

31 March 2016

	Fair Value	
	Asset	Liability
Derivative instruments held for trading:		
Foreign exchange derivative instruments		
Currency and interest rate swaps purchases and sales	2.051.858	1.568.689
Forward currency purchases and sales	199.073	177.109
Currency and interest rate futures purchases and sales	-	-
Currency options purchases and sales	239.421	262.067
Other purchases and sales	996.683	99.687
Total derivative instruments held for trading	3.487.035	2.107.552
Derivative instruments held for hedging:		
Currency and interest rate swaps purchases and sales	548.228	271.301
Forward currency purchases and sales	7.398	690
Currency purchases and sales transactions	-	5.237
Total derivative instruments held for hedging	555.626	277.228
Total derivative instruments	4.042.661	2.384.780

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NOTE 18- DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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

Akbank, Brisa 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 reserves within equity. Akbank also hedges its TL denominated fixed rate financial assets and foreign currency denominated financial liabilities with cross currency swaps. In order to eliminate foreign currency exchange risks that arise from exports made in EUR currency and raw material purchase transactions made in USD currency, Brisa makes forward foreign exchange purchase-sale agreements with EUR sales/USD purchase, TL sales/EUR purchase and TL sales/USD purchase specifications.

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NOTE 19 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS

Banking

Loans and advances to customers	31 March 2016	31 December 2015
Consumer loans and credit cards receivables	38.367.290	39.226.044
Project finance loans	24.331.072	23.426.197
Small-scale enterprises	13.251.672	12.937.790
Health care and social services	1.582.875	1.594.398
Other manufacturing industries	9.024.896	8.836.325
Construction	13.710.848	13.772.265
Financial institutions	12.784.353	12.366.155
Telecommunication	4.580.586	4.579.290
Mining	4.163.950	3.718.392
Chemicals	1.529.133	1.458.066
Textile	3.713.946	3.579.486
Food and beverage, wholesale and retail	2.538.699	2.632.605
Automotive	1.620.912	1.724.711
Tourism	2.746.759	2.702.900
Agriculture and forestry	1.621.926	1.578.102
Electronics	1.180.151	340.375
Other	17.467.129	18.335.340
Non-performing loans	3.197.313	3.373.323
Total loans and advances to customers	157.413.510	156.181.764
Allowance for loan losses	(5.574.124)	(5.701.872)
Leasing receivables	3.977.403	3.958.451
Net loans and advances to customers	155.816.789	154.438.343

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NOTE 19 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

Banking (continued)

The movement of loan loss provision of banking segment as of 31 March 2016 by class is as follows:

	Corporate	Commercial	Total
1 January 2016	2.679.248	3.022.624	5.701.872
Gross provisions	196.169	314.293	510.462
Recoveries	(46.810)	(131.464)	(178.274)
Written-off (*)	(103.817)	(356.118)	(459.935)
31 Mart 2016	2.724.790	2.849.335	5.574.125

(*)The Bank has sold TL 450,1 million (full TL amount) of non-performing loans portfolio for which a 100% provision has been written in the previous periods to Güven Varlık A.Ş. for TL 49,1 million (full TL amount) worth.

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

	Corporate	Commercial	Total
1 January 2015	2.016.841	2.254.267	4.271.108
Gross provisions	245.462	339.581	585.043
Recoveries	(39.195)	(97.258)	(136.453)
Written-off	(57.804)	(195.970)	(253.774)
31 March 2015	2.165.304	2.300.620	4.465.924

The maturity schedule of loans and advances to customers at 31 March 2016 and 31 December 2015 are summarized below:

	31 March 2016	31 December 2015
Up to 3 months	44.585.241	42.616.346
3 to 12 months	33.048.164	34.802.687
Current	77.633.405	77.419.033
1 to 5 years	52.476.453	53.425.747
Over 5 years	21.546.556	19.635.112
Non-current	74.023.009	73.060.859
Total	151.656.414	150.479.892

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NOTE 19 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

Banking (continued)

The repricing schedule of loans and advances to customers at 31 March 2016 and 31 December 2015 are summarized below:

	31 March 2016	31 December 2015
Up to 3 months	67.637.142	60.788.870
3 to 12 months	38.256.363	44.549.095
1 to 5 years	39.163.922	39.025.020
Over 5 years	6.598.987	6.116.907
Total	151.656.414	150.479.892

NOTE 20 - PAYABLES FROM FINANCE SECTOR OPERATIONS

Banking

	31 March 2016			31 December 2015		
	Demand	Time	Total	Demand	Time	Total
Saving deposits	11.532.128	67.700.058	79.232.186	11.275.748	67.455.714	78.731.462
Commercial deposits	13.472.584	39.329.564	52.802.148	10.134.810	42.515.523	52.650.333
Bank deposits	485.162	12.424.988	12.910.150	256.697	12.661.189	12.917.886
Funds provided from repo transactions	-	26.416.506	26.416.506	-	24.169.207	24.169.207
Other	780.633	3.690.127	4.470.760	1.028.245	2.925.399	3.953.644
Total	26.270.507	149.561.243	175.831.750	22.695.500	149.727.032	172.422.532

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NOTE 21 - 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. 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 2016 and 2015 are as follows:

	31 March 2016	31 March 2015
Short term benefits	9.068	9.176
Benefits resulted from discharge	206	-
Other long term benefits	70	70
Total	9.344	9.246

NOTE 22 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS**35.1 Financial Instruments and Financial Risk Management****35.1.1 Financial Risk Management**

The Group is exposed to a variety of financial risks due to its operations. These risks are; market risk (including exchange risk, fair value interest rate risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on minimizing the effects of the unpredictability of financial markets and their possible adverse effects on the Group's financial performance. The Group uses financial derivative instruments in order to hedge from various risks.

Financial risk management is carried out within the context of policies approved by their Board of Directors for each Subsidiary and Jointly Controlled Entity.

35.1.1.1 Foreign Exchange Risk

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency assets and liabilities to local currency. These risks are monitored and limited by analyzing 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.

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NOTE 22 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

35.1.1.1 Foreign Exchange Risk (continued)

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 2016 and 31 December 2015 in terms of TL are as follows:

	31 March 2016	31 December 2015
Assets	131.914.621	128.626.065
Liabilities	(132.732.240)	(136.166.574)
Net foreign currency balance sheet position	(817.619)	(7.540.509)
Off-balance sheet derivative financial instruments position	1.804.833	8.402.706
Net foreign currency balance sheet and off-balance sheet position	987.214	862.197

31 March 2016	Total TL Equivalent	USD TL Equivalent	EUR TL Equivalent	GBP TL Equivalent	Other TL Equivalent
Assets:					
Cash and Cash Equivalents	6.627.838	5.148.701	1.316.026	33.667	129.444
Financial Assets	28.402.293	22.969.858	5.432.435	-	-
Receivables from Financial Operations	65.803.890	36.996.685	28.745.300	12.335	49.570
Reserve Deposits at Central Bank	29.137.582	21.315.010	3.803.334	-	4.019.237
Trade Receivables	781.738	258.430	427.198	9.326	86.782
Other Current Assets	1.161.280	594.569	492.745	115	73.851
Total assets	131.914.621	87.283.253	40.217.038	55.443	4.358.884
Liabilities:					
Funds Borrowed and Debt					
Securities in Issue	34.123.337	24.263.483	9.685.758	5.014	169.082
Customer Deposits	96.801.034	67.818.553	26.341.505	1.294.466	1.346.510
Trade Payables	297.578	169.204	88.824	462	39.088
Other Payables and Provisions	1.510.291	620.818	840.678	2.305	46.491
Total liabilities	132.732.240	92.872.058	36.956.765	1.302.247	1.601.171
Net foreign currency asset/ (liability) position of off-balance sheet derivative financial instruments	1.804.833	5.197.765	(2.462.917)	1.254.068	(2.184.083)
Net foreign currency asset/ (liability) position	987.214	(391.040)	797.356	7.264	573.630

Net profit effect of the consolidated to the total net foreign currency position is TL 92.300 as of 31 March 2016 (Akbank and Philsa-Philip Morris excluded).

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NOTE 22 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

35.1.1.1 Foreign Exchange Risk (continued)

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

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 22 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

35.1.1.1 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 2016 and 31 March 2015 is summarized as follows:

31 March 2016

	Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%		
USD net assets/liabilities	13.971	(13.971)
Hedged items (-)		
USD net effect	13.971	(13.971)
Change in EUR against TL by 10%		
EUR net assets/liabilities	21.063	(21.063)
Hedged items (-)		
EUR net effect	21.063	(21.063)
Change in GBP against TL by 10%		
GBP net assets/liabilities	354	(354)
Hedged items (-)		
GBP net effect	354	(354)
Change in other currency against TL by 10%		
Other currency net assets/liabilities	(1.446)	1.446
Hedged items (-)		
Other currency net effect	(1.446)	1.446

31 March 2015

	Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%		
USD net assets/liabilities	(24.639)	24.639
Hedged items (-)		
USD net effect	(24.639)	24.639
Change in EUR against TL by 10%		
EUR net assets/liabilities	(6.107)	6.107
Hedged items (-)		
EUR net effect	(6.107)	6.107
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	8.006	(8.006)
Hedged items (-)		
Other currency net effect	8.006	(8.006)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2016

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

NOTE 23 - EVENTS AFTER THE REPORTING PERIOD

In Sabancı Holding’s Board of Directors Meeting in 25 April 2016, it has been decided to sell Sabancı Holding’s 0,14% shares with a nominal value of TL 946.986 in its subsidiary Carrefoursa A.Ş.’s capital, that has been acquired by “call” within one year in İstanbul Stock Exchange. Regarding to this decision, the sale transaction of Carrefoursa A.Ş.’s shares has occurred between 26-27-29 April and 2-6 May 2016 with a price range of TL 6,70-7,88 and a nominal value of TL 722.663. With this transaction, the Group’s share in Carrefoursa A.Ş.’s capital has been 50,64%.