

**HACI ÖMER SABANCI HOLDİNG A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2019**

**(ORIGINALLY ISSUED IN TURKISH)**

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**CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HACI ÖMER SABANCI HOLDİNG A.Ş.**

**CONDENSED CONSOLIDATED BALANCE SHEET AT 31 MARCH 2019 AND 31 DECEMBER 2018**

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

	<b>Note</b>	<b>31 March</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>References</b>	<b>2019 USD (*)</b>	<b>Current</b>	<b>Prior</b>
			<b>Period</b>	<b>Period</b>
			<b>31 March</b>	<b>31 December</b>
			<b>2019</b>	<b>2018</b>
<b>ASSETS</b>				
<b>Current Assets</b>		<b>37.993.475</b>	<b>213.842.478</b>	<b>185.300.225</b>
Cash and Cash Equivalents		5.295.883	29.807.350	23.657.667
Financial Investments		3.111.254	17.511.385	15.837.844
- Fair Value Through Profit or Loss	5.a	1.250.436	7.037.953	6.869.025
- Fair Value Through Other Comprehensive Income	5.b	1.263.530	7.111.655	5.450.262
- At Amortised Cost	5.c	597.288	3.361.777	3.518.557
Trade Receivables		365.110	2.054.985	2.010.806
Receivables from Finance Sector Operations	22	20.737.676	116.719.933	104.749.857
Reserve Deposits with the Central Bank of the Republic of Turkey		5.976.024	33.635.451	26.433.745
Other Receivables	8	480.516	2.704.536	1.784.144
Derivative Financial Instruments	21	1.080.626	6.082.197	5.147.767
Inventories		569.769	3.206.890	2.944.845
Prepaid Expenses		180.092	1.013.630	900.603
Current Tax Assets		3.715	20.911	16.167
Other Current Assets	16	191.439	1.077.496	1.802.560
		<b>37.992.104</b>	<b>213.834.764</b>	<b>185.286.005</b>
Assets Clasified as Held for Sale	18	1.371	7.714	14.220
<b>Non-current Assets</b>		<b>34.014.173</b>	<b>191.445.381</b>	<b>186.386.046</b>
Financial Assets		9.478.059	53.346.311	47.654.602
- Fair Value Through Other Comprehensive Income	5.b	7.927.213	44.617.528	38.909.591
- At Amortised Cost	5.c	1.550.846	8.728.783	8.745.011
Trade Receivables		16.899	95.116	126.256
Receivables From Finance Sector Operations	22	17.557.062	98.818.169	101.849.702
Other Receivables	8	477.390	2.686.942	3.054.550
Derivative Financial Instruments	21	3.267.936	18.393.249	17.540.849
Investments Accounted Through Equity Method	9	1.165.566	6.560.272	6.756.459
Investment Property		25.740	144.875	136.930
Property, Plant and Equipment	10	1.200.177	6.755.077	6.626.678
Right On Use Assets	12	343.392	1.932.748	-
Intangible Assets		380.684	2.142.646	2.108.876
- Goodwill	13	153.106	861.744	849.215
- Other Intangible Asset	11	227.578	1.280.902	1.259.661
Prepaid Expenses		3.921	22.069	20.991
Deferred Tax Assets	20	69.986	393.910	372.640
Other Non-current Assets	16	27.361	153.997	137.513
<b>Total Assets</b>		<b>72.007.648</b>	<b>405.287.859</b>	<b>371.686.271</b>

\* USD amounts presented above are translated from TRY for convenience purposes only, at the official TRY Exchange rate announced by CBRT at 31 March 2019, and therefore do not form part of these consolidated financial statements.

These consolidated financial statements have been approved for issue by the Board of Directors on 9 May 2019. General Assembly has the right to change these consolidated financial statements.

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HACI ÖMER SABANCI HOLDİNG A.Ş.**

**CONDENSED CONSOLIDATED BALANCE SHEET AT 31 MARCH 2019 AND 31 DECEMBER 2018**

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

	Note References	31 March 2019 USD (*)	Unaudited Current Period 31 March 2019	Audited Prior Period 31 December 2018
<b>LIABILITIES</b>				
<b>Current Liabilities</b>		<b>49.289.694</b>	<b>277.422.118</b>	<b>255.444.010</b>
Short Term Borrowings	6	2.961.855	16.670.507	9.726.191
Current Portion of Long Term Borrowings	6	3.614.436	20.343.494	20.815.668
Liabilities From Leasing Transactions	7	53.062	298.654	-
Trade Payables		655.216	3.687.818	3.372.749
Payables from Finance Sector Operations	23	39.569.312	222.711.914	205.815.346
Payables related to Employee Benefits		22.095	124.362	93.671
Other Payables	8	1.269.055	7.142.749	6.142.410
Derivative Financial Instruments	21	698.543	3.931.677	5.348.337
Deferred Income		47.041	264.766	291.868
Income Taxes Payable	20	16.309	91.793	62.396
Short Term Provisions		164.758	927.324	1.006.206
- Short Term Provisions for Employee Benefits		50.622	284.919	327.351
- Other Short Term Provisions	14	114.136	642.405	678.855
Other Short Term Liabilities	16	216.910	1.220.856	2.764.894
		<b>49.288.592</b>	<b>277.415.914</b>	<b>255.439.736</b>
Liabilities Classified as Held for Sale	18	1.102	6.204	4.274
<b>Long Term Liabilities</b>		<b>12.283.234</b>	<b>69.134.952</b>	<b>59.846.465</b>
Long Term Borrowings	6	5.868.498	33.030.252	35.222.289
Liabilities From Leasing Transactions	7	299.700	1.686.829	-
Payables from Finance Sector Operations	23	3.662.932	20.616.445	13.818.904
Other Payables	8	785.711	4.422.297	2.372.596
Derivative Financial Instruments	21	1.424.250	8.016.248	7.583.133
Deferred Income		17.660	99.399	116.833
Long Term Provisions		86.886	489.026	452.305
- Long Term Provisions for Employee Benefits		85.801	482.921	448.045
- Other Long Term Provisions	14	1.085	6.105	4.260
Taxes and Funds Payable	8	2.042	11.494	-
Deferred Tax Liabilities	20	123.199	693.415	185.504
Other Long Term Liabilities	16	12.356	69.547	94.901
<b>EQUITY</b>		<b>10.434.720</b>	<b>58.730.789</b>	<b>56.395.796</b>
<b>Equity Attributable To The Parent</b>	<b>17</b>	<b>5.221.267</b>	<b>29.387.392</b>	<b>29.289.967</b>
Share Capital	17	362.519	2.040.404	2.040.404
Adjustments to Share Capital		608.834	3.426.761	3.426.761
Share Premium	17	3.951	22.237	22.237
Treasury shares (-)	17	(33.841)	(190.470)	(190.470)
Other Comprehensive Income or Expenses That Will Not Be Reclassified to Profit or Loss		(14.249)	(80.199)	(74.784)
- Actuarial Gain/Loss		(14.249)	(80.199)	(74.784)
Other Comprehensive Income or Expenses That Will Be Reclassified to Profit or Loss		(2.474.026)	(664.160)	(370.833)
- Currency Translation Reserve	17	(2.085.135)	1.524.672	1.382.776
- Gains/Losses on Hedge	17	(107.485)	(604.967)	(535.681)
- Revaluation Reserve	17	(281.406)	(1.583.865)	(1.217.928)
Restricted Reserves	17	201.974	1.136.788	1.050.078
Retained Earnings		6.369.008	22.639.019	19.556.239
Net Income for the Period		197.097	1.057.012	3.830.335
<b>Non-controlling Interests</b>		<b>5.213.453</b>	<b>29.343.397</b>	<b>27.105.829</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>72.007.648</b>	<b>405.287.859</b>	<b>371.686.271</b>

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HACI ÖMER SABANCI HOLDİNG A.Ş.**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31  
MARCH 2019 AND 2018**

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

	<b>Note References</b>	<b>1 January - 31 March 2019 (USD) (*)</b>	<b>Unaudited Current Period 1 January - 31 March 2019</b>	<b>Unaudited Prior Period 1 January - 31 March 2018</b>
<b>CONTINUING OPERATIONS</b>				
Sales (net)	4	799.629	4.288.335	3.407.160
Cost of Sales (-)	4	(637.241)	(3.417.461)	(2.704.894)
<b>Gross Profit from Non-Financial Operations</b>		<b>162.388</b>	<b>870.874</b>	<b>702.266</b>
Interest, Premium, Commission and Other Income	4	1.988.184	10.662.441	7.914.655
Interest, Premium, Commission and Other Expense (-)	4	(1.295.597)	(6.948.161)	(4.325.367)
<b>Gross Profit from Financial Operations</b>		<b>692.587</b>	<b>3.714.280</b>	<b>3.589.288</b>
<b>GROSS PROFIT</b>		<b>854.975</b>	<b>4.585.154</b>	<b>4.291.554</b>
General and Administrative Expenses (-)		(345.754)	(1.854.245)	(1.480.864)
Marketing Expenses (-)		(103.539)	(555.272)	(464.465)
Research and Development Expenses (-)		(499)	(2.678)	(2.429)
Other Income from Operating Activities		62.344	334.346	242.784
Other Expense from Operating Activities (-)		(54.445)	(291.982)	(167.085)
Share of Profit of Investments Accounted for Using the Equity Method	9	71.722	384.638	149.873
<b>OPERATING PROFIT</b>		<b>484.804</b>	<b>2.599.961</b>	<b>2.569.368</b>
Income from Investing Activities		4.018	21.550	181.518
Expense from Investing Activities (-)		(82)	(439)	(352)
<b>OPERATING PROFIT BEFORE FINANCIAL EXPENSES</b>		<b>488.740</b>	<b>2.621.072</b>	<b>2.750.534</b>
Financial Income	19	5.147	27.605	6.712
Financial Expenses (-)	19	(51.429)	(275.810)	(151.403)
<b>INCOME BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>442.458</b>	<b>2.372.867</b>	<b>2.605.843</b>
<b>Tax Expense from Continuing Operations</b>				
Current Tax Expense	20	(19.929)	(106.877)	(351.683)
Deferred Tax Income/(Expense)	20	(63.030)	(338.025)	(163.086)
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>359.499</b>	<b>1.927.965</b>	<b>2.091.074</b>
<b>DURDURULAN FAALİYETLER</b>				
Income After Tax From Discontinued Operations	18	(4)	(22)	25
<b>PROFIT FOR THE PERIOD</b>		<b>359.495</b>	<b>1.927.943</b>	<b>2.091.099</b>
<b>ALLOCATION OF PROFIT</b>				
- Non-controlling Interests		162.398	870.931	1.024.711
- Owner of the Company		197.097	1.057.012	1.066.388
Earnings per share				
- hundredss of ordinary shares (TRY)		0,10	0,52	0,52
Earnings per share from continuing operations				
- hundredss of ordinary shares (TRY)		0,10	0,52	0,52

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**CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM CONDENSED CONSOLIDATED  
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**HACI ÖMER SABANCI HOLDİNG A.Ş.**

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE  
PERIOD ENDED**

**31 MARCH 2019 AND 2018**

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

	<b>Note References</b>	<b>Unaudited Current Period 1 January - 31 March 2019</b>	<b>Unaudited Prior Period 1 January - 31 March 2018</b>
<b>INCOME FOR THE PERIOD</b>		<b>1.927.943</b>	<b>2.091.099</b>
<b>Other Comprehensive Income / (Loss):</b>			
<b>Items that will not be Reclassified</b>			
<b>To Profit or Loss</b>	<b>20</b>	<b>(12.394)</b>	<b>7.712</b>
Actuarial (losses) / gains		(12.212)	8.241
Other comprehensive income/(expense) shares of investments accounted by equity method, after tax		(182)	(529)
<b>Items that will be Reclassified</b>			
<b>To Profit or Loss</b>		<b>(588.151)</b>	<b>42.858</b>
Fair value gains/(losses) from financial assets through other comprehensive income		(806.968)	(312.837)
Currency translation differences	20	319.920	292.709
Cash flow hedges, after tax		69.424	147.297
Loss from the derivative financial assets related to the hedging of net investment in a foreign operation, after tax		(67.068)	(88.459)
Other comprehensive income/(expense) shares of investments accounted by equity method, after tax		(103.459)	4.148
<b>OTHER COMPREHENSIVE INCOME (AFTER TAX)</b>	<b>20</b>	<b>(600.545)</b>	<b>50.570</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1.327.398</b>	<b>2.141.669</b>
<b>ALLOCATION OF TOTAL COMPREHENSIVE INCOME</b>			
- Non-controlling Interests		569.128	1.056.073
- Equity Holders of the Parent		758.270	1.085.596

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

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2019 AND 2018

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

	Accumulated Other Comprehensive Income or Loss That Will													
					Not be reclassified		Be reclassified							
					Profit or Loss									
	Share Capital	Adjustment to share capital	Treasury Shares (-)	Share premium	Actuarial gains/ losses	Currency translation reserve	Hedge Reserve	Revaluation Funds	Restricted reserves	Retained earnings	Net income for the year	Equity attributable to the parent	Non-controlling interests	Total
Balances at 1 January 2018	2.040.404	3.426.761	(190.470)	22.237	(76.380)	724.660	(349.708)	(310.337)	1.032.916	16.790.619	3.481.086	26.591.788	25.406.151	51.997.939
Effect of changes in accounting policies	-	-	-	-	-	-	-	57.591	-	(48.749)	-	8.842	20.888	29.730
Restated balance as of 1 January 2018	2.040.404	3.426.761	(190.470)	22.237	(76.380)	724.660	(349.708)	(252.746)	1.032.916	16.741.870	3.481.086	26.600.630	25.427.039	52.027.669
Transfers	-	-	-	-	-	-	-	-	20.845	3.460.241	(3.481.086)	-	-	-
Dividends paid (*)	-	-	-	-	-	-	-	-	-	(639.523)	-	(639.523)	(999.042)	(1.638.565)
Other (**)	-	-	-	-	696	-	-	(435)	(13.919)	15.765	-	2.107	-	2.107
Total Comprehensive Income	-	-	-	-	3.588	122.705	17.756	(124.841)	-	-	1.066.388	1.085.596	1.056.073	2.141.669
Balances at 31 March 2018	2.040.404	3.426.761	(190.470)	22.237	(72.096)	847.365	(331.952)	(378.022)	1.039.842	19.578.353	1.066.388	27.048.810	25.484.070	52.532.880
Balances at 1 January 2019	2.040.404	3.426.761	(190.470)	22.237	(74.784)	1.382.776	(535.681)	(1.217.928)	1.050.078	19.556.239	3.830.335	29.289.967	27.105.829	56.395.796
Transfers	-	-	-	-	-	-	-	-	86.710	3.743.625	(3.830.335)	-	-	-
Dividends paid (*)	-	-	-	-	-	-	-	-	-	(660.845)	-	(660.845)	(112.462)	(773.307)
Capital Increase (***)	-	-	-	-	-	-	-	-	-	-	-	-	1.780.902	1.780.902
Total Comprehensive Income	-	-	-	-	(5.415)	141.896	(69.286)	(365.937)	-	-	1.057.012	758.270	569.128	1.327.398
Balances at 31 March 2019	2.040.404	3.426.761	(190.470)	22.237	(80.199)	1.524.672	(604.967)	(1.583.865)	1.136.788	22.639.019	1.057.012	29.387.392	29.343.397	58.730.789

(\*) Dividends paid by the Holding per share with a TRY 1 nominal value is TRY 0,30 (2018: 0,30 TRY).

(\*\*) As of February 8, 2018, Enerjisa Enerji A.Ş., a joint venture of the Group, initial public offering is completed with a 20% share.

(\*\*\*) In January 2019, Akbank's subsidiary's paid-in capital increased by TRY 1.2 billion (full) to TRY 5.2 billion (full) from 4 billion (full) TRY.

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

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**HACI ÖMER SABANCI HOLDİNG A.Ş.**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31  
MARCH 2019 AND 2018**

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

	<b>Note References</b>	<b>Unaudited 1 January - 31 March 2019</b>	<b>Unaudited 1 January - 31 March 2018</b>
Net income before tax from continuing operations		2,372,867	2,605,843
Net income after tax from discontinued operations		(22)	25
<b>Adjustments to reconcile income before taxation to net cash provided by operating activities:</b>			
Depreciation and amortisation expenses	4	334,362	192,439
Provision for loan losses		1,293,790	566,805
Changes in the fair value of derivative instruments		(2,802,528)	(1,233,563)
Interest income and foreign currency gains		1,242,321	(800,158)
Interest expense		91,145	40,149
Provision for employment termination benefits		155,393	34,766
Impairment charge on property, plant and equipment, intangible assets and investment property	10.11	3,660	(3,760)
Profit of Sales to Property, plant and equipment and intangible assets		(16,236)	(51,397)
Income from associates and joint ventures		(384,638)	(149,873)
Business partnerships share sales revenue		-	(122,988)
Provision for / (reversal of) inventory impairment		3,694	(5,339)
Provision for / (reversal of) doubtful receivables		31,894	430
Adjustments for unrealized currency translation differences		(26,177)	196,710
Other		-	9,161
<b>Net cash provided by operating activities before changes in operating assets and liabilities</b>		<b>2,299,525</b>	<b>1,279,250</b>
Changes in trade receivables		(44,933)	5,626
Changes in inventories		(248,436)	(341,112)
Changes in other receivables and other current assets		340,700	(1,244,816)
Changes in trade payables		315,069	(282,961)
Changes in other liabilities and other payables		1,034,508	1,452,321
Net cash provided in operating activities of assets classified as held for sale		8,436	19,347
<b>Changes in assets and liabilities in finance segment:</b>			
Changes in securities held for trading		(168,318)	(308,016)
Changes in receivables from financial operations		(9,384,024)	(9,842,303)
Changes in payables from financial operations		23,701,982	5,690,662
Changes in reserve with the Central Bank of the Republic of Turkey		(6,647,272)	(632,724)
Income taxes paid	20	(107,205)	(802,498)
Employment termination benefits paid		(28,510)	(22,823)
<b>Net cash used in operating activities</b>		<b>11,071,522</b>	<b>(5,030,047)</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures	4	(263,215)	(291,706)
Sale / (purchase) of available for sale and held to maturity financial assets		(7,389,910)	4,178,462
Cash from joint ventures		-	738,168
Proceeds from sale of non current assets held for sale, property, plant and equipment and intangible assets		44,053	157,283
Dividends received		174,347	394,499
Capital increase in joint ventures		-	(714,000)
<b>Net cash provided from / (used in) investing activities</b>		<b>(7,434,725)</b>	<b>4,462,706</b>
<b>Cash flows from financing activities:</b>			
Changes in financial liabilities		4,133,543	1,046,471
Cash inflows due to capital increase of subsidiaries		1,780,902	-
Dividends paid to non-controlling interests		(18,967)	(999,042)
<b>Net cash provided by / (used in) financing activities</b>		<b>5,895,478</b>	<b>47,429</b>
Effect of change in foreign currency rates on cash and cash equivalents		(2,837,539)	457,623
Net increase/(decrease) in cash and cash equivalents		6,694,736	(62,289)
Cash and cash equivalents at the beginning of the period (*)		18,654,340	9,975,545
<b>Cash and cash equivalents at the end of the period</b>		<b>25,349,076</b>	<b>9,913,256</b>

(\*) Cash and cash equivalents at the end of the period comprise interest accruals of TRY 9.813 (31 December 2018: TRY 432). At the beginning and at the end of the current period, restricted deposit is TRY 5.002.895 and TRY 4.448.461, respectively (31 December 2018: TRY 4.541.840 and TRY 5.002.895, respectively).

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



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**HACI ÖMER SABANCI HOLDİNG A.Ş.**

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(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY 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 as of 31 March 2019 is 64.042 (31 December 2018: 64.294). Holding's registered address is as follows:

Sabancı Center, 4. Levent, İstanbul, Türkiye.

The Holding is registered with the Capital Markets Board ("CMB") and its shares have been quoted on Borsa İstanbul ("BİST") (previously known as the Istanbul Stock Exchange ("ISE")) since 1997. As of 31 March 2019, 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
	<b>100,00</b>

The Holding, its subsidiaries, associates and joint ventures are together referred as the "Group". The Holding is managed by Sabancı Family.

**Subsidiaries**

As of 31 March 2019, the nature of the business of the Subsidiaries consolidated in these consolidated financial statements and, their respective business segments are as follows:

Subsidiaries	Trade Stock Market	Type of Activity	Business Segment	Number of employees
Akbank T.A.Ş. ("Akbank")	BİST	Banking	Banking	16.893
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. ("Carrefoursa")	BİST	Trade	Retail	11.859
Teknosa İç ve Dış Ticaret A.Ş. ("Teknosa")	BİST	Trade	Retail	2.270
Çimsa Çimento Sanayi ve Ticaret A.Ş. ("Çimsa")	BİST	Cement	Cement	2.313
Kordsa Teknik Tekstil Anonim Şirketi ("Kordsa")	BİST	Tire reinforcement	Industry	4.431
Temsa Global Sanayi ve Ticaret A.Ş. ("Temsa")	-	Automotive	Industry	1.582
Yünsa Yünlü Sanayi ve Ticaret A.Ş. ("Yünsa")	BİST	Textile	Industry	1.153
Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. ("Exsa")	-	Trade	Other	8
Ankara Enternasyonel Otelcilik A.Ş. ("AEO")	-	Tourism	Othe	2
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. ("Tursa")	-	Tourism	Other	3
Sabancı Dijital Teknoloji Hizmetleri A.Ş. ("SabancıDX")	-	Information Technology	Other	171

All affiliates are registered in Turkey.

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**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 2019, 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	Traded Stock Market	Type of Activity	Business Segment	Ventures	Number of Employees
Aksigorta A.Ş. ("Aksigorta")	BİST	Insurance	Insurance	Ageas	647
Avivasa Emeklilik ve Hayat A.Ş. ("Avivasa")	BİST	Individual Pension and Insurance	Insurance	Aviva	1.539
Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. ("Brisa")	BİST	Tire	Industry	Bridgestone	2.946
Akçansa Çimento Sanayi ve Ticaret A.Ş. ("Akçansa")	BİST	Cement	Cement	Heidelberg	2.248
Enerjisa Enerji A.Ş. ("Enerjisa Enerji")	BİST	Energy	Energy	E.ON SE	10.972
Enerjisa Üretim Santralleri A.Ş. ("Enerjisa Üretim")	-	Energy	Energy	E.ON SE	1.142
Temsa İş Makinaları	-	Automotive	Industry	Marubeni	238

All the Joint Ventures are registered in Turkey.

**Associates**

As at 31 March 2019, the nature of business and operating segments of the Affiliates which are accounted through equity method in the consolidated financial statements are as follows:

Joint Ventures	Traded Stock Market	Type of Activity	Business Segment	Ventures	Number of Employees
Philisa Philip Morris Sabancı Sigara ve Tütün San. ve Tic. A.Ş. (Philisa)	-	Tobacco products Production	Industry	Philip Morris	3.135
Philip Morris Sabancı Pazarlama Satış A.Ş. ("Philip Morrisa")	-	Tobacco products Marketing and sales	Industry	Philip Morris	

Number of employees represent the total number of employees of Philisa and Philip Morrisa.

All the Joint Ventures are registered in Turkey.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**

**2.1 Basis of Presentation**

**2.1.1 Statement of compliance with TAS**

Sabancı Holding, its Subsidiaries and Joint Ventures registered in Turkey maintain their books of accounts and prepare their statutory financial statements ("Statutory Financial Statements") in TRY 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 was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards and interpretations ("TAS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

Additionally, the consolidated financial statements and disclosures are presented in accordance with the formats published by CMB on 7 June 2013 and the announcement published by Public Oversight Accounting and Auditing Standards Authority ("POA") on 2 June 2016. The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

**Functional and Presentation Currency**

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of each entity are expressed in TRY, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

**2.1.2 New and Revised Turkish Accounting Standards**

**a) Standards, amendments and interpretations applicable as at 31 March 2019:**

**IFRS 9, 'Financial instruments';** effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

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

**2.1 Basis of Presentation (Continued)**

**2.1.2 New and Revised Turkish Accounting Standards**

**(a) Standards, amendments and interpretations applicable as at 31 March 2019 (continued):**

**IFRS 15, 'Revenue from contracts with customers';** effective from annual periods beginning on or after 1 January 2018. IFRS 15, 'Revenue from contracts with customers' is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

**Amendments to IFRS 4, 'Insurance contracts'** regarding the implementation of IFRS 9, 'Financial Instruments'; effective from annual periods beginning on or after 1 January 2018. These amendments introduce two approaches: an overlay approach and a deferral approach. The amended standard will:

- give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and
- give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard IAS 39.

**Amendment to IAS 40, 'Investment property'** relating to transfers of investment property; effective from annual periods beginning on or after 1 January 2018. These amendments clarify that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence.

**Amendments to IFRS 2, 'Share based payments'** on clarifying how to account for certain types of share-based payment transactions; effective from annual periods beginning on or after 1 January 2018. This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

**Annual improvements 2014-2016;** effective from annual periods beginning on or after 1 January 2018. These amendments impact 2 standards:

- IFRS 1, 'First time adoption of IFRS', regarding the deletion of short-term exemptions for first-time adopters regarding IFRS 7, IAS 19 and IFRS 10,
- IAS 28, 'Investments in associates and joint venture' regarding measuring an associate or joint venture at fair value.

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

**2.1 Basis of Presentation (Continued)**

**2.1.2 New and Revised Turkish Accounting Standards**

**(a) Standards, amendments and interpretations applicable as at 31 March 2019 (continued):**

**IFRIC 22, ‘Foreign currency transactions and advance consideration’;** effective from annual periods beginning on or after 1 January 2018. This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice.

**Amendment to IFRS 9, ‘Financial instruments’;** effective from annual periods beginning on or after 1 January 2019. This amendment confirm that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from IAS 39.

**Amendment to IAS 28, ‘Investments in associates and joint venture’;** effective from annual periods beginning on or after 1 January 2019. These amendments clarify that companies account for long-term interests in associate or joint venture to which the equity method is not applied using IFRS 9.

**IFRS 16, ‘Leases’;** effective from annual periods beginning on or after 1 January 2019, with earlier application permitted if IFRS 15‘Revenue from Contracts with Customers’ is also applied. This standard replaces the current guidance in IAS 17 and is a farreaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a ‘right of use asset’ for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

**2.1 Basis of Presentation (Continued)**

**2.1.2 New and Revised Turkish Accounting Standards**

**(a) Standards, amendments and interpretations applicable as at 31 March 2019 (continued):**

**IFRIC 23, 'Uncertainty over income tax treatments';** effective from annual periods beginning on or after 1 January 2019. This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRS IC had clarified previously that IAS 12, not IAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

**Annual improvements 2015-2017;** effective from annual periods beginning on or after 1 January 2019. These amendments include minor changes to

- IFRS 3, 'Business combinations', – a company remeasures its previously held interest in a joint operation when it obtains control of the business.
- IFRS 11, 'Joint arrangements', – a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12, 'Income taxes' – a company accounts for all income tax consequences of dividend payments in the same way.
- IAS 23, 'Borrowing costs' – a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

**Amendments to IAS 19, 'Employee Benefits' on plan amendment, curtailment or settlement';** effective from annual periods beginning on or after 1 January 2019. These amendments require an entity to:

- use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

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

**2.1 Basis of Presentation (Continued)**

**2.1.2 New and Revised Turkish Accounting Standards**

**b) *Standards, amendments and interpretations that are issued but not effective as at 31 March 2019:***

**Amendments to IAS 1 and IAS 8 on the definition of material;** effective from Annual periods beginning on or after 1 January 2020. These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs:

- i) Use of the definition of materiality consistent with IFRS and financial reporting framework
- ii) clarification of the definition of materiality and
- iii) the inclusion of some guidance in TAS 1 on non-essential information

**Changes in IFRS 3 - business definition;** Effective for annual periods beginning on or after 1 January 2020. With this change, the definition of the business has been revised. Based on the feedback received by the IASB, it is often considered that the current practice guidance is very complex and results in a large number of transactions to meet the definition of business combinations.

**IFRS 17, 'Insurance contracts';** effective from annual periods beginning on or after 1 January 2021. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

**2.1.3 Basis of Consolidation**

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

**b)** Subsidiaries are companies 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.

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**NOTE 2 -BASIS OF PRESENTATION OF CONSOLIDATED 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 IFRS). 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 TFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The companies which Holding has less than 50% shares are considered as subsidiaries since Holding exercises a dominant influence and power to govern the financial and operating policies through exercise of voting power related to shares held by Holding together with voting power which Holding effectively exercises related to shares held by Sabancı family members. Sabancı family members allow Holding to exercise voting power in respect of shares held in these companies. In the accompanying consolidated financial statements the shares held by Sabancı family members are presented as non-controlling interest.

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 2019 and 31 December 2018:

	31 March 2019		31 December 2018	
	Direct and indirect ownership interest by the Holding and its subsidiaries	Proportion of ownership interest	Direct and indirect ownership interest by the Holding and its Subsidiaries	Proportion of ownership interest
Subsidiaries	(%)	(%)	(%)	(%)
AEO	76,85	76,85	76,85	76,85
Akbank	40,75	40,75	40,75	40,75
SabancıDX	100,00	100,00	100,00	100,00
Çimsa	63,52	58,10	63,52	58,10
Exsa	61,68	47,90	61,68	47,90
Kordsa	71,11	71,11	71,11	71,11
Teknosa	60,28	60,28	60,28	60,28
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	50,61	50,61	50,61	50,61



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

**2.1 Basis of Presentation (Continued)**

**2.1.3 Basis of Consolidation (Continued)**

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

The Subsidiaries are included into or excluded from the scope of consolidation subsequent to the date of transmission of the control to the Group. The shares of non-controlling shareholders in the net assets and operating results of Subsidiaries are presented in the consolidated balance sheet and profit or loss table as non-controlling interests. Sabancı Family, "Sabancı Foundation" and a retirement fund for Akbank employees called "Akbank Retirement Fund" established both by Sabancı Family, have a share in the capitals of some subsidiaries and affiliates which are accounted in the consolidated financial statements. This share is considered as non-controlling share in the consolidated financial statements and it is not included in the current period profit.

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

The table below sets out the Joint Ventures and shows the proportion of ownership interest and effective interest of the Holding in these Joint Ventures at 31 March 2019 and 31 December 2018:

	31 March 2019		31 December 2018	
	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 (%)
<b>Joint Ventures</b>				
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	40,00	40,00	40,00	40,00
Enerjisa Üretim	50,00	50,00	50,00	50,00
Temsa Mısır	73,75	73,75	73,75	73,75
Temsa İş Makinaları	51,00	24,84	51,00	24,84

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

**2.1 Basis of Presentation (Continued)**

**2.1.3 Basis of Consolidation (Continued)**

Investments in Joint Ventures were consolidated by equity method. Sabancı family members do not have any interest in the share capital of the Joint Ventures

f) Investments in Associates are accounted for by the equity method. These are companies where the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Unrealized gains that result from intercompany transactions between the Group and its Associates are adjusted to the extent of the Group's share in the associate and unrealized losses are restated if the transaction does not address an impairment on transferred asset. In this respect, the Group does not undertake any obligation or make commitment about its Subsidiaries.

The table below sets out all Associates and shows the total interest of the Holding in these associates at 31 March 2019 and 31 December 2018.

<b>Associates</b>	<b>Proportion of effective interest by the Holding (%)</b>
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.

**2.1.4 Offsetting**

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

**2.1.5 Comparatives and Restatement of Prior Year Financial Statements**

In order to allow for the determination of the financial situation and performance trends, the Group's consolidated financial statements have been presented comparatively with the prior year.

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 2019 comparatively with the consolidated balance sheet as of 31 December 2018; presented the consolidated statement of profit or loss as of 31 March 2019 comparatively with the consolidated statement of profit or loss as of 31 March 2018, statement of cash flows and statement of changes in equity for the year 1 January-31 March 2019 comparatively with the year 1 January-31 March 2018.

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

**2.2 Changes in Accounting Policies and Estimates and Errors**

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

If changes in accounting estimates and errors are for only one period, changes are applied in the current year but if the estimated changes affect the following periods, changes are applied both on the current and following years prospectively. In the current year, there are not any material errors and changes in accounting estimate methods of the Group.

If any significant accounting errors are found out, changes are applied retrospectively and prior year's financial statements are restated. There has been no significant accounting error that the Group determined in the current year.

The preparation of consolidated financial statements in conformity with Turkish Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates. Estimates are regularly reviewed, related corrections are adjusted and accounted for related period income statement. Changes in accounting estimates, if only for a period in which the change in the current period, if it relates to future periods, both in the period they are recognized in future periods, prospectively applied to the financials to see the effect on net profit/loss for the period.

**2.2.1. IFRS 16 Leases**

The Group has adopted IFRS 16 "Leases" as at 1 January 2019 for the first time, in line with the transition provisions of the standard. Impacts of the first time adoption of IFRS 16 on the condensed interim consolidated financial statements of the Group are as below:

***The Group – as a lessee***

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assess whether:

- a) the contract involved the use of an identified asset – this may be specified explicitly or implicitly.
- b) the asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
- c) the Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and

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

**2.2 Changes in Accounting Policies and Estimates and Errors (continued)**

**2.2.1. IFRS 16 Leases (continued)**

- d) the Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:
- i. the Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
  - ii. the Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used

The Group books a right of use and a lease obligation to the financial statements at the date that the lease is commenced.

*Right of use asset*

The right of use asset is initially recognized at cost comprising of:

- a) amount of the initial measurement of the lease liability;
- b) any lease payments made at or before the commencement date, less any lease incentives received;
- c) any initial direct costs incurred by the Group; and

To apply a cost model, the Group measure the right-of-use asset at cost:

- a) less any accumulated depreciation and any accumulated impairment losses; and
- b) adjusted for any remeasurement of the lease liability.

The Group applies IAS 16 "Property, Plant and Equipment" to amortize the right of use asset and to assess for any impairment. In the event that the Supplier transfers the ownership of the underlying asset to the Group at the end of the lease term or if the cost of the right to use property indicates that the Group will use a purchase option, the Group depreciates the right to use the right to the end of the useful life of the underlying asset from the effective date of the lease. In other cases, the Group depreciates the right of use by the shorter than the useful life of the asset or the lease term, starting from the date on which the lease actually commences.

The Group apply IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

*Lease Liability*

At the commencement date, The Group measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group use the lessee's incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

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

**2.2 Changes in Accounting Policies and Estimates and Errors (continued)**

**2.2.1. IFRS 16 Leases (continued)**

- a) fixed payments, less any lease incentives receivable;
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- d) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, the Group measure the lease liability by:

- a) increasing the carrying amount to reflect interest on the lease liability;
- b) reducing the carrying amount to reflect the lease payments made; and
- c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. After the commencement date, The Group remeasure the lease liability to reflect changes to the lease payments. The Group recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Group shall remeasure the lease liability by discounting the revised lease payments using a revised discount rate, if either:

- a) There is a change in the lease term. The Group determine the revised lease payments on the basis of the revised lease term; or
- b) There is a change in the assessment of an option to purchase the underlying asset. The Group determine the revised lease payments to reflect the change in amounts payable under the purchase option.

***The Group – as a lessor***

The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

The Group remeasure the lease liability by discounting the revised lease payments, if either:

- a) There is a change in the amounts expected to be payable under a residual value guarantee. The Group determine the revised lease payments to reflect the change in amounts expected to be payable under the residual value guarantee.

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

**2.2 Changes in Accounting Policies and Estimates and Errors (continued)**

**2.2.1. IFRS 16 Leases (continued)**

- b) There is a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The Group remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows.

The Group determine the revised lease payments for the remainder of the lease term based on the revised contractual payments. In that case, the Group use an unchanged discount rate.

The Group account for a lease modification as a separate lease if both:

- a) The restructuring extends the scope of the leasing by including the right of use of one or more underlying assets, and
- b) The lease payment amount increases as much as the appropriate adjustments to the price mentioned individually so that the increase in scope reflects the individual price and the terms of the relevant agreement.

***The Group's leasing activities***

All the leasings of the Group as lessor are operational leasings. For operational leasings, leased assets are classified under investment properties, tangible assets or other current assets in the consolidated balance sheet and rental income is accounted in the consolidated income statement in equal amounts for the leasing period. Rental income is accounted in the consolidated income statement for the leasing period on a straight-line basis.

The Group distributes an amount that takes place in an agreement which includes an item that has or has not one or more extra leasing qualities along with a leasing item through applying the IFRS 15 "Revenue arising from agreements made with customers" standard.

***Extension and termination options***

In determining the lease liability, the Group considers the extension and termination options. The majority of extension and termination options held are exercisable both by the group and by the respective lessor. Extension options are included in the lease term if the lease is reasonably certain to be extended. The group remeasures the lease term, if a significant event or a significant change in circumstances occurs which affects the initial assessment.

***Variable lease payments***

Group's lease contracts also include variable lease payments which are based on income. Variable lease payments are recognised in profit or loss in the related period.

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

**2.2 Changes in Accounting Policies and Estimates and Errors (continued)**

**2.2.1. IFRS 16 Leases (continued)**

**First time adoption of IFRS 16**

The Group has adopted IFRS 16 "Lease" (replacing IAS 7 "Leases") from January 1, 2019 with simplified approach and has not restated comparatives for the 2018 reporting period, as permitted under the simplified transition approach. With this method, use of rights are measured based on the leasing debts (which are adjusted according to leasing costs paid in cash or accrued) in the transition period.

**Current period effect**

As a result of IFRS 16, as of 31 March 2019, the Group has recognized "Rights of Use" amounting to TRY 1.932.748 and "Liabilities from leasing transactions" amounting to TRY 1.985.483 in respect of leases classified as financial leases in accordance with TAS 17. In addition, the Group has recognized depreciation and interest expenses instead of operating lease expenses related to the lease agreements under IFRS 16.

**2.3 Summary of Significant Accounting Policies**

For the period ended 31 March 2019, the Group prepared its financial statements in accordance with TAS 34 Interim Financial Reporting Standard. The condensed interim consolidated financial statements do not contain all information required to be included in the annual financial statements and should be read in conjunction with the annual financial statements prepared as of 31 December 2018.

**2.3.1 Goodwill**

Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination of goodwill. Each unit or unit group in which the goodwill is distributed is the smallest asset group of the business in which the goodwill is monitored for internal business purposes. Goodwill impairment is made more frequently once a year, or when the event or condition changes indicate a possibility of impairment. The book value of the goodwill is compared with the recoverable amount which is the greater of the fair value of the deducted value and the extinguishing costs. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of profit or loss and an impairment loss recognized for goodwill is not reversed in subsequent periods.

The Group recognised various goodwill balances arising from purchases made by the Group or its subsidiaries in different industries. Impairment tests for cash generating units are determined based on the recoverable value in use. Value in use is calculated by discounting the cash inflows expected to be realized with the permanent use of the unit. Goodwill impairment tests are made using projections for certain years.

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

**2.3 Summary of Significant Accounting Policies (Continued)**

**2.3.2 Loan loss provisions**

The Bank monitors the impairment of loans at each reporting period and accounts for any impairment in the income statement. In this context, management assesses the amounts and the periods of the future cash flows of the loans using various estimates. During this assessment, the Bank considers the financial position of the borrower and the net realizable value of the collateral. Loan impairment can be assessed on an individual basis, as well as low consistency loans with similar characteristics. The assessment for the credit portfolio focuses on risk and economic benefits (Note 19).

**2.3.3 The fund**

The Retirement Fund Foundation ("Fund") of the bank was established as per provisional article 20 of Law No. 506, and it is within the scope of funds to be transferred to SSI. The Council of Ministers is authorized to determine the date of transfer. Total liabilities of the fund, benefits to be transferred and additional benefits to remain the responsibility of the Fund are determined using separate methods and assumptions. Selecting appropriate assumptions for the valuation of retirement fund liabilities requires judgement and a high level of technical expertise. Bank management benefits from the services of an external actuary company for these valuations.

**2.3.4 Deferred tax**

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TAS purposes and its statutory tax financial statements. Currently, there are deferred tax assets resulting from operating loss carry-forwards and deductible temporary differences, all of which could reduce taxable income in the future. Based on available evidence, both positive and negative, it is determined whether it is probable that all or a portion of the deferred tax assets will be realized. The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring; the carry-forward period associated with the deferred tax assets; future reversals of existing taxable temporary differences; tax-planning strategies that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset. If based on the weight of all available evidence, it is the Group's belief that taxable profit will not be available sufficient to utilize some portion of these deferred tax assets, then some portion of or all of the deferred tax assets are not recognized.

**2.3.5 Fair value of derivatives and other financial instruments**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques based on market-observable data, market comparable approach that reflects recent transaction prices for similar properties and discounted cash flows.



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**NOTE 3 - BUSINESS COMBINATIONS**

**The business combinations between the period 1 January and 31 March 2019 are as follows**

None.

**The business combinations between the period 1 January and 31 December 2018 are as follows:**

Kordsa Inc., which is 100% subsidiary of Kordsa, a subsidiary of the Group, and resident in the USA, completed the acquisition of two different unlimited companies that named as "Fabric Development, Inc." and "Textile Products, Inc.", which provide advanced composite materials to commercial aviation industry and fully owned by Piyush A.Shah and Abantika P.Shah as of 13 July 2018. The total purchase price of FDI shares, amounting to USD40.587.000, was paid in cash, and the total purchase price of TPI shares, amounting to USD49.271.000 was paid in cash. In parallel with the acquisition, the capital of Kordsa Inc. has increased amounting to USD 65 million.

On 1 October 2018, Kordsa Inc., which is 100% subsidiary of Kordsa, a subsidiary of the Group, and resident in the USA, completed the acquisition of a company named "Advanced Honeycomb Technologies Corporation" which provides advanced composite materials to the commercial aviation industry and owned by Richard Greven, Monnie Greven, Walsh Family Trust of 1981 ve Richard A. Greven, Jr. for total USD 3.180.872.

In accordance with the IFRS 3, Business Combinations, measurement of the fair value of identifiable assets and liabilities required for recognition by using the acquisition method, and allocation of the purchase price to tangible and intangible fixed assets ("Purchase price allocation") are performed by an independent valuation organization, Houlihan Lokey Financial Advisors, Inc. and valuation studies are ongoing as of the report date. In this context, the fair value of the identifiable assets, liabilities and contingent liabilities of the related companies have been adjusted in accordance with IFRS and therefore the estimated amounts are reflected in the financial statements.

Purchase price, assets and liabilities recorded at acquisition date:

	<b>FDI</b>	<b>TPI</b>	<b>AHT</b>	<b>Total</b>
	<b>Fair Value</b>	<b>Fair Value</b>	<b>Fair Value</b>	<b>Fair Value</b>
<b>Assets and Liabilities (TRY)</b>				
Cash and cash equivalents	6.373.688	7.402.016	-	13.775.704
Trade receivables	16.870.387	31.771.430	1.299.873	49.941.690
Inventories	28.972.634	34.584.778	1.809.040	65.366.452
Prepaid expenses	383.197	407.450	-	790.647
Other current assets	1.949.941	-	706.844	2.656.785
Property, plant and equipment	6.781.139	6.553.161	1.042.295	14.376.595
Other long-term assets	48.506	48.506	101.833	198.845
Trade payables	(3.739.813)	(23.952.263)	-	(27.692.076)
Deferred income	-	(1.532.790)	-	(1.532.790)
Other short-term liabilities	(2.711.590)	(904.889)	(1.587.403)	(5.203.882)
Other intangible assets	94.101.640	122.235.120	7.787.260	224.124.020
<b>Total identifiable net assets</b>	<b>149.029.729</b>	<b>176.612.519</b>	<b>11.159.742</b>	<b>336.801.990</b>

Cost of acquisition (Total TRY 488.238.894) is fully paid. As a result of the acquisition transaction, the amount of TRY 115.525.559 (full TRY) of the fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recorded as goodwill in the balance sheet. The position of the companies in the market as the strongest companies offering high quality composite production and the fact that Kordsa will add value to the growth targets in the composite sector is the basis of goodwill.

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**NOTE 3 - BUSINESS COMBINATIONS (Continued)**

**The business combinations between the period 1 January and 31 December 2018 are as follows: (Continued)**

Goodwill movement relating this combination as of 31 December 2018 is as follows;

<b>(Total TRY)</b>	<b>31 December 2018</b>
Acquisition during the year	336.462.914
<i>FDI</i>	140.851.275
<i>TPI</i>	183.250.699
<i>AHT</i>	12.360.940
Transfers to tangible and intangible assets	(220.937.355)
<i>FDI</i>	(93.380.930)
<i>TPI</i>	(121.298.940)
<i>AHT</i>	(6.257.485)
<b>Goodwill</b>	<b>115.525.559</b>

**NOTE 4 - SEGMENT REPORTING**

Holding key management reviews the results and performance of its reportable operating segments based on EBITDA (earnings before interest, foreign currency gains and losses and due date income and expenses as part of other operating income and expenses and depreciation and 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):**

	<b>1 January - 31 March 2019</b>	<b>1 January - 31 March 2018</b>
Banking	10.662.441	7.914.655
Industry	1.705.760	1.067.021
Retail	2.215.223	1.953.001
Cement	336.086	360.729
Other	31.266	26.409
<b>Total (*)</b>	<b>14.950.776</b>	<b>11.321.815</b>

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

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**NOTE 4 - SEGMENT REPORTING (Continued)**

**b) Segment assets (Consolidated):**

	<b>31 March 2019</b>	<b>31 December 2018</b>
Banking	383.973.232	352.550.041
Industry	7.633.631	6.859.211
Retail	4.999.184	3.526.148
Cement	3.470.774	3.269.258
Other	3.025.582	3.694.905
<b>Segment assets</b>	<b>403.102.403</b>	<b>369.899.563</b>
Assets classified as held for sale	7.714	14.220
Investments accounted through equity method (Note 9)	6.560.272	6.756.459
Unallocated assets	(453.427)	(623.106)
Less: intersegment eliminations	(3.929.103)	(4.360.865)
<b>Total assets as per consolidated financial statements</b>	<b>405.287.859</b>	<b>371.686.271</b>

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

	<b>31 March 2019</b>	<b>31 December 2018</b>
Banking	337.866.945	310.344.568
Industry	4.919.672	4.117.957
Retail	5.138.633	3.514.724
Cement	2.257.564	2.051.464
Other	806.855	213.635
<b>Segment liabilities</b>	<b>350.989.669</b>	<b>320.242.348</b>
Liabilities related with asset classified as held for sale	6.204	4.274
Unallocated liabilities	(524.283)	(597.547)
Less: intersegment eliminations	(3.914.520)	(4.358.600)
<b>Total liabilities as per consolidated financial statements</b>	<b>346.557.070</b>	<b>315.290.475</b>

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NOTE 4 SEGMENT REPORTING (Continued)

d) The balance sheet items by segment:

i) Banking:

	Combined(*) 31 March 2019	Consolidated(**) 31 March 2019	Combined(*) 31 December 2018	Consolidated(**) 31 December 2018
Cash and cash equivalents	28.776.330	28.776.330	23.184.134	23.184.134
Financial assets	70.842.248	70.842.248	56.787.860	56.787.860
Derivative financial instruments	24.382.058	24.382.058	22.605.903	22.605.903
Reserve deposits with the Central Bank of Republic of Turkey	33.635.451	33.635.451	26.433.745	26.433.745
Receivables from finance sector operations	216.558.669	216.558.669	213.936.744	213.936.744
Property, plant and equipment	1.527.382	1.527.382	1.521.567	1.521.567
Right of use assets	610.732	610.732	-	-
Intangible assets	652.517	652.517	646.192	646.192
Other receivables and other assets	6.987.845	6.987.845	7.433.896	7.433.896
<b>Total segment assets</b>	<b>383.973.232</b>	<b>383.973.232</b>	<b>352.550.041</b>	<b>352.550.041</b>
Financial liabilities	66.093.369	66.093.369	61.571.596	61.571.596
Payables from finance sector operations	246.061.463	246.061.463	223.310.872	223.310.872
Derivative financial instruments	11.838.826	11.838.826	12.825.003	12.825.003
Other payables and other liabilities	13.873.287	13.873.287	12.637.097	12.637.097
<b>Total segment liabilities</b>	<b>337.866.945</b>	<b>337.866.945</b>	<b>310.344.568</b>	<b>310.344.568</b>

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

(\*\*) Consolidated data reflects the total amounts after intra-segment eliminations of the subsidiaries and the joint ventures which belong to the related segment considering the Holding's portion of ownership before intersegment eliminations.

As of 31 March 2019, the cash flows from operating activities of the Bank is TRY 17.496.676 31 March 2018 (TRY 3.394.855 )

As of 31 March 2019, the cash flows from investing activities of the Bank is TRY (4.021.956) (31 March 2018: TRY 3.022.116 ).

As of 31 March 2019, the cash flows from financing activities of the Bank is TRY 3.578.916 (31 March 2018: TRY (2.245.748) ).

Banking segment consists of Akbank. Akbank's accumulated non-controlling interests calculated from its financial statements amount to TRY 27.317.975 as of 31 March 2019 (31 December 2018: TRY 25.006.743).

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

**NOTE 4 SEGMENT REPORTING (Continued)**

**d) The balance sheet items by segment (Continued):**

**ii) Insurance:**

	<b>Combined(*) 31 March 2019</b>	<b>Consolidated(**) 31 March 2019</b>	<b>Combined(*) 31 December 2018</b>	<b>Consolidated(**) 31 December 2018</b>
Cash and cash equivalents	1.809.953	-	1.687.939	-
Financial assets	2.328.961	-	2.318.944	-
Receivables from finance sector operations	1.016.647	-	820.924	-
Investments accounted through equity method (Note 9)	-	418.378	-	490.529
Property, plant and equipment	91.164	-	54.008	-
Right of use assets	25.272	-	-	-
Intangible assets	107.292	-	105.201	-
Other receivables and other assets	3.136.342	-	2.741.080	-
<b>Total segment assets</b>	<b>8.515.631</b>	<b>418.378</b>	<b>7.728.096</b>	<b>490.529</b>
Payables from finance sector operations	6.847.190	-	6.000.266	-
Other payables and other liabilities	595.213	-	460.419	-
<b>Total segment liabilities</b>	<b>7.442.403</b>	<b>-</b>	<b>6.460.685</b>	<b>-</b>

(\*) 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.

Insurance segment consists of Aksigorta and Avivasa.

The insurance section includes the results of Aksigorta and Avivasa companies.

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**HACI ÖMER SABANCI HOLDİNG A.Ş.**

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

**NOTE 4 SEGMENT REPORTING (Continued)**

**d) The balance sheet items by segment(Continued):**

**iii) Energy:**

	<b>Combined(*) 31 March 2019</b>	<b>Consolidated(**) 31 March 2019</b>	<b>Combined(*) 31 December 2018</b>	<b>Consolidated(**) 31 December 2018</b>
Cash and cash equivalents	3.681.654	-	1.650.093	-
Financial investments	836	-	836	-
Trade receivables	3.331.628	-	4.197.534	-
Inventories	282.516	-	297.056	-
Investments accounted through equity method (Note 9)	-	5.111.985	-	5.116.565
Property, plant and equipment	10.140.761	-	10.199.559	-
Right of use assets	207.246	-	-	-
Intangible assets	5.423.986	-	5.483.176	-
Other receivables and other assets	15.685.177	-	14.920.870	-
<b>Total segment assets</b>	<b>38.753.804</b>	<b>5.111.985</b>	<b>36.749.124</b>	<b>5.116.565</b>
Financial liabilities	19.501.766	-	16.930.099	-
Trade payables	1.922.721	-	2.822.560	-
Other payables and other liabilities	5.879.365	-	5.503.553	-
<b>Total segment liabilities</b>	<b>27.303.852</b>	<b>-</b>	<b>25.256.212</b>	<b>-</b>

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

(\*\*) Consolidated data reflects the total amounts after intra-segment eliminations of the subsidiaries and the joint ventures which belong to the related segment considering the Holding's portion of ownership before intersegment eliminations

Energy segment consists of Enerjisa Enerji A.Ş. and Enerjisa Üretim Santralleri A.Ş..

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

**NOTE 4 SEGMENT REPORTING (Continued)**

**d) The balance sheet items by segment(Continued):**

**i) Industry:**

	<b>Combined(*) 31 March 2019</b>	<b>Consolidated(**) 31 March 2019</b>	<b>Combined(*) 31 December 2018</b>	<b>Consolidated(**) 31 December 2018</b>
Cash and cash equivalents	1.468.571	733.172	510.289	226.141
Financial investments	676	676	107	107
Trade receivables	2.411.551	1.582.218	2.326.967	1.567.056
Inventories	2.257.667	1.658.850	2.189.688	1.618.064
Investments accounted through equity method (Note 9)	236.664	678.643	342.609	744.417
Property, plant and equipment	4.027.725	2.238.841	3.911.684	2.139.571
Right of use assets	37.499	32.011	-	-
Intangible assets	579.600	515.410	557.990	491.972
Other receivables and other assets	2.523.421	880.166	2.198.966	830.521
<b>Total segment assets</b>	<b>13.543.374</b>	<b>8.319.987</b>	<b>12.038.300</b>	<b>7.617.849</b>
Financial liabilities	6.247.072	2.895.386	5.145.695	2.483.597
Trade payables	1.743.082	991.749	1.613.272	846.597
Other payables and other liabilities	1.569.455	1.038.741	1.245.963	792.024
<b>Total segment liabilities</b>	<b>9.559.609</b>	<b>4.925.876</b>	<b>8.004.930</b>	<b>4.122.218</b>

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

(\*\*) Consolidated data reflects the total amounts after intra-segment eliminations of the subsidiaries and the joint ventures which belong to the related segment considering the Holding's portion of ownership before intersegment eliminations.

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

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

**NOTE 4 - SEGMENT REPORTING (Continued)**

**d) The balance sheet items by segment(Continued):**

**iv) Retail:**

	<b>Combined(*) 31 March 2019</b>	<b>Consolidated(**) 31 March 2019</b>	<b>Combined(*) 31 December 2018</b>	<b>Consolidated(**) 31 December 2018</b>
Cash and cash equivalents	607.473	607.473	514.619	514.619
Trade receivables	113.367	109.508	121.818	121.015
Inventories	1.287.267	1.287.267	1.131.851	1.131.851
Investment property	8.930	8.930	8.930	8.930
Property, plant and equipment	700.237	700.237	722.996	722.996
Right of use assets	1.224.897	1.224.897	-	-
Intangible assets	82.263	82.263	89.576	89.576
Other receivables and other assets	913.914	978.609	875.522	937.161
<b>Total segment assets</b>	<b>4.938.348</b>	<b>4.999.184</b>	<b>3.465.312</b>	<b>3.526.148</b>
Financial liabilities(***)	2.439.887	2.439.887	875.502	875.502
Trade payables	2.373.656	2.371.212	2.194.155	2.193.350
Other payables and other liabilities	325.090	327.534	445.067	445.872
<b>Total segment liabilities</b>	<b>5.138.633</b>	<b>5.138.633</b>	<b>3.514.724</b>	<b>3.514.724</b>

(\*) 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.

(\*\*\*) In the results of 31 March 2019, the financial lease payables arising from IFRS 16 amounting to 1.253.835 TRY are classified in financial liabilities.

Retail segment consists of Teknosa and Carrefoursa.



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NOTE 4 - SEGMENT REPORTING (Continued)

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

i) Cement:

	Combined(*) 31 March 2019	Consolidated(**) 31 March 2019	Combined(*) 31 December 2018	Consolidated(**) 31 December 2018
Cash and cash equivalents	281.410	144.734	492.848	217.427
Financial assets	185.462	64	184.662	64
Trade receivables	879.397	439.070	864.981	421.740
Inventories	535.183	260.222	435.195	190.255
Investments accounted through equity method (Note 9)	-	351.266	-	404.949
Property, plant and equipment	2.903.203	2.073.843	2.867.206	2.027.479
Right of use assets	121.172	50.157	-	-
Intangible assets	62.297	18.009	63.521	18.210
Other receivables and other assets	707.697	484.676	583.567	394.084
<b>Total segment assets</b>	<b>5.675.821</b>	<b>3.822.041</b>	<b>5.491.980</b>	<b>3.674.208</b>
Financial liabilities	2.250.193	1.622.413	2.045.633	1.480.472
Trade payables	671.584	309.499	635.486	296.068
Other payables and other liabilities	523.963	325.652	441.045	274.924
<b>Total segment liabilities</b>	<b>3.445.740</b>	<b>2.257.564</b>	<b>3.122.164</b>	<b>2.051.464</b>

(\*) 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.

Cement segment consists of Çimsa and Akçansa.

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**NOTE 4 - SEGMENT REPORTING (Continued)**

**d) The balance sheet items by segment(Continued):**

**v) Other:**

	<b>Combined(*) 31 March 2019</b>	<b>Consolidated(**) 31 March 2019</b>	<b>Combined(*) 31 December 2018</b>	<b>Consolidated(**) 31 December 2018</b>
Cash and cash equivalents	2.280.990	2.280.990	3.191.791	3.191.791
Financial assets	13.162.477	14.708	11.939.453	14.207
Trade receivables	37.383	37.045	47.530	45.747
Inventories	552	552	4.675	4.675
Property, plant and equipment	232.255	196.191	232.546	196.482
Right of use assets	14.951	14.951	-	-
Intangible assets	12.738	12.738	13.745	13.745
Other receivables and other assets	638.481	468.407	227.772	228.258
<b>Total segment assets</b>	<b>16.379.827</b>	<b>3.025.582</b>	<b>15.657.512</b>	<b>3.694.905</b>
Financial liabilities	15.276	15.276	252	252
Trade payables	30.471	29.776	56.099	54.241
Other payables and other liabilities	772.265	761.803	172.426	159.142
<b>Total segment liabilities</b>	<b>818.012</b>	<b>806.855</b>	<b>228.777</b>	<b>213.635</b>

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

(\*\*) Consolidated data reflects the total amounts of the Companies by deducting the financial asset values of the Holding's subsidiaries, joint ventures and associations before elimination which belong to the related segment considering the Holding's portion of ownership.

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

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

	1 January – 31 March 2019			1 January – 31 March 2018		
	Total Consolidation of Segments Before Elimination	Elimination Consolidation Adjustments	Consolidated	Total Consolidation of Segments Before Elimination	Elimination Consolidation Adjustments	Consolidated
<b>Total revenue</b>	<b>15.037.936</b>	<b>(87.160)</b>	<b>14.950.776</b>	<b>11.403.295</b>	<b>(81.480)</b>	<b>11.321.815</b>
Cost of sales and interest, premiums, commissions and other expenses	(10.525.883)	160.261	(10.365.622)	(7.160.089)	129.828	(7.030.261)
General administration expenses	(1.902.182)	47.937	(1.854.245)	(1.514.293)	33.429	(1.480.864)
Sales, marketing and distribution expenses	(555.339)	67	(555.272)	(464.612)	147	(464.465)
Research and development expenses	(2.679)	1	(2.678)	(2.429)	-	(2.429)
Other operating income/(expense) - net	39.341	3.023	42.364	75.402	297	75.699
Interest in income of joint ventures	384.639	(1)	384.638	149.873	-	149.873
<b>Operating profit</b>	<b>2.475.833</b>	<b>124.128</b>	<b>2.599.961</b>	<b>2.487.147</b>	<b>82.221</b>	<b>2.569.368</b>
Income/(expense) from investing activities – net	179.520	(158.409)	21.111	311.546	(130.380)	181.166
<b>Operating profit before financial expense</b>	<b>2.655.353</b>	<b>(34.281)</b>	<b>2.621.072</b>	<b>2.798.693</b>	<b>(48.159)</b>	<b>2.750.534</b>
Financial income/(expense) – net	(286.372)	38.167	(248.205)	(192.906)	48.215	(144.691)
<b>Income before tax</b>	<b>2.368.981</b>	<b>3.886</b>	<b>2.372.867</b>	<b>2.605.787</b>	<b>56</b>	<b>2.605.843</b>
Tax	(444.904)	2	(444.902)	(514.769)	-	(514.769)
Profit/(loss) after tax from discontinued operations	(22)	-	(22)	25	-	25
<b>Income for the period</b>	<b>1.924.055</b>	<b>3.888</b>	<b>1.927.943</b>	<b>2.091.043</b>	<b>56</b>	<b>2.091.099</b>
<b>Net income attributable to equity holders of the parent</b>			<b>1.057.012</b>			<b>1.066.388</b>

HACI ÖMER SABANCI HOLDİNG A.Ş.

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

NOTE 4 - SEGMENT REPORTING (Continued)

f) The income statement items by segment:

i) Banking:

	Combined(*) 31 March 2019	Consolidated(**) 31 March 2019	Combined(*) 31 March 2018	Consolidated(**) 31 March 2018
Interest, commission and other income	10.698.099	10.698.099	7.961.782	7.961.782
Interest, commission and other expenses	(7.106.491)	(7.106.491)	(4.454.380)	(4.454.380)
General administration expenses	(1.685.690)	(1.685.690)	(1.358.069)	(1.358.069)
Other operating income/(expense) - net	43.710	43.710	29.096	29.096
<b>Operating profit</b>	<b>1.949.628</b>	<b>1.949.628</b>	<b>2.178.429</b>	<b>2.178.429</b>
Income/(expense) from investing activities - net	3.993	3.993	1.666	1.666
<b>Income before tax</b>	<b>1.953.621</b>	<b>1.953.621</b>	<b>2.180.095</b>	<b>2.180.095</b>
Tax	(442.985)	(442.985)	(483.257)	(483.257)
<b>Net income</b>	<b>1.510.636</b>	<b>1.510.636</b>	<b>1.696.838</b>	<b>1.696.838</b>
<b>Net income attributable to equity holders of the parent</b>		<b>615.583</b>		<b>691.460</b>
EBITDA	2.071.158	2.071.158	2.256.875	2.256.875

(\*) 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 TRY 895.053 (31 March 2018: TRY 1.005.380).

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NOTE 4 - SEGMENT REPORTING (Continued)

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

ii) Insurance:

	Combined(*) 31 March 2019	Consolidated(**) 31 March 2019	Combined(*) 31 March 2018	Consolidated(**) 31 March 2018
Gross premiums	646.052	-	517.295	-
- Gross written premiums	1.235.648	-	1.072.597	-
- Unearned premiums reserves	(589.596)	-	(555.302)	-
Premiums, commission and other expenses	(607.575)	-	(443.116)	-
General administration expenses	(147.281)	-	(117.038)	-
Other operating income/(expense) - net	289.724	-	143.950	-
Interest in income of joint ventures (Note 9)	-	49.817	-	31.264
<b>Operating profit</b>	<b>180.920</b>	<b>49.817</b>	<b>101.091</b>	<b>31.264</b>
Income/(expense) from investing activities - net	(465)	-	14.361	-
<b>Operating profit before financial expense</b>	<b>180.455</b>	<b>49.817</b>	<b>115.452</b>	<b>31.264</b>
Financial income/(expense) - net	(9.453)	-	(7.004)	-
<b>Profit before tax</b>	<b>171.002</b>	<b>49.817</b>	<b>108.448</b>	<b>31.264</b>
Tax	(39.239)	-	(25.637)	-
<b>Net income</b>	<b>131.763</b>	<b>49.817</b>	<b>82.811</b>	<b>31.264</b>
<b>Net income attributable to equity holders of the parent</b>		<b>49.817</b>		<b>31.264</b>
EBITDA	161.335		104.024	

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

(\*\*) Consolidated data reflects the total amounts of the Companies by deducting the financial asset values of the Holding's subsidiaries, joint ventures and associations before elimination which belong to the related segment considering the Holding's portion of ownership.

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NOTE 4 - SEGMENT REPORTING (Continued)

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

iii) Energy:

	Combined(*) 31 March 2019	Consolidated(**) 31 March 2019	Combined(*) 31 March 2018	Consolidated(**) 31 March 2018
Sales revenue (net)	5.831.139	-	5.157.789	-
Cost of sales	(4.014.954)	-	(3.964.977)	-
General administration expenses	(534.614)	-	(438.160)	-
Other operating income/(expense) - net	41.970	-	13.779	-
Interest in income of joint ventures (Note 9)	-	320.648	-	50.262
<b>Operating profit/(loss)</b>	<b>1.323.541</b>	<b>320.648</b>	<b>768.431</b>	<b>50.262</b>
Income / (expense) from investment activities -net	(472.411)	-	(554.952)	-
<b>Operating profit before financial expense</b>	<b>851.130</b>	<b>320.648</b>	<b>213.479</b>	<b>50.262</b>
Tax	(150.350)	-	(64.382)	-
<b>Net income</b>	<b>700.780</b>	<b>320.648</b>	<b>149.097</b>	<b>50.262</b>
<b>Net income attributable to equity holders of the parent</b>		<b>320.648</b>		<b>50.262</b>
EBITDA	1.502.971		958.945	

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

(\*\*) Consolidated data reflects the total amounts of the Companies by deducting the financial asset values of the Holding's subsidiaries, joint ventures and associations before elimination which belong to the related segment considering the Holding's portion of ownership.

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NOTE 4 - SEGMENT REPORTING (Continued)

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

iv) Industry:

	Combined(*) 31 March 2019	Consolidated(**) 31 March 2019	Combined(*) 31 March 2018	Consolidated(**) 31 March 2018
Sales revenue (net)	2.482.407	1.705.785	1.761.073	1.066.978
Cost of sales	(1.978.031)	(1.378.230)	(1.394.538)	(861.415)
General administration expenses	(114.036)	(92.749)	(72.218)	(46.248)
Marketing expenses	(184.193)	(110.003)	(130.233)	(63.092)
Research and development expenses	(2.552)	(2.328)	(1.888)	(1.571)
Other operating income/(expense) - net	35.313	72.739	59.572	49.916
Interest in income of joint ventures (Note 9)	7.502	6.343	49.327	54.301
<b>Operating profit</b>	<b>246.410</b>	<b>201.557</b>	<b>271.095</b>	<b>198.869</b>
Income/(expense) from investing activities - net	1.076	1.097	1.008	890
<b>Operating profit before financial expense</b>	<b>247.486</b>	<b>202.654</b>	<b>272.103</b>	<b>199.759</b>
Financial income/(expense) – net	(162.786)	(113.420)	(131.928)	(70.696)
<b>Income before tax</b>	<b>84.700</b>	<b>89.234</b>	<b>140.175</b>	<b>129.063</b>
Tax	(10.605)	(13.766)	(15.811)	(10.853)
Profit after tax from discontinued operations	(22)	(22)	25	25
<b>Net income</b>	<b>74.073</b>	<b>75.446</b>	<b>124.389</b>	<b>118.235</b>
<b>Net income attributable to equity holders of the parent</b>		<b>48.110</b>		<b>91.284</b>
EBITDA	310.474	186.724	291.603	191.462

(\*) 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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NOTE 4 - SEGMENT REPORTING (Continued)

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

v) Retail:

	Combined(*) 31 March 2019	Consolidated(**) 31 March 2019	Combined(*) 31 March 2018	Consolidated(**) 31 March 2018
Sales revenue (net)	2.217.177	2.216.658	1.956.713	1.955.274
Cost of sales	(1.696.687)	(1.696.187)	(1.525.718)	(1.524.299)
General administration expenses	(57.209)	(55.466)	(59.198)	(59.173)
Marketing expenses	(440.276)	(440.276)	(396.920)	(396.920)
Other operating income/(expense) - net	(89.604)	(89.604)	(29.107)	(29.107)
<b>Operating profit</b>	<b>(66.599)</b>	<b>(64.875)</b>	<b>(54.230)</b>	<b>(54.225)</b>
Income/(expense) from investing activities – net	(228)	(228)	50.784	50.784
<b>Operating profit before financial expense</b>	<b>(66.827)</b>	<b>(65.103)</b>	<b>(3.446)</b>	<b>(3.441)</b>
Financial income/(expense) – net	(125.220)	(125.220)	(70.904)	(70.904)
<b>Income before tax</b>	<b>(192.047)</b>	<b>(190.323)</b>	<b>(74.350)</b>	<b>(74.345)</b>
Tax	40.156	40.156	16.470	16.470
<b>Net income</b>	<b>(151.891)</b>	<b>(150.167)</b>	<b>(57.880)</b>	<b>(57.875)</b>
<b>Net income attributable to equity holders of the parent</b>		<b>(81.922)</b>		<b>(29.757)</b>
EBITDA	130.418	132.142	23.090	23.095

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

(\*\*) Consolidated data reflects the total amounts of the Companies by deducting the financial asset values of the Holding's subsidiaries, joint ventures and associations before elimination which belong to the related segment considering the Holding's portion of ownership.

Note: The Group has accounted for depreciation and interest expenses instead of operating lease expenses related to lease agreements under IFRS 16. This recognition creates positive variance in the current period especially in the retail segment EBITDA figures.



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NOTE 4 - SEGMENT REPORTING (Continued)

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

vi) Cement:

	Combined(*) 31 March 2019	Consolidated(**) 31 March 2019	Combined(*) 31 March 2018	Consolidated(**) 31 March 2018
Sales revenue (net)	743.510	336.190	748.358	360.735
Cost of sales	(641.891)	(268.904)	(584.253)	(266.895)
General administration expenses	(51.034)	(29.979)	(38.455)	(21.694)
Research and development expenses	(351)	(351)	(858)	(858)
Marketing expenses	(9.563)	(3.361)	(7.560)	(3.018)
Other operating income/(expense) - net	11.507	11.411	21.526	19.589
Interest in income of joint ventures	-	7.830	-	14.046
<b>Operating profit</b>	<b>52.178</b>	<b>52.836</b>	<b>138.758</b>	<b>101.905</b>
Income/(expense) from investing activities - net	57.698	16.615	9.300	1.728
<b>Operating profit before financial expense</b>	<b>109.876</b>	<b>69.451</b>	<b>148.058</b>	<b>103.633</b>
Financial income/(expense) - net	(78.712)	(47.149)	(65.568)	(51.502)
<b>Profit before tax</b>	<b>31.164</b>	<b>22.302</b>	<b>82.490</b>	<b>52.131</b>
Tax	3.399	1.014	(17.577)	(8.790)
<b>Net income</b>	<b>34.563</b>	<b>23.316</b>	<b>64.913</b>	<b>43.341</b>
<b>Net income attributable to equity holders of the parent</b>		<b>20.274</b>		<b>30.882</b>
EBITDA	93.960	71.601	160.802	104.421

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

(\*\*) Consolidated data reflects the total amounts of the Companies by deducting the financial asset values of the Holding's subsidiaries, joint ventures and associations before elimination which belong to the related segment considering the Holding's portion of ownership.

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**DİPNOT 4 - SEGMENT REPORTING (Continued)**

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

**vii) Other:**

	<b>Combined(*) 31 March 2019</b>	<b>Consolidated(**) 31 March 2019</b>	<b>Combined(*) 31 March 2018</b>	<b>Consolidated(**) 31 March 2018</b>
Sales revenue (net)	775.511	81.204	1.272.277	58.526
Cost of sales	(76.394)	(76.071)	(53.187)	(53.099)
General administration expenses	(43.176)	(38.298)	(31.039)	(29.109)
Marketing expenses	(1.727)	(1.699)	(1.582)	(1.582)
Other operating income/(expense) - net	8.474	1.086	6.044	5.907
<b>Operating profit</b>	<b>662.688</b>	<b>(33.778)</b>	<b>1.192.513</b>	<b>(19.357)</b>
Income/(expense) from investing activities - net	165.210	158.043	256.478	256.478
<b>Operating profit before financial expense</b>	<b>827.898</b>	<b>124.265</b>	<b>1.448.991</b>	<b>237.121</b>
Financial income/(expense) - net	(583)	(583)	196	196
<b>Profit before tax</b>	<b>827.315</b>	<b>123.682</b>	<b>1.449.187</b>	<b>237.317</b>
Tax	(29.323)	(29.323)	(28.339)	(28.339)
<b>Net income</b>	<b>797.992</b>	<b>94.359</b>	<b>1.420.848</b>	<b>208.978</b>
<b>Net income attributable to equity holders of the parent</b>		<b>84.503</b>		<b>200.993</b>
EBITDA	669.010	(27.487)	1.199.331	(12.699)

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

(\*\*) Consolidated data reflects the total amounts of the Companies by deducting the financial asset values of the Holding's subsidiaries, joint ventures and associations before elimination which belong to the related segment considering the Holding's portion of ownership

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**NOTE 4 - SEGMENT REPORTING (Continued)**

**g) Detail of net income/(loss) attributable to equity holders of the parent**

One-off incomes and expenses that are not expected to be realized during routine course of business. Details of the net profit / (loss) attributable to equity holders of the parent with adjusted segments is as follows:

	<b>31 March 2019</b>	<b>31 March 2018</b>
Banking	615.583	691.460
Insurance	49.817	31.264
Industry	49.660	91.180
Cement	152	30.882
Energy	320.648	30.294
Retail	(92.295)	(59.593)
Other	84.501	78.120
<b>Total</b>	<b>1.028.066</b>	<b>893.607</b>

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

	<b>31 March 2019</b>	<b>31 March 2018</b>
Adjusted net income for reported operating segments (Equity holders of the Parent)	1.028.066	893.607
One off income/(expenses) related to Carrefoursa	10.373	29.836
One off income/(expenses) related to Enerjisa	-	19.968
One off income/(expenses) related to Holding	-	122.872
Other	18.573	105
<b>Net income (Equity holders of the Parent)</b>	<b>1.057.012</b>	<b>1.066.388</b>

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**NOTE 4 - SEGMENT REPORTING (Continued)**

**h) Combined EBITDA Detail**

<b>31 March 2019</b>	<b>Profit Before Tax</b>	<b>Depreciation Expenses</b>	<b>Income/ (expenses) from Investing Activities - net</b>	<b>Financial income/ (expense) - net</b>	<b>Operational Foreign Exchange Differences/ Interests</b>	<b>EBITDA</b>
Banking	1.953.621	121.530	3.993	-	-	2.071.158
Industry	84.699	100.724	1.076	(162.786)	36.659	310.474
Cement	31.164	55.959	57.698	(78.712)	14.177	93.960
Retail	(192.047)	115.809	(228)	(125.220)	(81.208)	130.418
Energy	851.130	193.791	-	(472.411)	14.361	1.502.971
Insurance	171.002	11.924	(465)	(9.453)	31.509	161.335
Other	827.315	8.575	165.210	(583)	2.253	669.010
<b>31 March 2018</b>	<b>Profit Before Tax</b>	<b>Depreciation Expenses</b>	<b>Income/ (expenses) from Investing Activities - net</b>	<b>Financial income/ (expense) - net</b>	<b>Operational Foreign Exchange Differences/ Interests</b>	<b>EBITDA</b>
Banking	2.180.095	78.446	1.666	-	-	2.256.875
Industry	140.174	76.491	1.008	(131.928)	55.983	291.603
Cement	82.490	45.552	9.300	(65.568)	23.508	160.802
Retail	(74.350)	43.591	50.784	(70.904)	(33.729)	23.090
Energy	213.479	169.683	-	(554.952)	(20.831)	958.945
Insurance	108.447	7.673	14.361	(7.004)	4.739	104.024
Other	1.449.187	7.110	256.478	196	292	1.199.331

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**NOTE 4 - SEGMENT REPORTING (Continued)**

**h) Depreciation and amortization, impairment and investment expenditures (Consolidated):**

**1 January - 31 March 2019**

	<u>Finance</u>							
	<b>Banking</b>	<b>Insurance</b>	<b>Industry</b>	<b>Cement</b>	<b>Energy</b>	<b>Retail</b>	<b>Other</b>	<b>Total</b>
Depreciation and amortisation expenses	121.530	-	55.538	32.941	-	115.809	8.544	334.362
(Impairment) / reversal of impairment of property, plant and equipment and investment properties	-	-	-	-	-	3.673	-	3.673
Capital expenditure	113.990	-	55.448	61.074	-	26.385	6.318	263.215

**1 January - 31 March 2018**

	<u>Finance</u>							
	<b>Banking</b>	<b>Insurance</b>	<b>Industry</b>	<b>Cement</b>	<b>Energy</b>	<b>Retail</b>	<b>Other</b>	<b>Total</b>
Depreciation and amortisation expenses	78.446	-	38.848	24.604	-	43.591	6.950	192.439
(Impairment) / reversal of impairment of property, plant and equipment and investment properties	429	-	(200)	-	-	3.531	-	3.760
Capital expenditure	139.903	-	58.500	62.659	-	23.594	7.050	291.706

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**NOTE 4 - SEGMENT REPORTING (Continued)**

**i) Depreciation and amortization, impairment and investment expenses (Combined):**

**1 January – 31 March 2019**

	<u>Finance</u> <b>Banking</b>	<b>Insurance</b>	<b>Industry</b>	<b>Cement</b>	<b>Energy</b>	<b>Retail</b>	<b>Other</b>	<b>Total</b>
Depreciation and amortisation expenses	121.530	11.924	100.724	55.990	193.791	115.809	8.544	608.312
(Impairment) / reversal of impairment of property, plant and equipment and investment properties	-	-	-	-	-	3.673	-	3.673
Capital expenditure	113.990	51.871	116.488	74.314	742.405	26.385	6.318	1.131.771

**1 January – 31 March 2018**

	<u>Finance</u> <b>Banking</b>	<b>Insurance</b>	<b>Industry</b>	<b>Cement</b>	<b>Energy</b>	<b>Retail</b>	<b>Other</b>	<b>Total</b>
Depreciation and amortization	78.446	7.673	76.491	45.552	169.684	43.591	7.110	428.547
Impairment/(reversal of impairment) of property, plant and equipment and investment properties	429	-	(200)	-	-	3.531	-	3.760
Capital expenditures	139.903	13.167	106.896	94.459	533.019	23.594	7.050	918.088

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**NOTE 5 - FINANCIAL ASSETS**

**a) Financial Assets Through Profit or Loss:**

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

	<b>31 March 2019</b>	<b>31 December 2018</b>
Share certificates	188.507	150.685
Government bonds	11.053	10.113
Other (*)	6.838.393	6.708.227
<b>Total</b>	<b>7.037.953</b>	<b>6.869.025</b>

(\*) In the previous period, syndicated loans previously granted to Ojer Telekomünikasyon A.Ş. were restructured. Within this scope, the transfer of 192.500.000.000 of Group A shares consisting of 55% of Türk Telekom's issued capital are pledged in favor of the creditors; and transferred to Levent Yapılandırma Yönetimi A.Ş. on 21 December 2018, which was established as a special purpose company, where all of the creditors were directly or indirectly the shareholders. The Bank (Akbank) participated in LYY with a share of 35.56% in line with the receivable proportion from OTAŞ. Within the scope of the acquisition of Türk Telekom shares by LYY and within the framework of the related agreements, the total amount of the loan granted to LYY by the Bank for the acquisition of shares (collateral of OTAŞ loans), is TRY 6.821 million and has been classified under "Financial Assets At Fair Value Through Profit And Loss" as "Other Financial Assets" in the financial statements. As of 31 March 2019, the fair values are based on the results of an independent valuation firm. The potential changes in the fundamental assumptions used in the valuation can affect the carrying value of the loan. The maturity of this loan is 1 year and can be extended. Within the framework of the signed agreements on this loan, a part of the loan granted to LYY is estimated to be converted from loan to capital and added to LYY's capital in the following period. Türk Telekom shares, subject to the loan and transferred to LYY are also collateral of the loan granted to LYY. The main objective of LYY is to transfer these Türk Telekom shares to an expert investor by providing the necessary conditions as quickly as possible.

Effective interest rates of TRY denominated securities at fair value through profit and loss are as follow:

	<b>31 March 2019</b>	<b>31 December 2018</b>
TL	15,54%	13,22%

The Group's activities in the finance sector as collateral for the purchase and sale of financial assets is TRY10.532 (31 December 2018: TRY10.599).

The maturity analysis of financial assets at fair value through profit and loss as of 31 March 2019 and 31 December 2018 are as follows:

	<b>31 March 2019</b>	<b>31 December 2018</b>
3 to 12 months	6.833.724	6.700.321
1 to 5 years	15.722	11.893
No maturity	188.507	156.811
<b>Total</b>	<b>7.037.953</b>	<b>6.869.025</b>

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**NOTE 5 - FINANCIAL ASSETS (Continued)**

**a) Financial Assets Through Profit or Loss (continued):**

Period remaining to contractual repricing dates:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Up to 3 months	15.932	11.893
3 to 12 months	6.833.514	6.700.321
No maturity	188.507	156.811
<b>Total</b>	<b>7.037.953</b>	<b>6.869.025</b>

**b) Available for sale securities**

	<b>31 March 2019</b>	<b>31 December 2018</b>
Debt securities		
- Government bonds	23.652.139	23.928.005
- Eurobonds	16.384.166	12.574.559
- Investment funds	319.947	237.585
- Other bonds denominated in foreign currency	11.349.952	7.600.049
<b>Sub-total</b>	<b>51.706.204</b>	<b>44.340.198</b>
Equity securities		
- Listed	142	153
- Unlisted	22.837	19.502
<b>Sub-total</b>	<b>22.979</b>	<b>19.655</b>
<b>Total</b>	<b>51.729.183</b>	<b>44.359.853</b>

Effective interest rates of USD, EUR, JPY and TRY denominated available-for-sale securities are 4,97% (31 December 2018: 4,55%), %2,58 (31 December 2018: 2,38%), %3,09 (31 December 2018: %3,09) and 15,74% respectively. (31 December 2018: 20,97%). The Group's financial assets available for sale subject to funds provided from repo are TRY 16.064.016 (31 December 2018: TRY 12.114.655). Available for sale financial assets that are given as collateral because of the Group's financing activities are amounting to TRY9.910.608 (31 December 2018: TRY8.854.043).

Akbank has Consumer Price Index ("CPI") linked government bonds under available-for-sale and held-to maturity portfolio. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two month before. The estimated inflation rate used is updated during the year when necessary.



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**NOTE 5 - FINANCIAL ASSETS (Continued)**

**b) Financial Assets Through Other Comprehensive Income:**

The maturity analysis in accordance with expiring date as at 31 March 2019 and 31 December 2018 is as follows:

	<b>31 March 2019</b>			<b>31 December 2018</b>		
	<b>Other</b>			<b>Other</b>		
	<b>Banking</b>	<b>companies</b>	<b>Total</b>	<b>Banking</b>	<b>companies</b>	<b>Total</b>
0 to3 months	2.771.973	-	2.771.973	1.215.426	-	1.215.426
3 to 12 months	4.019.734	-	4.019.734	3.997.086	-	3.997.086
1 to 5 years	33.864.892	14.283	33.879.175	29.373.727	13.777	29.387.504
Over 5 years	10.738.353	-	10.738.353	9.522.087	-	9.522.087
No maturity	319.948	-	319.948	237.750	-	237.750
<b>Total</b>	<b>51.714.900</b>	<b>14.283</b>	<b>51.729.183</b>	<b>44.346.076</b>	<b>13.777</b>	<b>44.359.853</b>

Period remaining to contractual repricing dates as at 31 March 2019 and 31 December 2018 is as follows:

	<b>31 Mart 2019</b>			<b>31 December 2018</b>		
	<b>Other</b>			<b>Other</b>		
	<b>Banking</b>	<b>companies</b>	<b>Total</b>	<b>Banking</b>	<b>companies</b>	<b>Total</b>
0 to3 months	12.754.650	-	12.754.650	8.558.547	-	8.558.547
3 to 12 months	11.579.419	-	11.579.419	13.645.080	-	13.645.080
1 to 5 years	19.293.643	14.283	19.307.926	15.273.796	13.777	15.287.573
Over 5 years	7.813.027	-	7.813.027	6.617.448	-	6.617.448
No maturity	274.161	-	274.161	251.205	-	251.205
<b>Total</b>	<b>51.714.900</b>	<b>14.283</b>	<b>51.729.183</b>	<b>44.346.076</b>	<b>13.777</b>	<b>44.359.853</b>

**c) Financial Assets at Amortised Cost:**

Details of financial investments valued over their amortized cost are presented below:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Government bonds	12.090.560	12.263.568
<b>Total</b>	<b>12.090.560</b>	<b>12.263.568</b>

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**NOTE 5 - FINANCIAL ASSETS (Continued)**

**c) Financial Assets at Amortised Cost (Continued):**

**Details of financial investments valued over their amortized cost are presented below:**

	<b>31 March 2019</b>	<b>31 December 2018</b>
<b>Balance, 1 January</b>	<b>12.263.568</b>	<b>18.883.153</b>
Additions (*)	5.841	1.654.189
Foreign exchange differences in monetary assets	337.865	1.683.148
Valuation effect	27.611	572.514
Disposals through sales and redemptions (*)	(714.895)	(10.713.907)
Allowance for impairment	170.570	184.471
<b>Total</b>	<b>12.090.560</b>	<b>12.263.568</b>

(\*) The Group reassessed its management model for securities in accordance with IFRS 9 standard and reviewed the securities previously classified as held-to-maturity and measured at amortized cost of TRY4.927.185 for the purpose of collecting the cash flow of the appropriate management model or for selling the financial asset, classified the fair value under other comprehensive income

Effective interest rate of debt securities in USD, Euro and TRY are 5,12% 3,58% ve 18,68%.  
(31 December2018: Effective interest rate of debt securities in USD, Euro and TRY are 4,89%, 3,58% and 26,70%).

Period remaining to contractual maturity dates for held to maturity financial assets as at 31 March 2019 and 31 December 2018 is as follows:

	<b>31 March 2019</b>			<b>31 December 2018</b>		
	<b>Other</b>			<b>Other</b>		
	<b>Banking</b>	<b>companies</b>	<b>Total</b>	<b>Banking</b>	<b>companies</b>	<b>Total</b>
3 to 12 months	3.361.776	-	3.361.776	3.518.476	81	3.518.557
1 to 5 years	7.539.162	-	7.539.162	7.640.711	-	7.640.711
Over 5 years	1.189.622	-	1.189.622	1.104.300	-	1.104.300
<b>Total</b>	<b>12.090.560</b>	<b>-</b>	<b>12.090.560</b>	<b>12.263.487</b>	<b>81</b>	<b>12.263.568</b>

Period remaining to contractual repricing dates for investment security, held to maturity financial assets at 31 March 2019 and 31 December 2018 is as follows:

	<b>31 March 2019</b>			<b>31 December 2018</b>		
	<b>Other</b>			<b>Other</b>		
	<b>Banking</b>	<b>companies</b>	<b>Total</b>	<b>Banking</b>	<b>companies</b>	<b>Total</b>
Up to 3 months	2.658.004	-	2.658.004	3.971.097	-	3.971.097
3 to 12 months	5.521.155	-	5.521.155	4.220.072	81	4.220.153
1 to 5 years	2.721.779	-	2.721.779	2.968.018	-	2.968.018
Over 5 years	1.189.622	-	1.189.622	1.104.300	-	1.104.300
<b>Total</b>	<b>12.090.560</b>	<b>-</b>	<b>12.090.560</b>	<b>12.263.487</b>	<b>81</b>	<b>12.263.568</b>

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**NOTE 6 - FINANCIAL LIABILITIES**

**Short term funds, bank loans and issued debt securities:**

	<b>31 March 2019</b>	<b>31 December 2018</b>
Short term	16.670.507	9.726.191
Short-term portion of long term	20.343.494	20.815.668
<b>Total short term</b>	<b>37.014.001</b>	<b>30.541.859</b>
<b>Long-term funds borrowed, bank borrowings and debt securities:</b>		
Long term	33.030.252	35.222.289
<b>Total</b>	<b>70.044.253</b>	<b>65.764.148</b>

The maturity schedule of financial liabilities at 31 March 2019 and 31 December 2018 is summarized below:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Up to 3 months	19.052.259	8.447.806
3 to 12 months	17.961.742	22.094.053
<b>Short term financial liabilities and short term portion of long term financial liabilities</b>	<b>37.014.001</b>	<b>30.541.859</b>
1 to 5 years	19.712.331	21.892.607
Over 5 years	13.317.921	13.329.682
<b>Long term financial liabilities</b>	<b>33.030.252</b>	<b>35.222.289</b>
<b>Total financial liabilities</b>	<b>70.044.253</b>	<b>65.764.148</b>

The repayment schedule of long term financial liabilities at 31 March 2019 and 31 December 2018 is summarized below:

	<b>31 March 2019</b>	<b>31 December 2018</b>
2019	4.784.330	7.770.555
2020	4.313.662	4.168.543
2021	6.212.018	5.887.176
2022	4.402.321	4.066.334
2023 ve and after	13.317.921	13.329.681
<b>Total</b>	<b>33.030.252</b>	<b>35.222.289</b>

The repayment schedule of long term financial liabilities at 31 March 2019 and 31 December 2018 is summarized below:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Up to 3 months	47.054.405	38.453.236
3 to 12 months	6.506.520	10.334.947
1 to 5 years	6.042.763	9.449.170
Over 5 years	10.440.565	7.526.795
<b>Total</b>	<b>70.044.253</b>	<b>65.764.148</b>

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**NOTE 6 - FINANCIAL LIABILITIES (Continued)**

The transactions related with the funds and loans as of 31 March 2019 are as follows:

**Akbank - Syndicated Loan**

As of 31 March 2019, Akbank has three outstanding syndicated loans. On 18 August 2017, the first syndicated loan was signed and raised EUR 515,1 million and USD542,6 million consisting of 1 year and 2 year maturities. The current amount is USD205 million. The cost of 2 year maturity loan is Libor + 220 bps. The second syndicated loan of EUR483 million Avro ve USD 604.5 million million with a maturity of 1 year and 2 years was obtained through the loan agreement signed on 26 March 2018. The cost of the one-year portion of the loan is Euribor + 120 bps and Libor + 130 bps and the cost of the two-year portion of the loan is Libor + 210 bps. A syndicated loan amounting to USD 591 million and USD 285 million with one-year maturity was signed on 27 September 2018. The cost of the loan is Euribor + 265 bps and Libor + 275 bps.

**Issued securities:**

Securities issued consist of USD and TRY assets.

The repayment plan for USD securities issued is summarized below:

	<b>31 March 2019</b>		<b>31 December 2018</b>	
	<b>USD</b>	<b>TRY</b>	<b>USD</b>	<b>TRY</b>
2019	354.546	1.985.458	979.670	5.153.064
2020	916.316	5.131.370	1.071.920	5.638.299
2021	459.548	2.573.469	574.885	3.023.895
2022	864.661	4.842.102	946.571	4.978.963
2023	420.908	2.357.085	538.218	2.831.027
2024	410.715	2.300.004	493.616	2.596.420
2025	751.649	4.209.234	448.497	2.359.094
2026	372.979	2.088.682	57.488	302.387
2027	635.274	3.557.534	309.511	1.628.028
2028	257.069	1.439.586	221.586	1.165.542
2029	18.012	100.867	-	-
2030	12.643	70.801	-	-
2031	2.381	13.332	-	-
<b>Total</b>	<b>5.476.701</b>	<b>30.669.524</b>	<b>5.641.962</b>	<b>29.676.719</b>

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**NOTE 6 - FINANCIAL LIABILITIES (Continued)**

The balance amounting to USD5.476.701 consists of securitization deals and USD denominated securities issued by the Bank.

	<b>31 March 2019</b>		<b>31 December 2018</b>	
	<b>EUR</b>	<b>TRY</b>	<b>EUR</b>	<b>TRY</b>
2019	34.349	215.949	91.366	549.857
2020	34.471	216.716	23.104	139.044
2021	34.457	216.628	362	2.179
2022	352	2.213	348	2.094
2023	338	2.125	335	2.016
2024	325	2.043	321	1.932
2025	312	1.962	309	1.860
2026	300	1.886	297	1.787
2027	288	1.811	285	1.715
2028	277	1.741	274	1.649
2029	6.878	43.224	6.808	40.955
<b>Total</b>	<b>112.347</b>	<b>706.298</b>	<b>123.809</b>	<b>745.088</b>

The balance amounting to EUR112.347 consists of securitization deals and EUR denominated securities issued by the Group.

	<b>31 March 2019</b>		<b>31 Decemeber 2018</b>	
	<b>RON</b>	<b>TRY</b>	<b>RON</b>	<b>TRY</b>
2019	56.776	74.519	56.222	72.167
<b>Total</b>	<b>56.776</b>	<b>74.519</b>	<b>56.222</b>	<b>72.167</b>

The balance amounting to RON56.776 Romaniaa Leyi (RON) consists of securitization deals and RON denominated securities issued by the Group..

	<b>31 March 2019</b>		<b>31 December 2018</b>	
	<b>HUF</b>	<b>TRY</b>	<b>HUF</b>	<b>TRY</b>
2019	-	-	764.752	14.354
<b>Total</b>	<b>-</b>	<b>-</b>	<b>764.752</b>	<b>14.354</b>

The balance amounting to HUF764.752 consists of securitization deals and HUF denominated securities issued by the Group

	<b>31 March 2019</b>		<b>31 December 2018</b>	
	<b>JPY</b>	<b>TRY</b>	<b>JPY</b>	<b>TRY</b>
2019	1.000.209	50.461	1.002.770	47.772
<b>Total</b>	<b>1.000.209</b>	<b>50.461</b>	<b>1.002.770</b>	<b>47.772</b>

The balance amounting to JPY1.000.209 consists of securitization deals and JPY denominated securities issued by the Group.

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**NOTE 6 - FINANCIAL LIABILITIES (Continued)**

**Issued securities (Continued):**

Additionally, as of 31 March 2019, there are bonds issued by the Bank amounting to TRY 6.354.478 with 1-3 months maturity, TRY 100.517 with 3-6 months maturity, TRY 374.723 with 1-5 years maturity and TRY 1.839.929 with 5 years over maturity.(31 December 2018: TRY 2.669.292 with 3 months maturity, TRY 278.354 with 3-6 months maturity and TRY 257.048 with 1-5 years maturity and TRY 1.650.033 with 5 years and over maturity).

**NOTE 7 – OBLIGATIONS FROM LEASING TRANSACTIONS**

The breakdown of the Group's obligations with respect to the lease transactions in accordance with IFRS 16 is as follows:

**Liabilities arising from short-term lease transactions:**

	<b>Up to 3 months</b>	<b>Between 3-12 months</b>	<b>Total</b>
TRY	130.146	131.468	261.614
USD	6.868	21.469	28.337
EUR	1.318	7.385	8.703
<b>Total</b>	<b>138.332</b>	<b>160.322</b>	<b>298.654</b>

**Liabilities arising from long-term lease transactions:**

	<b>Between 1-2 years</b>	<b>Between 2-3 years</b>	<b>Between 3-4 years</b>	<b>Between 4-5 years</b>	<b>5 years and more</b>	<b>Total</b>
TRY	204.167	215.145	721.273	142.158	349.967	1.632.710
USD	16.575	-	-	-	-	16.575
EUR	5.132	3.989	754	834	26.835	37.544
<b>Total</b>	<b>225.874</b>	<b>219.134</b>	<b>722.027</b>	<b>142.992</b>	<b>376.802</b>	<b>1.686.829</b>

**NOTE 8 - OTHER RECEIVABLES AND PAYABLES**

<b>Other short term receivables:</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
Receivables from credit card payments	30.757	35.689
Other receivables(*)	2.673.779	1.748.455
<b>Total</b>	<b>2.704.536</b>	<b>1.784.144</b>

<b>Other long term receivables:</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
Deposits and guarantees given	49.483	49.703
Other receivables(*)	2.637.459	3.004.847
<b>Total</b>	<b>2.686.942</b>	<b>3.054.550</b>

(\*) Other receivables mainly consist of the collaterals obtained by Akbank for derivative transactions.

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**NOTE 8 - OTHER RECEIVABLES AND PAYABLES (Continued)**

	<b>31 March 2019</b>	<b>31 December 2018</b>
<b>Other short term payables::</b>		
Payables related to credit card transactions	4.074.549	4.003.963
Taxes and funds payable	619.851	566.985
Export deposits and transfer orders	87.823	95.021
Payment orders to correspondent banks	146.207	42.924
Financial lease payables	23.712	23.712
Other(*)	2.190.607	1.409.805
<b>Total</b>	<b>7.142.749</b>	<b>6.142.410</b>
 <b>Other long term payables:</b>	 <b>31 March 2019</b>	 <b>31 December 2018</b>
Financial lease payables	332	58.606
Taxes and funds payable	11.494	-
Other(*)	4.410.471	2.313.990
<b>Total</b>	<b>4.422.297</b>	<b>2.372.596</b>

(\*) Other payables mainly include the collaterals given by Akbank for derivative transactions.

**NOTE 9 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD**

Book value of Associates and Joint Ventures is as follows:

	<b>31 March 2019</b>	<b>Share (%)</b>	<b>31 December 2018</b>	<b>Share (%)</b>
Aksigorta	182.954	36,00	232.657	36,00
Avivasa	235.424	40,00	257.872	40,00
Brisa	441.978	43,63	401.808	43,63
Akçansa	351.266	39,72	404.949	39,72
Enerjisa Üretim Santralleri	2.660.019	50,00	2.596.999	50,00
Enerjisa Enerji	2.451.966	40,00	2.519.566	40,00
Philsa	119.061	25,00	188.256	25,00
Philip Morrisa	11.892	24,75	37.357	24,75
Temsa Mısır	(10.707)	73,75	(8.104)	73,75
Temsa İş Makineleri	116.419	51,00	125.099	51,00
<b>Total</b>	<b>6.560.272</b>		<b>6.756.459</b>	

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**NOTE 9 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (Continued)**

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

	<b>1 January - 31 March 2019</b>	<b>1 January - 31 March 2018</b>
Aksigorta	25.999	16.750
Avivasa	23.818	14.514
Brisa	(1.158)	4.973
Akçansa	7.830	14.046
Enerjisa Üretim Santralleri	201.679	(46.883)
Enerjisa Enerji	118.969	97.145
Philisa	(3.600)	32.049
Philip Morrissa	2.854	10.959
Temsa Mısır	(33)	(87)
Temsa İş Makineleri	8.280	6.407
<b>Total</b>	<b>384.638</b>	<b>149.873</b>

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

	<b>31 March 2019</b>		<b>31 December 2018</b>	
	<b>Total assets</b>	<b>Total liabilities</b>	<b>Total assets</b>	<b>Total liabilities</b>
Aksigorta	6.019.358	5.511.151	5.464.195	4.817.924
Avivasa	2.496.273	1.931.252	2.263.901	1.642.760
Brisa	5.646.748	4.633.733	4.803.642	3.882.699
Akçansa	2.085.449	1.188.176	2.103.125	1.070.700
Enerjisa Üretim Santralleri	14.332.685	9.012.648	13.628.412	8.434.414
Enerjisa Enerji	24.421.120	18.291.204	23.120.713	16.821.798
Philisa	3.020.304	2.544.061	3.350.586	2.597.563
Philip Morrissa	1.509.900	1.461.852	1.267.960	1.117.021
Temsa Mısır	12.614	27.132	14.416	25.404
Temsa İş Makineleri	478.338	290.685	567.374	262.701
<b>Total</b>	<b>60.022.789</b>	<b>44.891.894</b>	<b>56.584.324</b>	<b>40.672.984</b>



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**NOTE 9 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (Continued)**

**Sales**

	<b>1 January - 31 March 2019</b>	<b>1 January - 31 March 2018</b>
Aksigorta	1.058.222	932.143
Avivasa	177.426	140.454
Brisa	775.942	694.095
Akçansa	407.320	387.622
Enerjisa Üretim Santralleri	1.347.503	1.087.486
Enerjisa Enerji	4.483.636	4.070.303
Philsa (*)	6.573.833	5.257.240
Philip Morrissa	6.324.332	5.180.173
Temsa İş Makineleri	185.256	203.906

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

**Net profit/(loss)**

	<b>1 January - 31 March 2019</b>	<b>1 January - 31 March 2018</b>
Aksigorta	72.218	46.527
Avivasa	59.546	36.285
Brisa	(2.653)	11.399
Akçansa	19.077	41.682
Enerjisa Üretim Santralleri	403.357	(93.765)
Enerjisa Enerji	297.423	242.862
Philsa	(14.401)	128.197
Philip Morrissa	11.530	44.278
Temsa Mısır	(45)	(118)
Temsa İş Makineleri	16.237	12.563

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NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment for the year ended 31 March 2019 is as follows:

	1 January 2019	Currency translation differences	Additions	Disposals	Transfers (*)	Impairment	31 March 2019
<b>Cost:</b>							
Land and land improvements	504.524	9.431	273	(7.164)	(161)	-	506.903
Buildings	2.923.521	34.326	1.377	(289)	2.404	-	2.961.339
Leased buildings	20.512	-	-	-	(20.512)	-	-
Machinery and equipment	4.921.161	159.988	7.966	(4.225)	14.040	-	5.098.930
Motor vehicles	122.132	652	2.224	(1.662)	-	-	123.346
Furnitures and fixtures	3.336.710	6.020	63.646	(13.980)	3.273	-	3.395.669
<b>Total</b>	<b>11.828.560</b>	<b>210.417</b>	<b>75.486</b>	<b>(27.320)</b>	<b>(956)</b>	<b>-</b>	<b>12.086.187</b>
<b>Construction in progress</b>	863.615	13.270	118.509	(1)	(30.676)	-	964.717
<b>Total</b>	<b>12.692.175</b>	<b>223.687</b>	<b>193.995</b>	<b>(27.321)</b>	<b>(31.632)</b>	<b>-</b>	<b>13.050.904</b>
<b>Accumulated depreciation:</b>							
Land and land improvements	(239.584)	(1.079)	(2.173)	78	-	-	(242.758)
Buildings	(1.039.002)	(14.696)	(16.368)	169	-	-	(1.069.897)
Leased buildings	(7.732)	-	-	-	7.732	-	-
Machinery and equipment	(2.429.790)	(79.874)	(56.852)	4.580	-	-	(2.561.936)
Motor vehicles	(102.139)	(330)	(2.158)	825	-	-	(103.802)
Furnitures and fixtures	(2.247.250)	(4.446)	(79.960)	10.562	-	3.660	(2.317.434)
<b>Total</b>	<b>(6.065.497)</b>	<b>(100.425)</b>	<b>(157.511)</b>	<b>16.214</b>	<b>7.732</b>	<b>3.660</b>	<b>(6.295.827)</b>
<b>Net book value</b>	<b>6.626.678</b>						<b>6.755.077</b>

(\*) TRY 11.120 of the transfers from the construction in progress during the period are recognised under intangible fixed assets.

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**NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

The movement in property, plant and equipment for the year ended 31 March 2018 is as follows:

<b>Cost:</b>	<b>1 January 2018</b>	<b>Currency translation differences</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers (*)</b>	<b>Impairment</b>	<b>31 March 2018</b>
Land and land improvements	549.569	1.957	1.255	(25.965)	(169)	-	526.647
Buildings	2.688.983	21.791	4.128	(39.394)	5.580	429	2.681.517
Machinery and equipment	3.906.821	85.605	7.564	(407)	50.550	(158)	4.049.975
Motor vehicles	111.243	326	398	(1.724)	9	-	110.252
Furniture and fixtures	3.143.030	2.993	78.816	(94.123)	1.678	8.329	3.140.723
<b>Total</b>	<b>10.399.646</b>	<b>112.672</b>	<b>92.161</b>	<b>(161.613)</b>	<b>57.648</b>	<b>8.600</b>	<b>10.509.114</b>
<b>Construction in progress</b>	644.620	(908)	146.962	(16)	(76.133)	-	714.525
<b>Total</b>	<b>11.044.266</b>	<b>111.764</b>	<b>239.123</b>	<b>(161.629)</b>	<b>(18.485)</b>	<b>8.600</b>	<b>11.223.639</b>
<b>Accumulated depreciation:</b>							
Land and land improvements	(235.214)	(356)	(1.884)	-	7.976	-	(229.438)
Buildings	(977.040)	(9.801)	(14.464)	16.473	-	-	(984.832)
Machinery and equipment	(1.990.166)	(38.544)	(44.444)	389	-	-	(2.072.765)
Motor vehicles	(95.743)	(195)	(1.463)	673	-	-	(96.728)
Furniture and fixtures	(2.216.358)	(2.994)	(68.281)	73.246	-	(4.840)	(2.219.227)
<b>Total</b>	<b>(5.514.521)</b>	<b>(51.890)</b>	<b>(130.496)</b>	<b>90.781</b>	<b>7.976</b>	<b>(4.840)</b>	<b>(5.602.990)</b>
<b>Net book value</b>	<b>5.529.745</b>						<b>5.620.649</b>

(\*) TRY 10.509 of the transfers from the construction in progress during the period are recognised under intangible fixed assets.

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**NOTE 11 - INTANGIBLE ASSETS**

The movements in intangible assets for the years ended 31 March 2019 and 2018 are as follows:

	<b>1 January 2019</b>	<b>Currency translation differences</b>	<b>Additions</b>	<b>Impairment</b>	<b>Disposals</b>	<b>Transfers</b>	<b>31 March 2019</b>
Cost	2.530.363	28.917	69.220	1	(1.323)	11.120	2.638.298
Accumulated amortization (-)	(1.270.702)	(8.330)	(78.895)	(1)	532	-	(1.357.396)
<b>Net book value</b>	<b>1.259.661</b>						<b>1.280.902</b>

	<b>1 January 2018</b>	<b>Currency translation differences</b>	<b>Additions</b>	<b>Impairment</b>	<b>Disposals</b>	<b>Transfers</b>	<b>31 March 2018</b>
Cost (*)	1.827.717	638	52.582	154	(3.302)	10.509	1.888.298
Accumulated amortization (-)	(1.010.619)	155	(61.038)	(154)	1.046	-	(1.070.610)
<b>Net book value</b>	<b>817.098</b>						<b>817.688</b>

(\*) Intangible assets mainly consist of licenses and software.

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NOTE 12 –RIGHT ON USE ASSETS

	1 January 2019	Transfers	Addition	Disposals	Other	31 March 2019
<b>Cost</b>						
Property	1.855.171	20.512	156.147	(58.048)	(7.870)	1.965.913
Fixtures	407	-	-	-	-	407
Vehicles	28.320	-	4.698	4	-	33.022
Other	11.781	-	-	-	-	11.781
<b>Total</b>	<b>1.895.679</b>	<b>20.512</b>	<b>160.845</b>	<b>(58.044)</b>	<b>(7.870)</b>	<b>2.011.123</b>
<b>Accumulated depreciation</b>	-					
Property	-	(7.732)	(87.166)	19.158	-	(75.739)
Fixtures	-	-	(1.060)	-	-	(1.060)
Vehicles	-	-	(1.125)	(4)	-	(1.130)
Other	-	-	(446)	-	-	(446)
<b>Total</b>	-	<b>(7.732)</b>	<b>(89.797)</b>	<b>19.154</b>	-	<b>(78.375)</b>
<b>Net book value</b>	<b>1.895.679</b>	<b>12.781</b>	<b>71.048</b>	<b>(38.890)</b>	<b>(7.870)</b>	<b>1.932.748</b>

(\*) During the period, TL 12,781 of property, plant and equipment has been transferred to Right on Use Assets.

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**NOTE 13 - GOODWILL**

The movements of goodwill for the three month period ended on 31 March 2019 and 2018 are as follows:

	<b>2019</b>	<b>2018</b>
1 January	849.215	873.097
Currency translation differences	12.529	-
<b>31 March</b>	<b>861.744</b>	<b>873.097</b>

**NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

<b>Other short term provisions</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
Provision for liabilities	566.987	611.896
Credit bonus provision	44.628	53.120
<i>Litigation</i>	173.436	173.323
<i>Uncompensated and not encashed non-cash loans</i>	340.256	378.740
<i>Onerous contracts</i>	5.246	5.246
Other short-term provisions	3.421	1.467
Other	75.418	66.959
<b>Total</b>	<b>642.405</b>	<b>678.855</b>

<b>Other long term provisions</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
Provision for liabilities	6.105	4.260
<i>Other long-term provisions</i>	6.105	4.260
<b>Total</b>	<b>6.105</b>	<b>4.260</b>

<b>Commitments - Banking segment</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
Letters of guarantee given	33.984.618	34.426.832
Letters of credit	5.576.509	6.255.037
Foreign currency acceptance credits	950.471	2.740.066
Other guarantees	8.417.404	7.884.108
<b>Total</b>	<b>48.929.002</b>	<b>51.306.043</b>

<b>Commitments – Other companies</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
Letters of guarantee given	853.790	812.587
Other guarantees given	339.498	413.072
Mortgages, guarantees and pledges for tangible assets	8.108	11.480
<b>Total</b>	<b>1.201.396</b>	<b>1.237.139</b>

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**NOTE 14 - 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 2019 and 31 December 2018 are as follows:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Repurchase commitments	21.086.773	14.434.653
<b>Transactions for held for trading:</b>		
	<b>31 March 2019</b>	<b>31 December 2018</b>
Foreign currency purchases	7.445.405	11.135.973
Foreign currency sales	7.185.918	10.525.900
<b>Total</b>	<b>14.631.323</b>	<b>21.661.873</b>
	<b>31 March 2019</b>	<b>31 December 2018</b>
Currency swap purchases	160.000.753	141.036.291
Currency swap sales	156.164.437	139.431.917
Interest swap purchases	83.975.283	68.273.548
Interest swap sales	83.975.283	68.273.548
<b>Total</b>	<b>484.115.756</b>	<b>417.015.304</b>
	<b>31 March 2019</b>	<b>31 December 2018</b>
Spot purchases	12.425.118	7.628.722
Spot sales	12.376.750	7.347.903
<b>Total</b>	<b>24.801.868</b>	<b>14.976.625</b>
	<b>31 March 2019</b>	<b>31 December 2018</b>
Currency, interest and securities options purchases	20.495.135	37.759.363
Currency, interest and securities options sales	20.700.159	37.740.163
<b>Total</b>	<b>41.195.294</b>	<b>75.499.526</b>
	<b>31 March 2019</b>	<b>31 December 2018</b>
Other purchase transactions	17.073.981	16.286.966
Other sales transactions	8.574.994	8.749.610
<b>Total</b>	<b>25.648.975</b>	<b>25.036.576</b>

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**NOTE 14 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

**Types of derivative transactions held for hedges:**

	<b>31 March 2019</b>	<b>31 December 2018</b>
Interest swap purchases	15.774.658	15.800.831
Interest swap sales	15.774.658	15.800.831
<b>Total</b>	<b>31.549.316</b>	<b>31.601.662</b>

	<b>31 March 2019</b>	<b>31 December 2018</b>
Foreign currency purchases	7.606	-
<b>Total</b>	<b>7.606</b>	<b>-</b>

	<b>31 March 2019</b>	<b>31 December 2018</b>
Currency swap purchases	19.708.644	17.128.717
Currency swap sales	15.656.726	13.443.865
<b>Total</b>	<b>35.365.370</b>	<b>30.572.582</b>

	<b>31 March 2019</b>	<b>31 December 2018</b>
Future purchases	3.222.061	-
Future sales	3.229.798	-
<b>Total</b>	<b>6.451.859</b>	<b>-</b>

The maturity analysis of the off-balance sheet assets of the Banking segment at 31 March 2019 is as follows:

	<b>Up to 1 year</b>	<b>Over 1 year</b>	<b>Total</b>
Letters of guarantees given	5.577.487	28.407.131	33.984.618
Letters of credits	2.225.772	3.350.737	5.576.509
Acceptance credits	932.609	17.862	950.471
Other guarantees	3.986.613	4.430.791	8.417.404
<b>Total</b>	<b>12.722.481</b>	<b>36.206.521</b>	<b>48.929.002</b>

The maturity analysis of the off-balance sheet assets of the Banking segment at 31 December 2018 is as follows:

	<b>Up to 1 year</b>	<b>Over 1 year</b>	<b>Total</b>
Letters of guarantees given	5.334.189	29.092.643	34.426.832
Letters of credits	2.387.038	3.867.999	6.255.037
Acceptance credits	2.457.752	282.314	2.740.066
Other guarantees	3.682.397	4.201.711	7.884.108
<b>Total</b>	<b>13.861.376</b>	<b>37.444.667</b>	<b>51.306.043</b>



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**NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

The economic sector risk concentrations of the commitments of the Banking segment at 31 March 2019 and 31 December 2018 are as follows:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Financial institutions	6.810.507	7.182.375
Construction	7.227.987	7.911.886
Chemicals	1.531.894	1.558.845
Wholesale	6.742.730	9.162.663
Small-scale retailers	5.104.272	5.252.181
Steel and mining	3.512.391	3.218.621
Food and beverage	1.472.558	1.398.630
Electricity, gas and water	2.248.511	2.458.803
Automotive	1.503.509	1.185.086
Other manufacturing	5.128.320	4.884.605
Electronics	308.918	298.176
Textile	1.386.098	1.446.126
Transportation	1.587.489	700.841
Telecommunications	179.350	207.104
Tourism	321.886	337.699
Agriculture and forestry	202.859	180.924
Other	3.659.723	3.921.478
<b>Total</b>	<b>48.929.002</b>	<b>51.306.043</b>

Aksigorta, one of the Group's joint ventures, has been subject to a tax investigation by the T.C. Ministry of Finance Tax Audit Board that started in 24 June 2014. As a result of this limited tax investigation related to Banking Insurance Transaction Tax covering years 2009, 2010, 2011 and 2012; Total TRY 1,8 Million tax and Total TRY 2,8 Million tax penalty for year 2009, Total TRY 2 Million (Full Amount) tax and Total TRY 3 Million (Full Amount) tax penalty for year 2010, Total TRY 3 Million (Full Amount) tax and Total TRY 4,6 Million (Full Amount) tax penalty for year 2011, Total TRY 4,3 Million (Full Amount) tax and Total TRY 6,4 Million (Full Amount) tax penalty for year 2012, and totally TRY 27,9 Million (Full Amount) tax and tax penalty have been charged to the company for the claim recovery and salvage operations of the banking and insurance transactions that were not subject to tax. The Company has not booked any provision on financial statements. On 16 January 2015, the Company filed a reconciliation request for the year 2009 and on 20 February 2015 filed a reconciliation request for the years 2010,2011 and 2012 to the Large Taxpayers Office Commission of Reconciliation. The negotiations with the Ministry of Finance Central Reconciliation Commission at the date of 15 February 2018 has not reached a reconciliation. At this stage, no payment will be made regarding to the mentioned tax rights and tax penalties and legal proceedings will be started by the Company.

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**NOTE 15 - COMMITMENTS**

Collaterals, pledges and mortgages ("CPM") given by Subsidiaries at 31 March 2019 is as follows;

	<b>31 March 2019</b>				
	<b>Total TL Equivalent</b>	<b>TL</b>	<b>USD</b>	<b>EUR</b>	<b>Other</b>
A, Total amount of the Collaterals					
given for its own legal entity	1,156,187	315,207	95,218	48,277	-
B, Collaterals given on behalf of fully consolidated companies	1,598,901	325,109	6,603	194,964	4,685
C, Collaterals given on behalf of the third parties' debt for continuation of their economic activities	48,929,003	21,083,697	2,573,994	2,032,999	511,728
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	-	-	-	-	-
<b>Total Collaterals</b>	<b>51,684,091</b>	<b>21,724,013</b>	<b>2,675,815</b>	<b>2,276,240</b>	<b>516,413</b>
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	-	-	-	-	-
<b>Total Mortgages</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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	-	-	-	-	-
iii, Given on behalf of third parties which are not in scope of C	-	-	-	-	-
<b>Total Pledges</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**NOTE 15 - COMMITMENTS (Continued)**

Collaterals, pledges and mortgages ("CPM") given by Joint Ventures at 31 March 2019 is as follows;

	<b>31 March 2019</b>				
	<b>Total TL Equivalent</b>	<b>TL</b>	<b>USD</b>	<b>EUR</b>	<b>Other</b>
A, Total amount of the Collaterals given for its own legal entity	1,104,790	1,062,143	6,115	1,302	-
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	2,770	2,770	-	-	-
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	-	-	-	-	-
<b>Total Collaterals</b>	<b>1,107,560</b>	<b>1,064,913</b>	<b>6,115</b>	<b>1,302</b>	<b>-</b>
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	-	-	-	-	-
<b>Total Mortgages</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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	-	-	-	-	-
<b>Total Pledges</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**NOTE 15 - COMMITMENTS (Continued)**

Collaterals, pledges and mortgages ("CPM") given by the Subsidiaries at 31 December 2018 is as follows;

	<b>31 December 2018</b>				
	<b>Total TRY Equivalent</b>	<b>TRY</b>	<b>USD</b>	<b>EUR</b>	<b>Other</b>
A. Total amounts of the Collaterals given for its own legal entity	1.221.533	318.497	107.680	55.593	-
B. Collaterals given on behalf of fully consolidated companies	1.489.327	360.398	10.056	177.684	4.944
C. Collaterals given on behalf of the third parties' debt for continuation of their economic activities	51.306.043	21.761.622	3.087.613	2.122.216	508.077
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	-	-	-	-	-
<b>Total Collaterals</b>	<b>54.016.903</b>	<b>22.440.517</b>	<b>3.205.349</b>	<b>2.355.493</b>	<b>513.021</b>
A. Total amounts of the Mortgages given for its own legal entity	-	-	-	-	-
B. Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C. Mortgages given on behalf of the 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	-	-	-	-	-
<b>Total Mortgages</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
A. Total amounts of the pledges given for its own legal entity	-	-	-	-	-
B. Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C. Pledges given on behalf of the 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	-	-	-	-	-
<b>Total Pledges</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**NOTE 15 - COMMITMENTS (Continued)**

Collaterals, pledges and mortgages ("CPM") given by the Joint Ventures at 31 December 2018 is as follows;

	<b>31 December 2018</b>				
	<b>Total TRY Equivalent</b>	<b>TRY</b>	<b>USD</b>	<b>EUR</b>	<b>Other</b>
A. Total amounts of the Collaterals given for its own legal entity	1.165.180	1.118.379	7.269	1.419	-
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	2.850	2.850	-	-	-
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	-	-	-	-	-
<b>Total Collaterals</b>	<b>1.168.030</b>	<b>1.121.229</b>	<b>7.269</b>	<b>1.419</b>	<b>-</b>
A. Total amounts of the Mortgages given for its own legal entity	-	-	-	-	-
B. Mortgages given on behalf of fully consolidated companies	-	-	-	-	-
C. Mortgages given on behalf of the 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	-	-	-	-	-
<b>Total Mortgages</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
A. Total amounts of the pledges given for its own legal entity	-	-	-	-	-
B. Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C. Pledges given on behalf of the 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	-	-	-	-	-
<b>Total Pledges</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**NOTE 16 - OTHER ASSETS AND LIABILITIES**

<b>Other Current Assets</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
Cheques in clearance	129.849	1.212.261
Deductible, deferred and other VAT	856.222	530.602
Other Current Assets	91.425	59.697
<b>Total</b>	<b>1.077.496</b>	<b>1.802.560</b>
<b>Other Non-Current Assets</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
Long term tax claims		
and other legal receivables	27.197	13.920
Deductible, deferred and other VAT	3.478	3.902
<i>Other non-current assets</i>	123.322	119.691
<b>Total</b>	<b>153.997</b>	<b>137.513</b>
<b>Other Short Term Liabilities</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
Cheques in clearance	259.070	2.468.350
Saving deposits insurance	17.140	52.010
Other short term liabilities	944.646	244.534
<b>Total</b>	<b>1.220.856</b>	<b>2.764.894</b>
<b>Other Long Term Liabilities</b>		
Other long term liabilities	69.547	94.901
<b>Total</b>	<b>69.547</b>	<b>94.901</b>

**NOTE 17 - EQUITY**

Hacı Ömer Sabancı Holding A.Ş.'s authorised and issued capital consists of 204.040.393.100 (31 December 2018: 204.040.393.100) shares of Kr 1 each.

The Holding's authorised and paid-in share capital and shareholding structure at 31 March 2019 and 31 December 2018 is as follows:

<b>Shareholders::</b>	<b>Share (%)</b>	<b>31 March 2019</b>	<b>Share (%)</b>	<b>31 December 2018</b>
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
<b>Share capital</b>	<b>100,00</b>	<b>2.040.404</b>	<b>100,00</b>	<b>2.040.404</b>
<b>Capital adjustments due to cross-ownership (-)</b>		<b>(190.470)</b>		<b>(190.470)</b>
<b>Share Premium</b>		<b>22.237</b>		<b>22.237</b>

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**NOTE 17 - EQUITY (Continued)**

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 31 March 2019. These shares is classified as capital adjustments due to cross-ownership in equity.

**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:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Legal reserves	792.301	705.591
Investments sales income	344.487	344.487
<b>Total</b>	<b>1.136.788</b>	<b>1.050.078</b>

**Dividend Distribution**

Listed companies processes their profit distributions according to the II-19.1 numbered CMB profit distribution declaration become effective on or after February 1, 2014.

Group companies distribute their profits within the frame of profit distribution policies determined by general assembly and according to the related declaration by the approval of general assembly. Within the mentioned declaration, minimum rate of distribution is not determined. Companies distribute their profits according to the predetermined terms in their articles of incorporation or profit distribution policies.

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**NOTE 17 - EQUITY (Continued)**

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

	<b>Fair Value Revaluation Fund</b>	<b>Cash Flow Hedge Fund</b>	<b>Net Investment Hedge Fund</b>	<b>Currency Translation Effect</b>
<b>Balance as of 1 January 2018</b>	<b>(310.337)</b>	<b>(121.522)</b>	<b>(228.186)</b>	<b>724.660</b>
Increases/(decreases) during the period	(55.983)	50.681	(46.214)	122.705
Gains transferred to income statement	(36.981)	18.297	-	-
Net gains & losses included in the ..income statement due to transfer of available for sale financial assets into held to maturity assets	6.302	-	-	-
Tax effect	18.977	(15.175)	10.167	-
<b>Balance as of 31 March 2018</b>	<b>(378.022)</b>	<b>(67.719)</b>	<b>(264.233)</b>	<b>847.365</b>
<b>Balance as of 1 January 2019</b>	<b>(1.217.928)</b>	<b>(150.767)</b>	<b>(384.914)</b>	<b>1.382.776</b>
Increases/(decreases) during the period	(283.668)	(199.162)	(35.038)	141.896
Gains transferred to income statement	(149.035)	145.371	-	-
Net gains & losses included in the ..income statement due to transfer of available for sale financial assets into held to maturity assets	(36.447)	-	-	-
Tax effect	103.213	11.835	7.708	-
<b>Balance as of 31 March 2019</b>	<b>(1.583.865)</b>	<b>(192.723)</b>	<b>(412.244)</b>	<b>1.524.672</b>

**NOTE 18 - ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED  
OPERATIONS**

**1 January - 31 March 2019**

Nile Kordsa Company for Industrial Fabrics S.A.E., a subsidiary of Kordsa, which is a subsidiary of the Group, had a full period profit amounting to Total TRY 21.736 as of 31 March 2019 (31 March 2018: 25.267). In 31 March 2019 and 31 March 2018, operating results of this company reclassified as income/expense from the discontinued operations in consolidated financial statements.

About Nile Kordsa Company for Industrial Fabric, the amount recognised under "Assets Held For Sale" is Total TRY 7.714.308 as of 31 March 2019 (31 December 2018: Total TRY 14.220.459 ). The amount recognised under "Liabilities Held For Sale" is Total TRY 6.204.017 as of 31 March 2019 (31 December 2018: Total TRY 4.273.745).



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**NOTE 18 - ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED  
OPERATIONS (Continued)**

**1 January - 31 March 2018**

As of 31 March 2018, Temsa, a subsidiary of the Group acquired a real estate with value of TRY 9.986.395 in return of receivables as a guarantee which is accounted under "Assets Held for Sale"

Nile Kordsa Company for Industrial Fabrics S.A.E., a subsidiary of Kordsa, which is a subsidiary of the Group, had a full period profit amounting to Total TRY 25.267 as of 31 March 2018. In 31 March 2018 and 31 March 2017, operating results of this company reclassified as income/expense from the discontinued operations in consolidated financial statements. The amount recognised under "Assets Held For Sale" is Total TRY 12.134.862 as of 31 March 2018. The amount recognised under "Liabilities Held For Sale" is Total TRY 4.659.707 as of 31 March 2018.

**NOTE 19 - FINANCIAL INCOME AND EXPENSE**

	<b>1 January- 31 March 2019</b>	<b>1 January- 31 March 2018</b>
<b>Financial income</b>		
Foreign currency gains	26.993	2.734
Interest Income	612	3.978
<b>Total</b>	<b>27.605</b>	<b>6.712</b>
<b>Financial expenses</b>		
Foreign currency losses	(39.642)	(45.535)
Interest expense	(208.866)	(93.159)
Other financial expenses	(27.302)	(12.709)
<b>Total</b>	<b>(275.810)</b>	<b>(151.403)</b>

Financial income and financial expenses relate to segments outside of banking.

**NOTE 20 - TAX ASSETS AND LIABILITIES**

	<b>31 March 2019</b>	<b>31 December 2018</b>
Corporate and income taxes payable	131.858	448.621
Less: prepaid taxes	(60.976)	(402.392)
<b>Total taxes payable</b>	<b>70.882</b>	<b>46.229</b>

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.

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**NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)**

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 effective tax rate of the fiscal year 2019 is 22% (2018: %22). Corporation tax is payable on the total income of the Holding after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, and investment allowance, etc. and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, except from these corporations dividends subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations calculate corporate tax quarterly at the rate of 22% 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, corporate tax rate is 20%. This ratio will be applied as 22% for a period of three years, according to Law No: 7061 "The Law regarding amendments on Certain Tax Laws and their implications on Deferred Tax Calculations" published in the Official Gazette dated 5 December 2017.

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:

***Affiliation Privilege***

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

***Emission 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.

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**NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)**

***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. As of 1 January 2018, the exemption for real estate has been revised to 50%. 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 corporate tax rate in Turkey is 22%. However, there is a reduced corporate tax application for investments related to incentive certificate. The two factors that are important in calculating the discounted corporate tax in the Investment Incentive System are the contribution rate to investment and the rate of tax reduction. The amount of contribution of the investments to be met by Government through the tax is defined as the amount of contribution to the investment and dividing this amount by the total amount invested is defined as the rate of contribution to the investment. These rates are determined by the President according to the sectors and regions. Regulations on Reduced Corporate Tax are included in the Decree No: 2012/3305 of the Council of Ministers and 1 Serial Number of Corporate Tax.

The tax charges for comprehensive income statement items for the periods ended 31 March 2019 and 2018 are as follows:

	<b>31 March 2019</b>			<b>31 March 2018</b>		
	<b>Before tax</b>	<b>Tax charge</b>	<b>After tax</b>	<b>Before tax</b>	<b>Tax charge</b>	<b>After tax</b>
Fair value of financial assets transferred to the other comprehensive income	(1.046.215)	230.167	(816.048)	(389.831)	85.763	(304.068)
Cash flow hedges	(32.153)	7.074	(25.079)	182.918	(40.242)	142.676
Income/ (loss) from the derivative financial assets related to the hedging of net investment in a foreign operation	(85.985)	18.917	(67.068)	(113.409)	24.950	(88.459)
Change in currency translation differences	320.044	-	320.044	292.709	-	292.709
Actuarial loss/gain	(15.890)	3.496	(12.394)	9.887	(2.175)	7.712
<b>Other Comprehensive Income</b>	<b>(860.199)</b>	<b>259.654</b>	<b>(600.545)</b>	<b>(17.726)</b>	<b>68.296</b>	<b>50.570</b>

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**NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)**

**Deferred tax**

The Group recognises deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under TAS and their statutory tax financial statements. These differences usually result from the recognition of revenue and expenses in different reporting periods for TAS and tax purposes, carry forward tax losses and investment incentive exceptions. Deferred income taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method using a principal tax rate of 20% in Turkey. With the amendment of the Law, this rate was determined as 22% for the years 2018, 2019 and 2020.

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.

According to Law No: 7061 "The Law regarding amendments on Certain Tax Laws and their implications on Deferred Tax Calculations" published in the Official Gazette dated 5 December 2017 and temporary 10th Article added to Corporate Income Tax Law No. 5520, tax ratio will be applied as 22% for the periods of 2018, 2019 and 2020. After these three years, it is foreseen that the tax rate will be 20%. The Council of Ministers is authorised to reduce the rate up to 20%.

For the period ended 31 March 2019, tax on the income generated for the three-month periods are paid at the rate of 22% (2018: 22%) according to tax legislation and the amounts paid in this manner are deducted from the tax calculated on the annual earnings. With the amendment made in the law, this ratio was set at 22% for the years 2018, 2019 and 2020.

At 31 March 2019, the Group has not recognized deferred income tax assets over carry forward tax losses in the amount of TRY 817.905 which can be offset against future taxable profits for a period of five years (31 December 2018: TRY 840.246). As of 31 March 2019 and 31 December 2018 carry forward tax losses and the latest annual periods are as follows:

	<b>31 March 2019</b>	<b>31 December 2018</b>
2020	49.354	24.796
2021	407.265	465.178
2022	344.549	344.549
2023	16.737	5.723
<b>Total</b>	<b>817.905</b>	<b>840.246</b>

Deferred tax assets/(liabilities) for the periods ended 31 March 2019 and 31 December 2018 are as follows:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Deferred Tax Assets	393.910	372.640
Deferred Tax Liabilities	(693.415)	(185.504)
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>(299.505)</b>	<b>187.136</b>

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**NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)**

**Deferred tax (continued)**

The movements in deferred income tax assets/(liabilities) for the periods ended 31 March 2019 and 2018 are as follows:

	<b>2019</b>	<b>2018</b>
1 January	187.136	403.319
Charged to equity	(108.024)	294.514
Change in foreign currency translation differences	(11.098)	(8.597)
Charged to statement of profit or loss	(338.025)	(163.086)
Other	(29.494)	7.002
<b>31 March</b>	<b>(299.505)</b>	<b>533.152</b>

**NOTE 21 - DERIVATIVE FINANCIAL INSTRUMENTS**

**31 March 2019**

	<b>Fair Value</b>	
	<b>Asset</b>	<b>Liability</b>
<b>Derivative instruments held for trading:</b>		
<b>Foreign exchange derivative instruments:</b>		
Currency and interest rate swaps purchases and sales transactions	14.286.916	10.356.686
Forward currency purchases and sales transactions	495.960	447.595
Currency purchases and sales options	220.717	338.625
Other purchases and sales transactions	3.421.678	1.093
<b>Total derivative instruments held for trading</b>	<b>18.425.271</b>	<b>11.143.999</b>
<b>Derivative instruments held for hedging:</b>		
Currency and interest rate swap purchases and sales transactions	6.047.622	803.926
Forward currency purchases and sales transactions	2.553	-
<b>Total derivative instruments held for hedging</b>	<b>6.050.175</b>	<b>803.926</b>
<b>Total derivative instruments</b>	<b>24.475.446</b>	<b>11.947.925</b>

**31 December 2018**

	<b>Fair Value</b>	
	<b>Asset</b>	<b>Liability</b>
<b>Derivative instruments held for trading:</b>		
<b>Foreign exchange derivative instruments</b>		
Currency and interest rate swaps purchases and sales transactions	12.772.069	11.181.788
Forward currency purchases and sales transactions	1.084.169	450.783
Currency purchases and sales options	521.910	609.422
Other purchases and sales transactions	3.249.356	867
<b>Total derivative instruments held for trading</b>	<b>17.627.504</b>	<b>12.242.860</b>

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**NOTE 21 - DERIVATIVE FINANCIAL INSTRUMENTS  
(Continued)**

**Derivative instruments held for hedging:**

Currency and interest rate swap purchases and sales transactions	5.058.434	688.610
Forward currency purchases and sales transactions	2.678	-
<b>Total derivative instruments held for hedging</b>	<b>5.061.112</b>	<b>688.610</b>

<b>Total derivative instruments</b>	<b>22.688.616</b>	<b>12.931.470</b>
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Akbank, Brisa, Yünsa, Carrefoursa and Enerjisa hedge against cash flow risk through the use of interest rate swaps against the cash flow risk arising from its financial debts.

**NOTE 22 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS**

**Banking**

<b>Loans and advances to customers</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
Consumer loans and credit cards receivables	44.952.906	45.957.225
Project finance loans (*)	50.243.976	48.446.550
Construction	20.969.103	21.226.158
Financial institutions	28.203.229	25.290.619
Small-scale enterprises	16.146.373	14.967.236
Mining	6.167.514	6.241.256
Telecommunication	373.545	293.681
Other manufacturing industries	10.645.198	8.031.069
Food and beverage, wholesale and retail	6.468.646	5.149.361
Textile	6.306.587	6.004.275
Chemicals	5.047.674	4.608.734
Automotive	2.914.899	4.556.178
Other	20.378.345	17.894.126
<b>Total loans and advances to customers</b>	<b>218.817.995</b>	<b>208.666.468</b>
Provision for loan losses	(9.544.067)	(8.482.445)
Leasing receivables	6.264.174	6.415.536
<b>Net loans and advances to customers</b>	<b>215.538.102</b>	<b>206.599.559</b>

The above table includes the total live and follow-up lending of the bank and the credit risk reserve is set as a result of the bank evaluation considering the whole credit risk.

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**NOTE 22 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)**

**Banking (Continued)**

(\*) In the current period, the Company's loans for Levent Yapılandırma Yönetimi A.Ş., previously presented in the telecommunication sector, have been classified under 'Financial Assets at Fair Value Through Profit or Loss' in the current period. The same classification is reflected in the 31 December 2018 financials in order to present consistent with comparative period.

Annual effective interest rates of loans and advances granted to clients in USD, EUR, JPY, TRY are as follows respectively 7,40% (31 December 2018: 7,26%), 4,27% (31 December 2018: 4,28%), 6,61% (31 December 2018: 9,06%) and 18,71%'dur (31 December 2018: 18,41%). The movement of loan loss provision of banking segment as of 31 March 2019 by class is as follows:

	<b>Corporate</b>	<b>Consumer</b>	<b>Rental Receivables</b>	<b>Total</b>
<b>1 January 2019</b>	<b>5.576.750</b>	<b>2.404.514</b>	<b>501.181</b>	<b>8.482.445</b>
Gross provisions	1.079.642	208.702	5.446	1.293.790
Recoveries	(108.476)	(116.754)	(4.936)	(230.166)
Extracted from financial statements	(129)	(1.873)	-	(2.002)
<b>31 March 2019</b>	<b>6.547.787</b>	<b>2.494.589</b>	<b>501.691</b>	<b>9.544.067</b>

The movement of loan loss provision of banking segment as of 31 March 2018 by class is as follows:

	<b>Corporate</b>	<b>Consumer</b>	<b>Total</b>
<b>1 January 2018</b>	<b>3.942.225</b>	<b>3.021.313</b>	<b>6.963.538</b>
Gross provisions	359.691	207.114	566.805
Recoveries	(95.111)	(100.129)	(195.240)
Extracted from financial statements(*)	(235.154)	(540.306)	(775.460)
<b>31 March 2018</b>	<b>3.971.651</b>	<b>2.587.992</b>	<b>6.559.643</b>

(\*) The Bank has sold TRY 774 million (total TRY amount) of non-performing loans portfolio to Güven Varlık Yönetimi A.Ş., Efes Varlık Yönetim A.Ş. and Hayat Varlık Yönetimi A.Ş. for 36 million (total TRY amount) worth.

The maturity schedule of loans and advances to customers at 31 March 2019 and 31 December 2018 are summarized below:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Up to 3 months	66.221.973	61.110.257
3 to 12 months	48.359.536	41.483.652
<b>Current</b>	<b>114.581.509</b>	<b>102.593.909</b>
1 to 5 years	71.768.460	74.553.660
Over 5 years	22.923.959	23.036.454
<b>Non-current</b>	<b>94.692.419</b>	<b>97.590.114</b>
<b>Total</b>	<b>209.273.928</b>	<b>200.184.023</b>

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**NOTE 22 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)**

**Banking (Continued)**

The repricing schedule of loans and advances to customers at 31 March 2019 and 31 December 2018 are summarized below:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Up to 3 months	94.409.473	86.877.733
3 to 12 months	47.131.527	45.661.631
1 to 5 years	60.722.462	60.537.709
Over 5 years	7.010.466	7.106.950
<b>Total</b>	<b>209.273.928</b>	<b>200.184.023</b>

**NOTE 23 - PAYABLES FROM FINANCE SECTOR OPERATIONS**

**Banking**

	<b>31 Mart 2019</b>			<b>31 December 2018</b>		
	<b>Demand</b>	<b>Time</b>	<b>Total</b>	<b>Demand</b>	<b>Time</b>	<b>Total</b>
Saving deposits	25.610.156	103.502.175	129.112.331	20.345.719	105.662.512	126.008.231
Commercial deposits	22.340.778	60.096.137	82.436.915	19.275.050	48.031.661	67.306.711
Bank deposits	1.861.269	7.715.323	9.576.592	1.487.220	6.564.164	8.051.384
Funds provided from repo transactions	-	18.279.181	18.279.181	-	14.275.016	14.275.016
Other	748.157	3.175.183	3.923.340	1.321.784	2.671.124	3.992.908
<b>Total</b>	<b>50.560.360</b>	<b>192.767.999</b>	<b>243.328.359</b>	<b>42.429.773</b>	<b>177.204.477</b>	<b>219.634.250</b>

Annual effective interest rate of deposit accounts in USD, Euro and TRY are 2,67% (31 December 2018: 3,51%), 0,22% (31 December 2018: 0,26%) and 23,26% (31 December 2018 22,55%).

The following is the analysis of remaining time of debts to deposit and money markets for term and repricing in the agreement as of 31 March 2019 and 31 December 2018:

	<b>31 March 2019</b>	<b>31 December 2018</b>
No maturity	50.560.360	42.429.773
Up to 3 months	163.614.287	149.747.370
3 to 12 months	22.411.632	20.966.242
1 to 5 years	6.087.195	5.955.533
Over 5 years	654.885	535.332
<b>Total</b>	<b>243.328.359</b>	<b>219.634.250</b>



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**NOTE 24 - 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 2019 and 2018 are as follows:

	<b>31 March 2019</b>	<b>31 March 2018</b>
Short term benefits	15.976	10.008
Benefits resulted from discharge	1.096	1.199
Other long term benefits	81	63
<b>Total</b>	<b>17.153</b>	<b>11.270</b>

**NOTE 25 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL  
INSTRUMENTS**

**25.1 Financial Instruments and Financial Risk Management**

**25.1.1 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.

**25.1.1.1 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 25 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS  
(Continued)**

**25.1.1.1 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 2019 and 31 December 2018 in terms of TRY are as follows:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Assets	201.560.367	178.595.578
Liabilities	224.505.262	(201.601.365)
<b>Net foreign currency balance sheet position</b>	<b>(22.944.895)</b>	<b>(23.005.787)</b>
Off-balance sheet derivative financial instruments position	25.838.296	26.926.316
<b>Net foreign currency balance sheet and off-balance sheet position</b>	<b>2.893.401</b>	<b>3.920.529</b>

<b>31 March 2019</b>	<b>Total TRY Equivalent</b>	<b>USD TRY Equivalent</b>	<b>EUR TRY Equivalent</b>	<b>GBP TRY Equivalent</b>	<b>Other TRY Equivalent</b>
<b>Assets:</b>					
Cash and Cash Equivalents	29.088.649	18.059.399	7.115.421	3.557.414	356.414
Financial Assets	40.503.405	30.954.819	8.904.413	-	644.172
Receivables from Financial Operations	92.074.212	39.742.288	52.288.075	841	43.008
Reserve Deposits at Central Bank	30.892.916	11.433.529	16.182.952	-	3.276.436
Trade Receivables	1.131.942	439.672	652.784	2.842	36.644
Other Current Assets	7.869.243	5.563.088	2.203.929	143	102.082
<b>Total assets</b>	<b>201.560.367</b>	<b>106.192.795</b>	<b>87.347.574</b>	<b>3.561.240</b>	<b>4.458.756</b>
<b>Liabilities:</b>					
Funds Borrowed and Debt					
Securities in Issue	57.689.264	45.329.962	12.217.848	-	141.454
Customer Deposits	161.939.971	95.279.009	59.023.746	3.565.898	4.071.317
Trade Payables	430.309	263.189	134.995	1.531	30.593
Other Payables and Provisions	4.445.718	3.833.675	563.355	1.147	47.542
<b>Total liabilities</b>	<b>224.505.262</b>	<b>144.705.835</b>	<b>71.939.944</b>	<b>3.568.576</b>	<b>4.290.906</b>
<b>Net foreign currency asset/ (liability) position of off-balance sheet derivative</b>	<b>25.838.296</b>	<b>38.393.242</b>	<b>-12.239.829</b>	<b>-2.589</b>	<b>-312.528</b>
<b>Net foreign currency asset/ (liability) Position</b>	<b>2.893.401</b>	<b>-119.798</b>	<b>3.167.801</b>	<b>-9.925</b>	<b>-144.678</b>

Net profit effect of the consolidated to the total net foreign currency position is TRY 1.805.934 in the long term as of 31 March 2019 (Akbank and Philsa-Philip Morrissa excluded).

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**NOTE 25 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS  
(Continued)**

**25.1.1.1 Foreign Exchange Risk (Continued)**

<b>31 December 2018</b>	<b>Total TRY Equivalent</b>	<b>USD TRY Equivalent</b>	<b>EUR TRY Equivalent</b>	<b>GBP TRY Equivalent</b>	<b>Other TRY Equivalent</b>
<b>Assets:</b>					
Cash and Cash Equivalents	23.603.634	16.396.562	5.458.393	1.403.846	344.833
Financial Assets	26.175.616	19.210.249	6.342.367	-	623.000
Receivables from Financial Operations	95.632.459	44.747.843	50.843.790	3.001	37.825
Reserve Deposits at Central Bank	23.504.830	11.522.486	8.549.661	-	3.432.683
Trade Receivables	932.242	216.542	638.387	23.246	54.067
Other Current Assets	8.746.797	6.404.821	2.220.539	143	121.294
<b>Total assets</b>	<b>178.595.578</b>	<b>98.498.503</b>	<b>74.053.137</b>	<b>1.430.236</b>	<b>4.613.702</b>
<b>Liabilities:</b>					
Funds Borrowed and Debt					
Securities in Issue	57.923.109	45.858.329	11.873.391	-	191.389
Customer Deposits	138.209.510	87.646.861	43.801.101	3.267.100	3.494.448
Trade Payables	288.550	116.258	132.337	956	38.999
Other Payables and Provisions	5.180.196	2.123.396	2.973.325	2.230	81.245
<b>Total liabilities</b>	<b>201.601.365</b>	<b>135.744.844</b>	<b>58.780.154</b>	<b>3.270.286</b>	<b>3.806.081</b>
<b>Net foreign currency asset/ (liability) position of off-balance sheet derivative</b>	<b>26.926.316</b>	<b>38.527.196</b>	<b>(12.450.162)</b>	<b>1.852.690</b>	<b>(1.003.409)</b>
<b>Net foreign currency asset/ (liability) position</b>	<b>3.920.529</b>	<b>1.280.855</b>	<b>2.822.821</b>	<b>12.640</b>	<b>(195.788)</b>

Net profit effect of the consolidated to the total net foreign currency position is TRY 1.675.565 as of 31 December 2018 (Akbank and Philsa-Philip Morris excluded).

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

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**NOTE 25 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL  
INSTRUMENTS (Continued)**

**25.1.1.1 Foreign Exchange Risk (Continued)**

The foreign exchange risk of Group companies other than that of the banking segment for the years ended 31 March 2019 and 31 March 2018 is summarized as follows:

<b>31 March 2019</b>	<b>Profit/loss</b>	
	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>
Change in USD against TRY by 20%		
USD net assets/liabilities	283.631	(283.631)
Hedged items (-)	-	-
<b>USD net effect</b>	<b>283.631</b>	<b>(283.631)</b>
Change in EUR against TRY by 20%		
EUR net assets/liabilities	16.974	(16.974)
Hedged items (-)	-	-
<b>EUR net effect</b>	<b>16.974</b>	<b>(16.974)</b>
Change in GBP against TRY by 20%		
GBP net assets/liabilities	344	(344)
Hedged items (-)	-	-
<b>GBP net effect</b>	<b>344</b>	<b>(344)</b>
Change in other currency against TRY by 20%		
Other currency net assets/liabilities	438	(438)
Hedged items (-)	-	-
<b>Other currency net effect</b>	<b>438</b>	<b>(438)</b>
<b>31 March 2018</b>	<b>Profit/loss</b>	
	<b>Appreciation of foreign currency</b>	<b>Appreciation of foreign currency</b>
Change in USD against TRY by 20%		
USD net assets/liabilities	186.042	(186.042)
Hedged items (-)	-	-
<b>USD net effect</b>	<b>186.042</b>	<b>(186.042)</b>
Change in EUR against TRY by 20%		
EUR net assets/liabilities	23.583	(23.583)
Hedged items (-)	-	-
<b>EUR net effect</b>	<b>23.583</b>	<b>(23.583)</b>
Change in GBP against TRY by 20%		
GBP net assets/liabilities	929	(929)
Hedged items (-)	-	-
<b>GBP net effect</b>	<b>929</b>	<b>(929)</b>
Change in other currency against TRY by 20%		
Other currency net assets/liabilities	1.311	(1.311)
Hedged items (-)	-	-
<b>Other currency net effect</b>	<b>1.311</b>	<b>(1.311)</b>

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**NOTE 26 - EVENTS AFTER THE REPORTING PERIOD**

None.