

HACI ÖMER SABANCI HOLDİNG A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2021**

(ORIGINALLY ISSUED IN TURKISH)

CONTENTS	PAGE
CONDENSED CONSOLIDATED BALANCE SHEETS	1-2
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS	3
CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME	4
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	5
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW	6
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....	7-80
NOTE 1 ORGANISATION AND OPERATIONS OF THE GROUP	7-8
NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS	9-20
NOTE 3 BUSINESS COMBINATIONS	20
NOTE 4 SEGMENT REPORTING.....	21-40
NOTE 5 FINANCIAL ASSETS.....	41-45
NOTE 6 FINANCIAL LIABILITIES.....	45-47
NOTE 7 LIABILITIES FROM LEASING TRANSACTIONS.....	48
NOTE 8 OTHER RECEIVABLES AND PAYABLES.....	49
NOTE 9 INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD.....	49-51
NOTE 10 PROPERTY, PLANT AND EQUIPMENT	52-53
NOTE 11 INTANGIBLE ASSETS	54
NOTE 12 RIGHT OF USE ASSETS.....	55-56
NOTE 13 GOODWILL	57
NOTE 14 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	57-60
NOTE 15 COMMITMENTS.....	61-64
NOTE 16 OTHER ASSETS AND LIABILITIES	65
NOTE 17 EQUITY.....	65-67
NOTE 18 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS.....	67-68
NOTE 19 FINANCIAL INCOME/ EXPENSES.....	68
NOTE 20 TAX ASSETS AND LIABILITIES.....	69-72
NOTE 21 DERIVATIVE FINANCIAL INSTRUMENTS.....	72-73
NOTE 22 RECEIVABLES FROM FINANCE SECTOR OPERATIONS.....	73-75
NOTE 23 PAYABLES FROM FINANCE SECTOR OPERATIONS	75
NOTE 24 RELATED PARTY DISCLOSURES.....	76
NOTE 25 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS.....	76-79
NOTE 26 EVENTS AFTER THE REPORTING PERIOD.....	80

**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 2021 AND 31 DECEMBER 2020

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

	Note References	Unaudited Current Period 31 March 2021	Audited Prior Period 31 December 2020
ASSETS			
Current Assets		297.941.182	269.491.344
Cash and Cash Equivalents		32.945.827	19.828.118
Financial Investments		34.832.007	35.799.568
- Fair Value Through Profit or Loss	5.a	9.307.911	9.214.502
- Fair Value Through Other Comprehensive Income	5.a	9.687.230	9.837.424
- At Amortised Cost	5.c	15.816.290	16.731.294
- Time Deposit	5.d	20.576	16.348
Trade Receivables		2.223.378	1.845.555
Receivables from Finance Sector Operations	22	163.120.657	150.108.617
Reserve Deposits with the Central Bank of the Republic of Turkey		45.067.060	42.604.370
Other Receivables	8	2.860.873	4.497.536
Derivative Financial Instruments	21	9.756.746	8.463.520
Inventories		4.333.515	3.761.354
Prepaid Expenses		1.385.759	1.204.269
Current Tax Assets	20	1.975	6.788
Other Current Assets	16	1.129.794	1.109.423
		297.657.591	269.229.118
Assets Classified as Held for Sale	18	283.591	262.226
Non-current Assets		243.715.878	231.767.030
Financial Assets		79.422.936	73.524.030
- Fair Value Through Other Comprehensive Income	5.b	52.032.400	48.382.002
- At Amortised Cost	5.c	27.390.536	25.142.028
Trade Receivables		640	566
Receivables From Finance Sector Operations	22	123.361.499	116.970.690
Other Receivables	8	326.034	3.869.631
Derivative Financial Instruments	21	17.737.281	14.455.362
Investments Accounted Through Equity Method	9	7.639.448	8.298.372
Investment Property		258.198	235.062
Property, Plant and Equipment	10	8.112.930	7.959.621
Right On Use Assets	12	1.848.979	1.731.577
Intangible Assets		4.101.593	3.875.970
- Goodwill	13	1.718.539	1.600.690
- Other Intangible Asset	11	2.383.054	2.275.280
Prepaid Expenses		17.923	17.368
Deferred Tax Assets	20	767.066	719.275
Other Non-current Assets	16	121.351	109.506
Total Assets		541.657.060	501.258.374

These consolidated financial statements have been approved for issue by the Board of Directors on 5 May 2021. General Assembly has the right to change these consolidated financial statements.

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

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEET AT 31 MARCH 2021 AND 31 DECEMBER 2020

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

	Note References	Unaudited Current Period 31 March 2021	Audited Prior Period 31 December 2020
LIABILITIES			
Current Liabilities		382.103.662	351.320.596
Short Term Borrowings	6	13.068.527	13.713.590
Current Portion of Long Term Borrowings	6	21.638.048	20.053.065
Liabilities From Leasing Transactions	7	377.409	334.423
Trade Payables		4.810.085	5.023.674
Payables from Finance Sector Operations	23	325.694.955	292.375.186
Payables related to Employee Benefits		145.063	119.126
Other Payables	8	8.928.215	9.088.626
Derivative Financial Instruments	21	2.603.772	5.795.534
Deferred Income		188.743	209.063
Income Taxes Payable	20	366.863	1.171.845
Short Term Provisions		1.165.479	1.209.636
- Short Term Provisions for Employee Benefits		433.224	522.275
- Other Short Term Provisions	14	732.255	687.361
Other Short Term Liabilities	16	3.112.792	2.222.801
		382.099.951	351.316.569
Liabilities Classified as Held for Sale	18	3.711	4.027
Long Term Liabilities		81.816.521	73.154.884
Long Term Borrowings	6	42.240.681	38.494.543
Liabilities From Leasing Transactions	7	1.698.780	1.599.783
Payables from Finance Sector Operations	23	18.122.966	18.066.046
Other Payables	8	8.486.348	4.431.151
Derivative Financial Instruments	21	9.728.991	9.108.320
Deferred Income		141.008	137.410
Long Term Provisions		966.194	946.430
- Long Term Provisions for Employee Benefits		737.621	704.926
- Other Long Term Provisions	14	228.573	241.504
Deferred Tax Liabilities	20	372.047	318.277
Other Long Term Liabilities	16	59.506	52.924
EQUITY		77.736.877	76.782.894
Equity Attributable To The Parent	17	38.587.227	37.996.499
Share Capital	17	2.040.404	2.040.404
Adjustments to Share Capital		3.426.761	3.426.761
Share Premium	17	22.237	22.237
Treasury shares (-)	17	(190.470)	(190.470)
Other Comprehensive Income or Expenses That Will Not Be Reclassified to Profit or Loss		(154.081)	(150.921)
- Actuarial Gain/Loss		(154.081)	(150.921)
Other Comprehensive Income or Expenses That Will Be Reclassified to Profit or Loss		711.077	1.135.944
- Currency Translation Reserve	17	3.138.555	2.684.551
- Gains/Losses on Hedge	17	(1.806.414)	(1.755.742)
- Revaluation Reserve	17	(621.064)	207.135
Restricted Reserves	17	1.370.269	1.223.543
Retained Earnings		29.608.684	25.721.428
Net Income for the Period		1.752.346	4.767.573
Non-controlling Interests		39.149.650	38.786.395
TOTAL EQUITY AND LIABILITIES		541.657.060	501.258.374

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 STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31
MARCH 2021 AND 2020**

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

	Note References	Unaudited Current Period 1 January - 31 March 2021	Unaudited Prior Period 1 January - 31 March 2020
CONTINUING OPERATIONS			
Sales (net)	4	6.203.134	4.552.636
Cost of Sales (-)	4	(4.771.602)	(3.623.100)
Gross Profit from Non-Financial Operations		1.431.532	929.536
Interest, Premium, Commission and Other Income	4	10.611.043	9.076.115
Interest, Premium, Commission and Other Expense (-)	4	(5.867.596)	(4.948.673)
Gross Profit from Financial Operations		4.743.447	4.127.442
GROSS PROFIT		6.174.979	5.056.978
General and Administrative Expenses (-)		(2.298.762)	(2.265.803)
Marketing Expenses (-)		(684.542)	(586.491)
Research and Development Expenses (-)		(9.781)	(6.152)
Other Income from Operating Activities		529.771	911.334
Other Expense from Operating Activities (-)		(467.792)	(818.509)
Share of Profit of Investments Accounted for Using the Equity Method	9	650.882	489.271
OPERATING PROFIT		3.894.755	2.780.628
Income from Investing Activities		34.489	5.444
Expense from Investing Activities (-)		(1.754)	(497)
OPERATING PROFIT BEFORE FINANCIAL EXPENSES		3.927.490	2.785.575
Financial Income	19	44.831	25.931
Financial Expenses (-)	19	(248.999)	(253.595)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS		3.723.322	2.557.911
Tax Expense from Continuing Operations			
Current Tax Expense	20	(186.397)	(320.395)
Deferred Tax Income/(Expense)	20	(442.618)	(157.268)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		3.094.307	2.080.248
DISCONTINUED OPERATIONS			
Income After Tax From Discontinued Operations	18	(2.449)	(23)
PROFIT FOR THE PERIOD		3.091.858	2.080.225
ALLOCATION OF PROFIT			
- Non-controlling Interests		1.339.512	887.019
- Owner of the Company		1.752.346	1.193.206
Earnings per share			
- hundreds of ordinary shares (TRY)		0,86	0,58
Earnings per share from continuing operations			
- hundreds of ordinary shares (TRY)		0,86	0,58

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 STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2021 AND 2020

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

	Note References	Unaudited Current Period 1 January - 31 March 2021	Unaudited Prior Period 1 January - 31 March 2020
INCOME FOR THE PERIOD		3.091.858	2.080.225
Other Comprehensive Income / (Loss):			
Items that will not be Reclassified			
To Profit or Loss	20	(5.428)	1.059
Actuarial (losses) / gains		(6.766)	(3.856)
Other comprehensive income/(expense) shares of investments accounted by equity method, after tax		1.338	4.915
Items that will be Reclassified			
To Profit or Loss		(1.032.259)	(1.941.558)
Fair value gains/(losses) from financial assets through other comprehensive income		(1.948.414)	(2.099.258)
Currency translation differences	20	942.884	471.013
Cash flow hedges, after tax		500.152	70.301
Loss from the derivative financial assets related to the hedging of net investment in a foreign operation, after tax		(410.745)	(134.410)
Other comprehensive income/(expense) shares of investments accounted by equity method, after tax		(116.136)	(249.204)
OTHER COMPREHENSIVE INCOME (AFTER TAX)	20	(1.037.687)	(1.940.499)
TOTAL COMPREHENSIVE INCOME		2.054.171	139.726
ALLOCATION OF TOTAL COMPREHENSIVE INCOME			
- Non-controlling Interests		729.852	(101.319)
- Equity Holders of the Parent		1.324.319	241.045

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 2021 AND 2020

(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													Total
	Not 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 reserve	Retained earnings	Net income for the year	Equity attributable to the parent		
Balance at 1 January 2020	2.040.404	3.426.761	(190.470)	22.237	(116.253)	1.688.674	(1.213.290)	56.439	1.173.886	22.590.193	3.779.736	33.258.317	33.219.126	66.477.443
Transfers	-	-	-	-	-	-	-	-	48.891	3.730.845	(3.779.736)	-	-	-
Dividends(*)	-	-	-	-	-	-	-	-	-	(684.346)	-	(684.346)	(10.071)	(694.417)
Total comprehensive income	-	-	-	-	3.001	178.946	(232.896)	(901.212)	-	-	1.193.206	241.045	(101.319)	139.726
Balances at 31 March 2020	2.040.404	3.426.761	(190.470)	22.237	(113.252)	1.867.620	(1.446.186)	(844.773)	1.222.777	25.636.692	1.193.206	32.815.016	33.107.736	65.922.752
Balance at 1 January 2021	2.040.404	3.426.761	(190.470)	22.237	(150.921)	2.684.551	(1.755.742)	207.135	1.223.543	25.721.428	4.767.573	37.996.499	38.786.395	76.782.894
Transfers	-	-	-	-	-	-	-	-	146.726	4.620.847	(4.767.573)	-	-	-
Dividends(*)	-	-	-	-	-	-	-	-	-	(733.591)	-	(733.591)	(366.597)	(1.100.188)
Total comprehensive income	-	-	-	-	(3.160)	454.004	(50.672)	(828.199)	-	-	1.752.346	1.324.319	729.852	2.054.171
Balances at 31 March 2021	2.040.404	3.426.761	(190.470)	22.237	(154.081)	3.138.555	(1.806.414)	(621.064)	1.370.269	29.608.684	1.752.346	38.587.227	39.149.650	77.736.877

(*) Dividends paid by the Holding per share with a TRY1 nominal value is TRY0,35 (2020: TRY0,33).

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**HACI ÖMER SABANCI HOLDİNG A.Ş.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31
MARCH 2021 AND 2020**

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

	Note References	Unaudited 1 January- 31 March 2021	Unaudited 1 January- 31 March 2020
Net income before tax from continuing operations		3.723.322	2.557.911
Net income before tax from discontinued operations		(2.449)	(23)
Adjustments to reconcile income before taxation to net cash provided by operation activities:			
Depreciation and amortization expenses	4	434.364	386.887
Provision for loan losses		1.246.547	1.196.416
Changes in the fair value of derivative instruments		(6.623.508)	(1.392.768)
Interest income and foreign currency gains		(1.752.635)	(2.138.770)
Interest expense		485.969	329.761
Provision for employment termination benefits		32.495	41.163
Impairment charge on property, plant and equipment, intangible assets and investment property		(244)	(1.072)
Impairment an assets held for sale		381	477.421
Income from sale of property, plant and equipment, intangible assets and investment property		(23.794)	(4.275)
Income from associates and joint ventures		(650.882)	(489.271)
Provision for /(reversal of) inventory impairment		4.118	3.974
Provision for /(reversal of) doubtful receivables		1.244	1.925
Unrealized foreign currency translation differences		97.192	(15.106)
Net cash provided by operation activities before changes in operating assets and liabilities		(3.027.880)	954.173
Changes in trade receivables		(379.141)	(80.621)
Changes in inventories		(576.255)	(475.200)
Changes in other receivables and other current assets		5.446.558	(1.366.586)
Changes in trade payables		(213.589)	86.853
Changes in other liabilities and other payables		3.979.727	(436.613)
Net cash provided in operating activities of assets classified as held for sale		57.889	36.581
Changes in assets and liabilities in finance segment:			
Changes in securities held for trading		(101.357)	(498.550)
Changes in receivables from finance sector operations		(19.738.143)	(5.318.896)
Changes in payables from finance sector operations		33.482.718	33.070.628
Changes in Central Bank of the Republic of Turkey account		(5.101.063)	(16.522.717)
Income taxes paid	20	(1.165.057)	(399.147)
Employment termination benefits paid		(19.417)	(24.385)
Net cash provided from operating activities		12.644.990	9.025.520
Capital expenditures	4	(204.002)	(403.859)
Sale/(purchase) of available for sale and held to maturity financial assets		(7.670.334)	(8.771.037)
Proceeds from sale of noncurrent assets held for sale, property, plant and equipment		76.251	78.615
Dividends received		715.307	143.485
Net cash provided from / (used in) investing activities		(7.082.778)	(8.952.796)
Cash inflow from financial liabilities		7.775.186	3.089.103
Financial liability repayments		(3.495.740)	(2.820.011)
Dividends paid to noncontrolling interests		(370.949)	-
Net cash provided from / (used in) financing activities		3.908.497	269.092
Effect of change in foreign currency rates on cash and cash equivalents		1.007.748	1.881.579
Net increase / (decrease) in cash and cash equivalents		10.478.457	2.223.395
Cash and cash equivalents in the beginning of the period		15.485.011	18.525.274
Cash and cash equivalents at the end of the period		25.963.468	20.748.669

(*) Cash and cash equivalents at the end of the period comprise interest accruals of TRY1.211 (31 December 2020: TRY 332). At the beginning and at the end of the current period, restricted deposit is TRY4.342.775 and TRY6.981.148, respectively (31 December 2020: TRY3.916.739 and TRY 4.342.775 respectively)

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HACI ÖMER SABANCI HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

(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 2021 is 63.922 (31 December 2020: 63.412). 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 2021, the principal shareholders and their respective shareholding rates in the Holding are as follows (Note 17):

	(%)
Sakıp Sabancı Holding A.Ş.	14,07
Serra Sabancı	7,22
Suzan Sabancı Dinçer	6,94
Çiğdem Sabancı Bilen	6,94
Diğer	64,83
	100,00

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 2021, 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	Registered Country
Akbank T.A.Ş. ("Akbank")	BİST	Banking	Banking	16.176	Turkey
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. ("Carrefoursa")	BİST	Trade	Retail	13.389	Turkey
Teknosa İç ve Dış Ticaret A.Ş. ("Teknosa")	BİST	Trade	Retail	2.526	Turkey
Çimsa Çimento Sanayi ve Ticaret A.Ş. ("Çimsa")	BİST	Cement	Building Materials	2.323	Turkey
Kordsa Teknik Tekstil Anonim Şirketi ("Kordsa")	BİST	Tire reinforcement	Industry	4.731	Turkey
Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. ("Exsa")	-	Trade	Other	49	Turkey
Ankara Enternasyonel Otelcilik A.Ş. ("AEO")	-	Tourism	Other	2	Turkey
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. ("Tursa")	-	Tourism	Other	3	Turkey
Sabancı Dijital Teknoloji Hizmetleri A.Ş. ("SabancıDX")	-	Information Technology	Other	231	Turkey
Çimsa Sabancı Cement BV ("CSC BV")	-	Cement	Building Materials	-	Holland

In addition, A.R.T.S., which was established as a "Structured Entity" in November 1999 to provide long-term financing from abroad, which the Bank has 100% controlling power even though it is not a subsidiary, has been included in the consolidation by full consolidation method. For the purposes of segment information, Holding's stand-alone financial statements have been included within the "Other" business segment in Note 4.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

(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 NATURE OF OPERATIONS (Continued)

Joint Ventures

As of 31 March 2021, 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	Financial Services	Ageas	667
Avivasa Emeklilik ve Hayat A.Ş. ("Avivasa")	BİST	Individual Pension and Insurance	Financial Services	Aviva	1.818
Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. ("Brisa")	BİST	Tire	Industry	Bridgestone	3.066
Akçansa Çimento Sanayi ve Ticaret A.Ş. ("Akçansa")	BİST	Cement	Building Materials	Heidelberg	2.078
Enerjisa Enerji A.Ş. ("Enerjisa Enerji")	BİST	Energy	Energy	E.ON SE	11.287
Enerjisa Üretim Santralleri A.Ş. ("Enerjisa Üretim")	-	Energy	Energy	E.ON SE	828
Temsa Ulaşım Araçları Sanayi ve Ticaret A.Ş. ("Temsa Ulaşım Araçları")	-	Automotive	Other	PPF Industry CO. B.V.	1.419

All the Joint Ventures are registered in Turkey.

Associates

As at 31 March 2021, 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
Philsa Philip Morris Sabancı Sigara ve Tütün San. ve Tic. A.Ş. (Philsa)	-	Tobacco products production	Industry	Philip Morris	2.830
Philip Morris Sabancı Pazarlama Satış A.Ş. ("Philip Morrissa")	-	Tobacco products Marketing and sales	Industry	Philip Morris	

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

All the Joint Ventures are registered in Turkey.

The COVID-19 pandemic caused serious effects on health systems and the economy as the virus spread to the world in the first quarter of 2020, widespread closure of businesses and unprecedented constraints in social interactions have significantly affected economic activity. Countries have taken measures to slow the spread of the pandemic, such as testing and treating patients, applying travel restrictions, quarantining citizens and canceling large meetings. Along with these social measures, comprehensive financial measures were taken simultaneously to reduce the negative effects on the economic outlook. Similarly, Turkey has implemented health and safety measures to support the households; fiscal and monetary measures to support the companies and regulators. Additional measures are being announced to tackle adverse impacts on companies and certain sectors. The Group management closely monitors all developments and takes the necessary measures to effectively manage the negative effects of the COVID-19 outbreak on the Group's consolidated financial position, consolidated financial performance and consolidated cash flows. The Group management believes that despite the uncertain economic outlook, it can successfully manage its commercial risks and liquidity reserves.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

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.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

**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 2021:

- **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 a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting;
 - ii) clarify the explanation of the definition of material; and
 - iii) incorporate some of the guidance in IAS 1 about immaterial information
- **Amendments to IFRS 3 - definition of a business;** effective from Annual periods beginning on or after 1 January 2020. This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.
- **Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform;** effective from Annual periods beginning on or after 1 January 2020. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.

(b) Standards, amendments and interpretations that are issued but not effective as at 31 March 2021:

- **Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions;** as of March 2021, this amendment extended till June 2022 and effective from 1 April 2021. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.
- **IFRS 17, 'Insurance contracts';** effective from annual periods beginning on or after 1 January 2023. 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.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021

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

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 2021:

- **Amendments to IAS 1, Presentation of financial statements' on classification of liabilities;** effective from 1 January 2022. These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (as an example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from Annual periods beginning on or after 1 January 2022.
 - **Amendments to IFRS 3,** 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. .
 - **Amendments to IAS 16,** 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
 - **Amendments to IAS 37,** 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 ;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2;** effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.
- **Amendments to IFRS 17 and IFRS 4, 'Insurance contracts', deferral of IFRS 9;** effective from annual periods beginning on or after 1 January 2021. These amendments change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial Instrument until 1 January 2023.

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021**

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

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

2.1 Basis of Presentation (Continued)

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.

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.

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

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

2.1 Basis of Presentation (Continued)

2.1.3 Basis of Consolidation (Continued)

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 2021 and 31 December 2020:

	31 March 2021		31 December 2020	
	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 (%)
Joint Ventures				
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	50,00	50,00	50,00	50,00
Tursa	100,00	100,00	100,00	100,00
Carrefoursa	57,12	57,12	57,12	57,12
CSC BV	100,00	83,24	100,00	83,24

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.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

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

2.1 Basis of Presentation (Continued)

2.1.3 Basis of Consolidation (Continued)

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 2021 and 31 December 2020:

	31 March 2021		31 December 2020	
	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
	(%)	(%)	(%)	(%)
Joint Ventures				
Akçansa	39,72	39,72	39,72	39,72
Aksigorta	36,00	36,00	36,00	36,00
Avivasa	40,00	40,00	40,00	40,00
Brisa	43,63	43,63	43,63	43,63
Enerjisa Enerji	40,00	40,00	40,00	40,00
Enerjisa Üretim	50,00	50,00	50,00	50,00
Temsa Ulaşım Araçları	50,00	23,95	50,00	23,95

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.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

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

2.1 Basis of Presentation (Continued)

2.1.3 Basis of Consolidation (Continued)

The table below sets out all Associates and shows the total interest of the Holding in these associates at 31 March 2021 and 31 December 2020.

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

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

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 2021 comparatively with the consolidated balance sheet as of 31 December 2020; presented the consolidated statement of profit or loss as of 31 March 2021 comparatively with the consolidated statement of profit or loss as of 31 March 2020, statement of cash flows and statement of changes in equity for the year 1 January-31 March 2021 comparatively with the year 1 January-31 March 2020.

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.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

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

2.2 Changes in Accounting Policies and Estimates and Errors (Continued)

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.

2.3 Summary of Significant Accounting Policies

For the period ended 31 March 2021, 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 2020.

2.3.1. 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.

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021**

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

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

2.3 Summary of Significant Accounting Policies (Continued)

2.3.1. IFRS 16 Leases (Continued)

- 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.
- 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
- d) The costs assumed by the Group related to the restoration of the underlying asset to bring it in line with the terms and conditions of the lease (except those assumed for manufacturing inventory).

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.

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.

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021**

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

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

2.3 Summary of Significant Accounting Policies (continued)

2.3.1. IFRS 16 Leases (continued)

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:

- 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.

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.

Facilitative practices

Lease agreements with lease periods of 12 or fewer months, and agreements related to information technology equipment identified as impaired by the Group (mostly printers, laptops, mobile phones and the like), are considered within the scope of the exemption in the TFRS 16 lease standard, and payments related to these agreements continue to be recognised as expenses in the period in which they occur.

The Group - as a lessor

Assets leased out under operating leases are included in investment property, property, plant and equipment or other current assets in the balance sheet and rental income is recognised equally on a monthly basis. Rental income is recognised on a straight-line basis over the lease term. The lease process, where a significant part of the property risks and returns belong to the lessor, is classified as an operating lease. Payments made within the scope of operating lease (after the incentives received from the lessor are deducted) are reflected in the consolidated income statement by linear method during the lease period.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

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

2.3 Summary of Significant Accounting Policies (continued)

2.3.2 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.

2.3.3 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 22).

2.3.4 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.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

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

2.3 Summary of Significant Accounting Policies (Continued)

2.3.5 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.

2.3.6 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.

NOTE 3 - BUSINESS COMBINATIONS

The business combinations between the period 1 January and 31 March 2021 are as follows

None.

The business combinations between the period 1 January and 31 December 2020 are as follows:

As of October 22, 2020; Exsa Export Sanayi Mamülleri Satış ve Araştırma A.Ş. (Exsa), a subsidiary of the Group, acquired %50 of the shares (representing its capital of TRY 210,000) of bus and midibus producing company Temsa Ulaşım Araçları Sanayi ve Ticaret A.Ş (Temsa Ulaşım Araçları)

As of December 16, 2020, a new company named Çimsa Sabancı Cement BV (CSC BV) has been established in the Netherlands with a capital of 87,000,000 Full Euro, in which Group has a 60% and Çimsa has a 40% shareholding. By participating in CSC BV as a founding partner, a capital of 52,200,000 Full Euro has been allocated for 52,200,000 shares.

%100 of Çimsa Americas Cement Manufacturing and Sales Corporation, Cimsa Cement Sales North GmbH and Cimsa Cementos Espana SAU and 70% of Cimsa Adriatico SRL shares has been decided to be sold to CSC BV, a Company established in the Netherlands.

The said shares will be transferred to CSC BV over the values to be determined as a result of the independent valuation work to be carried out in accordance with the CMB legislation. The share valuation procedures of the terminals and companies to be transferred are still ongoing as of this date.

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

(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

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

a) External Revenues (Consolidated):

	1 January - 31 March 2021	1 January - 31 March 2020
Banking	10.611.043	9.076.115
Industry	1.514.144	1.198.970
Retail	3.546.236	2.815.590
Building Materials	725.516	411.645
Other	417.238	126.431
Total (*)	16.814.177	13.628.751

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

b) Segment assets (Consolidated):

	31 March 2021	31 December 2020
Banking	514.262.331	475.309.693
Industry	8.579.349	7.691.684
Retail	6.344.170	6.597.362
Building Materials	5.014.627	4.962.682
Other	4.169.553	2.642.860
Segment assets	538.370.030	497.204.281
Assets classified as held for sale	283.591	262.226
Investments accounted through equity method (Note 9)	7.639.448	8.298.372
Unallocated assets	(300.175)	(463.260)
Less: intersegment eliminations	(4.335.834)	(4.043.245)
Total assets as per consolidated financial statements	541.657.060	501.258.374

c) Segment liabilities (Consolidated):

	31 March 2021	31 December 2020
Banking	453.102.247	414.242.517
Industry	4.782.057	4.402.207
Retail	6.743.388	6.903.104
Building Materials	2.894.966	2.990.595
Other	1.174.291	463.413
Segment liabilities	468.696.949	429.001.836
Liabilities related with asset classified as held for sale	3.711	4.027
Unallocated liabilities	(451.693)	(495.219)
Less: intersegment eliminations	(4.328.784)	(4.035.164)
Total liabilities as per consolidated financial statements	463.920.183	424.475.480

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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:

i) Banking:

	Combined(*) 31 March 2021	Consolidated(**) 31 March 2021	Combined(*) 31 December 2020	Consolidated(**) 31 December 2020
Cash and cash equivalents	31.223.096	31.223.096	17.971.434	17.971.434
Financial assets	114.191.654	114.191.654	109.271.030	109.271.030
Derivative financial instruments	27.416.597	27.416.597	22.858.366	22.858.366
Reserve deposits with the Central Bank of Republic of Turkey	45.067.060	45.067.060	42.604.370	42.604.370
Receivables from finance sector operations	287.210.951	287.210.951	267.846.568	267.846.568
Property, plant and equipment	2.226.442	2.226.442	2.326.451	2.326.451
Right of use assets	558.584	558.584	546.620	546.620
Intangible assets	1.180.939	1.180.939	1.190.909	1.190.909
Other receivables and other assets	5.464.017	5.464.017	10.944.723	10.944.723
Total segment assets	514.539.340	514.539.340	475.560.471	475.560.471
Financial liabilities	71.842.695	71.842.695	67.258.898	67.258.898
Payables from finance sector operations	347.327.361	347.327.361	313.617.634	313.617.634
Derivative financial instruments	12.272.237	12.272.237	14.840.973	14.840.973
Other payables and other liabilities	21.659.954	21.659.954	18.525.012	18.525.012
Total segment liabilities	453.102.247	453.102.247	414.242.517	414.242.517

(*) 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 2021, the cash flows from operating activities of the Bank is TRY 15.560.796 (31 March 2020: TRY 9.418.187).

As of 31 March 2021, the cash flows from investing activities of the Bank is TRY (6.064.447) (31 March 2020: TRY (6.680.199)).

As of 31 March 2021, the cash flows from financing activities of the Bank is TRY 259.968 (31 March 2020: TRY 1.324.893).

Banking segment consists of Akbank. Akbank's accumulated non-controlling interests calculated from its financial statements amount to TRY 36.401.477 as of 31 March 2021 (31 December 2020: TRY 36.330.888).

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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) Financial Services:

	Combined(*) 31 March 2021	Consolidated(**) 31 March 2021	Combined(*) 31 December 2020	Consolidated(**) 31 December 2020
Cash and cash equivalents	2.568.172	-	3.250.898	-
Financial assets	5.111.705	-	4.019.101	-
Receivables from finance sector operations	1.359.296	-	1.327.774	-
Investments accounted through equity method (Note 9)	-	644.429	-	776.475
Property, plant and equipment	46.778	-	45.857	-
Right of use assets	65.134	-	49.680	-
Intangible assets	165.121	-	151.021	-
Other receivables and other assets	5.122.706	-	4.543.064	-
Total segment assets	14.438.912	644.429	13.387.395	776.475
Payables from finance sector operations	12.008.982	-	10.654.364	-
Other payables and other liabilities	777.252	-	721.771	-
Total segment liabilities	12.786.234	-	11.376.135	-

(*) 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 financial services section includes the results of Aksigorta and Avivasa companies.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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:

	Combined(*) 31 March 2021	Consolidated(**) 31 March 2021	Combined(*) 31 December 2020	Consolidated(**) 31 December 2020
Cash and cash equivalents	3.182.117	-	2.215.534	-
Financial investments	254.248	-	428.955	-
Trade receivables	4.013.017	-	3.967.365	-
Inventories	409.831	-	365.300	-
Investments accounted through equity method (Note 9)	-	5.721.889	-	6.157.834
Property, plant and equipment	10.320.095	-	10.431.824	-
Right of use assets	290.138	-	243.615	-
Intangible assets	4.852.839	-	4.899.073	-
Other receivables and other assets	16.677.680	-	16.697.609	-
Total segment assets	39.999.965	5.721.889	39.249.275	6.157.834
Financial liabilities	17.114.628	-	16.657.255	-
Trade payables	2.374.390	-	2.720.039	-
Other payables and other liabilities	7.723.258	-	6.125.647	-
Total segment liabilities	27.212.276	-	25.502.941	-

(*) 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.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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) Industry:

	Combined(*) 31 March 2021	Consolidated(**) 31 March 2021	Combined(*) 31 December 2020	Consolidated(**) 31 December 2020
Cash and cash equivalents	1.965.497	392.311	1.935.371	449.893
Financial investments	544	544	52.130	645
Trade receivables	2.424.779	1.361.705	1.854.034	1.091.112
Inventories	2.068.173	1.355.827	1.842.962	1.225.313
Investments accounted through equity method (Note 9)	249.738	845.452	339.158	883.093
Property, plant and equipment	4.581.670	2.727.071	4.381.708	2.533.463
Right of use assets	151.574	136.642	111.574	95.429
Intangible assets	1.175.904	1.070.066	1.058.349	951.037
Other receivables and other assets	3.311.714	1.538.895	2.780.635	1.347.718
Total segment assets	15.929.593	9.428.513	14.355.921	8.577.703
Financial liabilities	6.628.923	3.126.457	6.144.229	2.978.692
Trade payables	2.118.125	758.435	1.864.121	664.286
Other payables and other liabilities	1.671.183	900.876	1.346.668	763.256
Total segment liabilities	10.418.231	4.785.768	9.355.018	4.406.234

(*) 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, Brisa, Philsa and Philip Morrissa.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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):

v) Retail:

	Combined(*) 31 March 2021	Consolidated(**) 31 March 2021	Combined(*) 31 December 2020	Consolidated(**) 31 December 2020
Cash and cash equivalents	556.702	556.702	1.297.782	1.297.782
Trade receivables	194.841	194.841	180.567	180.567
Inventories	2.444.640	2.444.640	2.108.143	2.108.143
Investment property	29.222	29.222	29.222	29.222
Property, plant and equipment	705.957	705.957	705.223	705.223
Right of use assets	1.074.582	1.074.582	1.017.773	1.017.773
Intangible assets	89.546	89.546	91.768	91.768
Other receivables and other assets	1.187.844	1.248.680	1.106.050	1.166.884
Total segment assets	6.283.334	6.344.170	6.536.528	6.597.362
Financial liabilities	2.696.552	2.696.552	2.681.937	2.681.937
Trade payables	3.387.791	3.387.791	3.569.076	3.569.076
Other payables and other liabilities	659.045	659.045	652.091	652.091
Total segment liabilities	6.743.388	6.743.388	6.903.104	6.903.104

(*) 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.

Retail segment consists of Teknosa and Carrefoursa.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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):

vi) Building Materials:

	Combined(*) 31 March 2021	Consolidated(**) 31 March 2021	Combined(*) 31 December 2020	Consolidated(**) 31 December 2020
Cash and cash equivalents	1.423.195	1.274.039	1.751.992	1.433.619
Financial assets	499.012	64	185.224	64
Trade receivables	1.051.184	588.049	950.153	507.869
Inventories	596.926	363.800	465.336	285.260
Investments accounted through equity method (Note 9)	-	365.497	-	397.334
Property, plant and equipment	3.090.898	2.216.434	3.008.741	2.155.891
Right of use assets	155.798	63.456	144.165	53.285
Intangible assets	59.608	16.185	61.335	16.967
Other receivables and other assets	814.728	495.470	779.587	518.249
Total segment assets	7.691.349	5.382.994	7.346.533	5.368.538
Financial liabilities	2.696.288	2.084.817	2.646.567	2.039.083
Trade payables	979.749	493.127	1.079.271	635.366
Other payables and other liabilities	526.292	317.022	507.232	316.146
Total segment liabilities	4.202.329	2.894.966	4.233.070	2.990.595

(*) 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.

Building materials segment consists of Çimsa Sabancı Cement BV, Çimsa and Akçansa.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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):

vii) Other:

	Combined(*) 31 March 2021	Consolidated(**) 31 March 2021	Combined(*) 31 December 2020	Consolidated(**) 31 December 2020
Cash and cash equivalents	3.008.843	3.008.843	1.851.658	1.851.658
Financial assets	13.744.596	17.866	13.733.773	7.043
Trade receivables	112.706	112.242	102.381	101.105
Inventories	169.248	169.248	142.639	142.639
Property, plant and equipment	249.780	213.716	251.346	215.282
Right of use assets	15.715	15.715	18.470	18.470
Intangible assets	26.353	26.353	24.635	24.635
Investments accounted through equity method (Note 9)	62.181	62.181	83.636	83.636
Other receivables and other assets	848.917	605.570	282.473	282.028
Total segment assets	18.238.339	4.231.734	16.491.011	2.726.496
Financial liabilities	17.127	17.127	19.141	19.141
Trade payables	206.728	205.810	199.952	198.177
Other payables and other liabilities	961.596	951.354	255.479	246.095
Total segment liabilities	1.185.451	1.174.291	474.572	463.413

(*) 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.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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 2021			1 January - 31 March 2020		
	Total Consolidation of Segments Before Elimination	Elimination Consolidation Adjustments	Consolidated	Total Consolidation of Segments Before Elimination	Elimination Consolidation Adjustments	Consolidated
Total revenue	16.857.540	(43.363)	16.814.177	13.705.307	(76.556)	13.628.751
Cost of sales and interest, premiums, commissions and other expenses	(10.877.235)	238.037	(10.639.198)	(8.775.548)	203.775	(8.571.773)
General administration expenses	(2.317.239)	18.477	(2.298.762)	(2.287.421)	21.618	(2.265.803)
Sales, marketing and distribution expenses	(684.542)	-	(684.542)	(586.491)	-	(586.491)
Research and development expenses	(9.780)	(1)	(9.781)	(6.153)	1	(6.152)
Other operating income/(expense) - net	69.705	(7.726)	61.979	90.324	2.501	92.825
Interest in income of joint ventures	650.883	(1)	650.882	489.272	(1)	489.271
Operating profit	3.689.332	205.423	3.894.755	2.629.290	151.338	2.780.628
Income/(expense) from investing activities – net	248.647	(215.912)	32.735	197.666	(192.719)	4.947
Operating profit before financial expense	3.937.979	(10.489)	3.927.490	2.826.956	(41.381)	2.785.575
Financial income/(expense) – net	(212.809)	8.641	(204.168)	(274.688)	47.024	(227.664)
Income before tax	3.725.170	(1.848)	3.723.322	2.552.268	5.643	2.557.911
Tax	(629.015)	-	(629.015)	(477.664)	1	(477.663)
Profit/(loss) after tax from discontinued operations	(2.449)	-	(2.449)	(23)	-	(23)
Income for the period	3.093.706	(1.848)	3.091.858	2.074.581	5.644	2.080.225
Net income attributable to equity holders of the parent			1.752.346			1.193.206

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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 2021	Consolidated(**) 31 March 2021	Combined(*) 31 March 2020	Consolidated(**) 31 March 2020
Interest, commission and other income	10.625.026	10.625.026	9.128.718	9.128.718
Interest, commission and other expenses	(6.093.143)	(6.093.143)	(5.148.340)	(5.148.340)
General administration expenses	(2.080.330)	(2.080.330)	(2.059.053)	(2.059.053)
Other operating income/(expense) - net	107.158	107.158	106.039	106.039
Operating profit	2.558.711	2.558.711	2.027.364	2.027.364
Income/(expense) from investing activities - net	5.394	5.394	235	235
Income before tax	2.564.105	2.564.105	2.027.599	2.027.599
Tax	(530.307)	(530.307)	(472.062)	(472.062)
Net income	2.033.798	2.033.798	1.555.537	1.555.537
Net income attributable to equity holders of the parent		828.770		633.880
EBITDA	2.743.804		2.179.867	

(*) 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.

Akbank's net income attributable to non-controlling interest is TRY 1.205.025 (31 March 2020: TRY 921.656).

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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 (continued):

ii) Financial Services:

	Combined(*) 31 March 2021	Consolidated(**) 31 March 2021	Combined(*) 31 March 2020	Consolidated(**) 31 March 2020
Gross premiums	1.137.034	-	962.831	-
- Gross written premiums	1.983.733	-	1.561.533	-
- Unearned premiums reserves	(846.699)	-	(598.702)	-
Premiums, commission and other expenses	(1.265.159)	-	(884.917)	-
General administration expenses	(202.002)	-	(166.345)	-
Other operating income/(expense) - net	573.559	-	298.437	-
Interest in income of joint ventures (Note 9)	-	77.908	-	65.881
Operating profit	243.432	77.908	210.006	65.881
Income/(expense) from investing activities – net	27.867	-	12.474	-
Operating profit before financial expense	271.299	77.908	222.480	65.881
Financial income/(expense) – net	(19.127)	-	(13.341)	-
Profit before tax	252.172	77.908	209.139	65.881
Tax	(51.076)	-	(37.299)	-
Net income	201.096	77.908	171.840	65.881
Net income attributable to equity holders of the parent		77.908		65.881
EBITDA	257.351		223.284	

(*) 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.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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 (continued):

iii) Energy:

	Combined(*) 31 March 2021	Consolidated(**) 31 March 2021	Combined(*) 31 March 2020	Consolidated(**) 31 March 2020
Sales revenue (net)	8.499.622	-	7.864.722	-
Cost of sales	(6.200.067)	-	(5.660.372)	-
General administration expenses	(721.621)	-	(638.840)	-
Other operating income/(expense) - net	(160)	-	(54.606)	-
Interest in income of joint ventures (Note 9)	-	409.649	-	368.960
Operating profit/(loss)	1.577.774	409.649	1.510.904	368.960
Income / (expense) from investment activities –net	(373)	-	57	-
Finance income/(expense) –net	(480.458)	-	(560.430)	-
Operating profit before financial expense	1.096.943	409.649	950.531	368.960
Tax	(171.250)	-	(144.396)	-
Net income	925.693	409.649	806.135	368.960
Net income attributable to equity holders of the parent		409.649		368.960
EBITDA	1.882.802		1.768.448	

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

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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 (continued):

iv) Industry:

	Combined(*) 31 March 2021	Consolidated(**) 31 March 2021	Combined(*) 31 March 2020	Consolidated(**) 31 March 2020
Sales revenue (net)	2.986.754	1.514.223	2.175.872	1.198.970
Cost of sales	(2.138.665)	(1.162.223)	(1.702.500)	(983.726)
General administration expenses	(125.551)	(76.960)	(115.229)	(69.734)
Marketing expenses	(181.175)	(69.213)	(145.850)	(52.756)
Research and development expenses	(9.356)	(9.013)	(5.395)	(4.716)
Other operating income/(expense) - net	(33.110)	35.789	(12.965)	27.470
Interest in income of joint ventures (Note 9)	53.538	176.492	30.974	64.233
Operating profit	552.435	409.095	248.645	179.741
Income/(expense) from investing activities – net	1.538	1.520	1.236	1.230
Operating profit before financial expense	553.973	410.615	249.881	180.971
Financial income/(expense) – net	(41.381)	(53.803)	(77.175)	(49.425)
Income before tax	512.592	356.812	172.706	131.546
Tax	(30.336)	(33.416)	(3.683)	(5.495)
Profit after tax from discontinued operations	(2.449)	(2.449)	(23)	(23)
Net income	479.807	320.947	169.000	126.028
Net income attributable to equity holders of the parent		270.376		106.161
EBITDA	713.151		388.622	

(*) 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 .

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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 (continued):

v) Retail:

	Combined(*) 31 March 2021	Consolidated(**) 31 March 2021	Combined(*) 31 March 2020	Consolidated(**) 31 March 2020
Sales revenue (net)	3.549.515	3.548.535	2.819.210	2.818.194
Cost of sales	(2.712.664)	(2.711.684)	(2.176.299)	(2.175.288)
General administration expenses	(65.858)	(65.803)	(62.396)	(62.358)
Marketing expenses	(598.750)	(598.750)	(521.997)	(521.997)
Other operating income/(expense) - net	(128.093)	(128.093)	(66.516)	(66.516)
Operating profit	44.150	44.205	(7.998)	(7.965)
Income/(expense) from investing activities – net	3.327	3.327	(355)	(355)
Operating profit before financial expense	47.477	47.532	(8.353)	(8.320)
Financial income/(expense) – net	(151.007)	(151.007)	(145.700)	(145.700)
Income before tax	(103.530)	(103.475)	(154.053)	(154.020)
Tax	17.920	17.920	28.058	28.058
Net income/(loss)	(85.610)	(85.555)	(125.995)	(125.962)
Net income/(loss) attributable to equity holders of the parent		(49.069)		(66.754)
EBITDA	286.782		168.567	

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

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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 (continued):

vi) Building materials:

	Combined(*) 31 March 2021	Consolidated(**) 31 March 2021	Combined(*) 31 March 2020	Consolidated(**) 31 March 2020
Sales revenue (net)	1.252.884	725.540	796.637	411.678
Cost of sales	(1.029.078)	(577.779)	(711.091)	(345.909)
General administration expenses	(69.244)	(44.749)	(77.432)	(50.819)
Research and development expenses	(767)	(767)	(1.437)	(1.437)
Marketing expenses	(7.788)	(3.853)	(9.502)	(5.351)
Other operating income/(expense) - net	37.771	51.418	23.564	28.355
Interest in income of joint ventures (Note 9)	-	9.876	-	(9.803)
Operating profit	183.778	159.686	20.739	26.714
Income/(expense) from investing activities - net	24.683	23.931	4.351	3.889
Operating profit before financial expense	208.461	183.617	25.090	30.603
Financial income/(expense) - net	(5.248)	(799)	(92.345)	(76.876)
Profit before tax	203.213	182.818	(67.255)	(46.273)
Tax	(37.163)	(31.706)	12.283	6.346
Net income	166.050	151.112	(54.972)	(39.927)
Net income attributable to equity holders of the parent		89.149		(24.073)
EBITDA	218.904		59.502	

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

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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 (continued):

vii) Other:

	Combined(*) 31 March 2021	Consolidated(**) 31 March 2021	Combined(*) 31 March 2020	Consolidated(**) 31 March 2020
Sales revenue (net)	2.009.139	444.217	640.996	147.747
Cost of sales	(332.999)	(332.406)	(122.826)	(122.285)
General administration expenses	(51.950)	(49.397)	(47.575)	(45.457)
Marketing expenses	(12.797)	(12.726)	(6.500)	(6.387)
Other operating income/(expense) - net	11.974	3.431	3.025	(5.025)
Interest in income of joint ventures (Note 9)	(23.043)	(23.043)	-	-
Operating profit	1.600.324	30.076	467.120	(31.407)
Income/(expense) from investing activities - net	222.836	214.476	200.550	192.666
Operating profit before financial expense	1.823.160	244.552	667.670	161.259
Financial income/(expense) - net	(7.201)	(7.201)	(2.687)	(2.687)
Profit before tax	1.815.959	237.351	664.983	158.572
Tax	(51.506)	(51.506)	(34.511)	(34.511)
Net income	1.764.453	185.845	630.472	124.061
Net income attributable to equity holders of the parent		125.564		109.151
EBITDA	1.596.874		478.676	

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

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021

(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)

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:

	31 March 2021	31 March 2020
Banking	828.770	633.880
Financial Services	77.909	46.998
Industry	271.264	102.711
Building Materials	74.960	(23.067)
Energy	407.090	368.961
Retail	(49.069)	(66.754)
Other	128.247	109.148
Total	1.739.171	1.171.877

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

	31 March 2021	31 March 2020
Adjusted net income for reported operating segments (Equity holders of the Parent)	1.739.171	1.171.877
One off income/(expenses) related to Avivasa	-	18.883
Other	13.175	2.446
Net income (Equity holders of the Parent)	1.752.346	1.193.206

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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)

h) Combined EBITDA Detail

31 March 2021	Profit Before Tax	Depreciation Expenses	Income/ (expenses) from Investing Activities - net	Financial income/ (expense) - net	Operational Foreign Exchange Differences/ Interests	EBITDA
Banking	2.564.105	185.093	5.394	-	-	2.743.804
Industry	512.592	129.187	1.538	(41.381)	(31.529)	713.151
Building Materials	203.213	67.274	24.683	(5.248)	32.148	218.904
Retail	(103.530)	124.995	3.327	(151.007)	(117.637)	286.782
Energy	1.096.943	237.462	(373)	(480.458)	(67.566)	1.882.802
Financial Services	252.172	23.431	27.867	(19.127)	9.512	257.351
Other	1.815.959	12.076	222.836	(7.201)	15.526	1.596.874
31 March 2020	Profit Before Tax	Depreciation Expenses	Income/ (expenses) from Investing Activities - net	Financial income/ (expense) - net	Operational Foreign Exchange Differences/ Interests	EBITDA
Banking	2.027.599	152.503	235	-	-	2.179.867
Industry	172.706	121.595	1.236	(77.175)	(18.382)	388.622
Building Materials	(67.255)	63.480	4.351	(92.345)	24.717	59.502
Retail	(154.053)	120.085	(355)	(145.700)	(56.480)	168.567
Energy	950.531	223.802	57	(560.430)	(33.742)	1.768.448
Financial Services	209.139	18.784	12.474	(13.341)	5.506	223.284
Other	664.983	10.623	200.550	(2.687)	(933)	478.676

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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)

i) Depreciation and amortization, impairment and investment expenditures (Consolidated):

1 January - 31 March 2021

	<u>Finance</u>							
	Banking	Financial Services	Industry	Building Materials	Energy	Retail	Other	Total
Depreciation and amortisation expenses	185.093	-	71.214	40.986	-	124.995	12.076	434.364
Capital expenditure	88.368	-	30.072	30.795	-	45.014	9.753	204.002

1 January - 31 March 2020

	<u>Finance</u>							
	Banking	Financial Service	Industry	Building Materials	Energy	Retail	Other	Total
Depreciation and amortisation expenses	152.503	-	65.156	38.519	-	120.086	10.623	386.887
Capital expenditure	312.865	-	30.421	9.549	-	36.121	14.903	403.859

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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)

j) Depreciation and amortization, impairment and investment expenses (Combined):

1 January – 31 March 2021

	<u>Finance</u>							
	Banking	Financial Services	Industry	Building Materials	Energy	Retail	Other	Total
Depreciation and amortization expenses	185.093	23.431	129.187	67.274	237.462	124.995	12.076	779.518
Capital expenditure	88.368	33.935	91.982	75.182	680.428	45.014	9.753	1.024.662

1 January – 31 March 2020

	<u>Finance</u>							
	Banking	Financial Services	Industry	Building Materials	Energy	Retail	Other	Total
Depreciation and amortization expenses	152.503	18.784	121.595	63.479	223.802	120.086	10.623	710.872
Capital expenditures	312.865	19.591	68.746	43.595	775.936	36.121	14.903	1.271.757

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

NOTE 5 - FINANCIAL ASSETS

a) Financial assets at fair value through profit and loss:

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

	31 March 2021	31 December 2020
Share certificates	546.200	464.346
Government bonds	23.988	45.063
Eurobonds	109.454	144.874
Other (*)	8.628.269	8.560.219
Total	9.307.911	9.214.502

(*) In the previous period, the syndication loans provided to Ojer Telekomünikasyon A.Ş. (OTAŞ) were restructured. In this scope, LYY Telekomünikasyon A.Ş. (former name: Levent Yapılandırma Yönetimi A.Ş.), which the creditors are direct or indirect partners of, was established as a special purpose company to protect the creditors and act as a warranty for these loans, and LYY Telekomünikasyon A.Ş. completed the takeover of 192,500,000,000 A Group shares, which made up 55% of Türk Telekom's issued capital, on 21 December 2018. The bank held 35.56% of LYY Telekomünikasyon A.Ş., which is its share of OTAŞ receivables. In the Ordinary General Assembly of LYY Telekomünikasyon A.Ş. on 23 September 2019 it was decided that a portion of the loan will be turned into capital and added to LYY Telekomünikasyon A.Ş., and the nominal value of the bank's shares of LYY Telekomünikasyon A.Ş. increased from TRY18 to TRY1,416,090. This increased amount is disclosed in "Assets Held for Sale and Discontinued Operations" row of the financial statements. The value of the portion followed up as a loan was TRY10.172.020 (31 December 2020: TRY8.968.855) as of 31 March 2021, and was classified under "Other Financial Assets" under "Financial Assets for Which the Fair Value Difference is Reflected to Profit/Loss" in the financial statements. The total fair value decrease recognised for the loan and turned into capital is TRY4.245.200 (31 December 2020: TRY3.042.035); an amount of TRY1.416.090 (31 December 2020: TRY1.416.090) was classified under "Assets Held for Sale and Discontinued Operations", remaining amount TRY2.829.110 (31 December 2020: TRY1.625.945) is classified under Financial Assets (Fair Value Through Profit or Loss).

TRY1.101.416 (31 December 2020: 1.094.617) of other financial assets is composed of "Dördüncü Gayrimenkul Investment Fund" founded by Ak Portföy Yönetimi A.Ş.. They are revalued at fair value and valuation differences are reflected in profit and loss.

If both the growth rate and the risk-free investment income rate in the assumptions used in the discounted cash flow method increase or decrease by 0.25%, assuming that all other variables are stable, the assets and period profit before tax recognised in the consolidated financial statements will either increase by approximately TRY170 million or decrease by TRY150 million. The main objective of creditor banks is to hand over the said Türk Telekom shares to an investor expert in the field by meeting the requirements as quickly as possible. An international investment bank was authorised as the sale advisor on 19 September 2019 for the purpose of selling the 55% of shares of Türk Telekomünikasyon A.Ş. owned by LYY Telekomünikasyon A.Ş., and necessary studies related to the sale and negotiations with potential investors will begin. As of the reporting date, the Group has reevaluated the fair value of LYY Telekomünikasyon A.Ş. by considering the current market conditions and macroeconomic indicators and did not change the fair value of the financial asset as of the end of the year.

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

NOTE 5 - FINANCIAL ASSETS (Continued)

a) Financial assets at fair value through profit and loss (Continued):

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

	31 March 2021	31 December 2020
TRY	%21,58	%14,92

The Group's activities in the finance sector as collateral for the purchase and sale of financial assets is TRY 10.116 (31 December 2020: TRY 9.995).

The maturity analysis of financial assets at fair value through profit and loss as of 31 March 2021 and 31 December 2020 are as follows:

	31 March 2021	31 December 2020
0 to 3 months	1.703.371	1.595.411
3 to 12 months	7.459.467	7.461.253
1 to 5 years	114.017	109.435
Over 5 years	31.056	48.403
Total	9.307.911	9.214.502

Period remaining to contractual repricing dates:

	31 March 2021	31 December 2020
On demand	1.703.371	1.595.411
Up to 3 months	110.226	37.064
3 to 12 months	7.379.596	7.426.015
1 to 5 years	83.662	107.609
Over 5 years	31.056	48.403
Total	9.307.911	9.214.502

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

NOTE 5 - FINANCIAL ASSETS (Continued)

b) Financial assets at fair value through other comprehensive income:

	31 March 2021	31 December 2020
Debt securities		
- Government bonds	24.141.562	23.067.782
- Eurobonds	21.707.984	21.352.442
- Investment funds	511.507	490.329
- Other bonds denominated in foreign currency	15.323.578	13.277.208
Sub-total	61.684.631	58.187.761
Equity securities		
- Listed	138	138
- Unlisted	34.861	31.527
Sub-total	34.999	31.665
Financial assets at fair value through other comprehensive income	61.719.630	58.219.426

Effective interest rates of USD, EUR, JPY and TRY denominated available-for-sale securities are 4,85% (31 December 2020: 5,20%), 3,08% (31 December 2020: 2,92%), 3,09% (31 December 2020: 3,09%) and 13,67% (31 December 2020: 12,75%), respectively.

The Group's financial assets through other comprehensive income subject to funds provided from repo are TRY18.546.391 (31 December 2020: TRY16.984.050). Financial assets through other comprehensive income given as collateral because of the Group's financing activities amount is TRY15.774.738 (31 December 2020: TRY18.374.196).

There are bonds index-linked to consumer prices ("CPI") in the securities portfolio of Akbank for which the fair value difference is reflected to other comprehensive income and which are measured by amortized cost. These securities are valued and recognised using the effective interest method and are based on the index calculated using real coupon rates, the reference inflation index on the date of issuance and estimated inflation rates. Reference indexes used to calculate the actual coupon payment amounts of the securities are created based on CPIs from two months prior. The bank sets the estimated inflation rate in line with the reference indexes. The estimated inflation rate used is updated during the year when necessary. The real inflation rate is used at %11 at 31 March 2021.

The maturity analysis in accordance with expiring date as at 31 March 2021 and 31 December 2020 is as follows:

	31 March 2021			31 December 2020		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	1.013.729	-	1.013.729	4.503.116	-	4.503.116
3 to 12 months	8.161.994	-	8.161.994	4.843.979	-	4.843.979
1 to 5 years	42.453.989	-	42.453.989	38.802.077	-	38.802.077
Over 5 years	9.578.411	-	9.578.411	9.579.925	-	9.579.925
On demand	511.507	-	511.507	490.329	-	490.329
Total	61.719.630	-	61.719.630	58.219.426	-	58.219.426

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

NOTE 5 - FINANCIAL ASSETS (Continued)

b) Financial Assets Through Other Comprehensive Income:

The maturity analysis in accordance with expiring date as at 31 March 2021 and 31 December 2020 is as follows:

	31 March 2021			31 December 2020		
	Banking	Other companies	Total	Banking	Other companies	Total
0 to 3 months	12.628.240	-	12.628.240	14.823.787	-	14.823.787
3 to 12 months	12.187.657	-	12.187.657	10.414.147	-	10.414.147
1 to 5 years	27.520.203	-	27.520.203	24.195.511	-	24.195.511
Over 5 years	8.872.023	-	8.872.023	8.295.652	-	8.295.652
No maturity	511.507	-	511.507	490.329	-	490.329
Total	61.719.630	-	61.719.630	58.219.426	-	58.219.426

c) Financial Assets at Amortised Cost:

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

	31 March 2021	31 December 2020
Government bonds	43.206.826	41.873.322
Total	43.206.826	41.873.322

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

	31 March 2021	31 December 2020
Balance, 1 January	41.873.322	15.566.111
Additions	3.695.965	25.884.971
Foreign exchange differences in monetary assets	746.969	4.715.654
Valuation effect	506.079	495.098
Disposals through sales and redemptions	(3.596.755)	(4.774.521)
Allowance for impairment (*)	(18.754)	(13.991)
Total	43.206.826	41.873.322

(*) Expected loss provision is included in the balance.

Effective interest rate of debt securities in USD, Euro and TRY are 5,86% 4,29% ve 11,94%. (31 December 2020: Effective interest rate of debt securities in USD, Euro and TRY are 5,86%, 1,70% and 12,18%).

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

NOTE 5 - FINANCIAL ASSETS (Continued)

c) Financial Assets at Amortised Cost (Continued):

Period remaining to contractual maturity dates for held to maturity financial assets as at 31 March 2021 and 31 December 2020 is as follows:

	31 March 2021			31 December 2020		
	Banking	Other companies	Total	Banking	Other companies	Total
3 to 12 months	15.816.290	-	15.816.290	16.731.294	-	16.731.294
1 to 5 years	17.684.563	543	17.685.106	18.779.765	644	18.780.409
Over 5 years	9.705.430	-	9.705.430	6.361.619	-	6.361.619
Total	43.206.283	543	43.206.826	41.872.678	644	41.873.322

Period remaining to contractual repricing dates for investment security, held to maturity financial assets at 31 March 2021 and 31 December 2020 is as follows:

	31 March 2021			31 December 2020		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	14.553.153	-	14.553.153	11.113.691	-	11.113.691
3 to 12 months	17.794.529	-	17.794.529	19.059.290	-	19.059.290
1 to 5 years	9.692.258	543	9.692.801	10.522.797	644	10.523.441
Over 5 years	1.166.343	-	1.166.343	1.176.900	-	1.176.900
Total	43.206.283	543	43.206.826	41.872.678	644	41.873.322

d) Time deposit

	31 March 2021	31 December 2020
3 to 12 months	20.576	16.348
Total	20.576	16.348

NOTE 6 - FINANCIAL LIABILITIES

Short term funds, bank loans and issued debt securities:

	31 March 2021	31 December 2020
Short term	13.068.527	13.713.590
Short-term portion of long term	21.638.048	20.053.065
Total short term	34.706.575	33.766.655
Long-term funds borrowed, bank borrowings and debt securities:		
Long term	42.240.681	38.494.543
Total	76.947.256	72.261.198

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

NOTE 6 - FINANCIAL LIABILITIES (Continued)

The maturity schedule of financial liabilities at 31 March 2021 and 31 December 2020 is summarized below:

	31 March 2021	31 December 2020
Up to 3 months	14.951.836	9.274.318
3 to 12 months	19.754.739	24.492.337
Short term financial liabilities and short term portion of long term financial liabilities	34.706.575	33.766.655
1 to 5 years	26.748.081	26.954.881
Over 5 years	15.492.600	11.539.662
Long term financial liabilities	42.240.681	38.494.543
Total financial liabilities	76.947.256	72.261.198

The repayment schedule of long term financial liabilities at 31 March 2021 and 31 December 2020 is summarized below:

	31 March 2021	31 December 2020
1-2 years	10.578.681	8.902.970
2-3 years	6.880.205	6.286.796
3-4 years	6.182.896	4.715.311
4-5 years	3.106.299	7.049.804
5 years and above	15.492.600	11.539.662
Total	42.240.681	38.494.543

As of 31 March 2021 and 31 December 2020, the remaining period until the repricing date of the loans determined by the contract:

	31 March 2021	31 December 2020
Up to 3 months	44.219.317	41.602.470
3 to 12 months	7.701.579	8.523.325
1 to 5 years	10.674.811	11.745.294
Over 5 years	14.351.549	10.390.109
Total	76.947.256	72.261.198

The transactions related with the funds and loans as of 31 March 2021 are as follows:

Akbank - Funds borrowed via syndicated credit

As of 31 March 2021, Akbank has two outstanding syndicated loan. EUR 315,5 million and USD 256 million with a maturity of 1 year were obtained through the loan agreement signed on 1 April 2020. The cost of maturity loan is Euribor + 200 and Libor +225. EUR348.5 million and USD388 million with maturities of 1 year were obtained through the loan agreement signed on 13 October 2020. The cost of loans are Euribor +225 and Euribor +250 bps.

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021**

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

NOTE 6 - FINANCIAL LIABILITIES (Continued)

Issued securities:

Securities issued consist of USD and TRY assets.

The repayment plan for USD securities issued is summarized below:

	31 March 2021		31 December 2020	
	USD	TRY	USD	TRY
2021	470.394	3.916.406	630.546	4.678.273
2022	1.073.929	8.941.318	1.068.575	7.928.186
2023	568.960	4.737.047	571.133	4.237.464
2024	597.086	4.971.219	599.240	4.446.001
2025	914.522	7.614.127	911.404	6.762.071
2026	441.477	3.675.649	428.422	3.178.634
2027	377.170	3.140.242	370.994	2.752.553
2028	262.231	2.183.283	257.937	1.913.738
Total	4.705.769	39.179.291	4.838.251	35.896.920

The balance amounting to USD4.705.769 consists of securitization deals and USD denominated securities issued by the Bank.

	31 March 2021		31 December 2020	
	EUR	TRY	EUR	TRY
2021	196	1.915	23.131	210.872
2022	11.750	114.785	377	3.438
2023	366	3.576	362	3.301
2024	352	3.440	348	3.173
2025	338	3.303	335	3.055
2026	325	3.176	322	2.936
2027	312	3.049	309	2.818
2028	300	2.932	297	2.708
2029	7.442	72.702	7.370	67.179
Total	21.381	208.878	32.851	299.480

The balance amounting to EUR21.382 consists of securitization deals and EUR denominated securities issued by the Group.

In addition, as of 31 March 2021, the Group issued bonds with 1-3 months maturity of TRY1,940,679, 3-6 months maturity of TRY1,714,243, 6-12 months maturity of TRY364.174, 1-5 years maturity of TRY1.135.409 and over 5 years maturity of TRY1.319.453. (31 December 2020: 1-3 months term TRY933.926, 3-6 months term TRY123.854, 6-12 months term TRY4.229.049, 1-5 years term TRY1.062.073 and over 5 years term TRY1.364.024).

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

NOTE 7 - LIABILITIES FROM LEASING TRANSACTIONS

The maturity and currency breakdown of the Group's liabilities regarding leasing transactions in accordance with TFRS 16 are as follows:

Liabilities from short-term lease transactions as of 31 March 2021:

	Up to 3 months	3 to 12 months	Total
TRY	158.766	197.144	355.910
USD	1.228	8.372	9.600
EUR	4.249	6.121	10.370
Other	290	1.239	1.529
Total	164.533	212.876	377.409

Liabilities from short-term lease transactions as of 31 December 2020:

	Up to 3 months	3 to 12 months	Total
TRY	147.418	169.132	316.550
USD	1.831	6.038	7.869
EUR	4.211	4.387	8.598
Other	287	1.119	1.406
Total	153.747	180.676	334.423

Liabilities from long-term lease transactions as of 31 March 2021:

	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
TRY	206.756	179.919	351.725	378.670	424.770	1.541.840
USD	11.287	11.098	11.186	9.618	81.795	124.984
EUR	1.790	1.917	2.054	1.850	20.259	27.870
Other	4.086	-	-	-	-	4.086
Total	223.919	192.934	364.965	390.138	526.824	1.698.780

Liabilities from long-term lease transactions as of 31 December 2020:

	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
TRY	218.092	189.292	319.097	390.542	375.857	1.492.880
USD	8.714	6.736	5.562	5.085	53.544	79.641
EUR	1.248	1.363	1.485	1.468	17.803	23.367
Other	3.895	-	-	-	-	3.895
Total	231.949	197.391	326.144	397.095	447.204	1.599.783

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

NOTE 8 - OTHER RECEIVABLES AND PAYABLES

Other short term receivables:	31 March 2021	31 December 2020
Receivables from credit card payments	33.761	51.697
Other receivables(*)	2.827.112	4.445.839
Total	2.860.873	4.497.536

Other long term receivables:	31 March 2021	31 December 2020
Deposits and guarantees given	52.939	49.628
Other receivables(*)	273.095	3.820.003
Total	326.034	3.869.631

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

Other short term payables:	31 March 2021	31 December 2020
Payables related to credit card transactions	5.303.513	4.984.275
Taxes and funds payable	672.101	618.891
Export deposits and transfer orders	100.235	68.699
Payment orders to correspondent banks	54.750	48.832
Financial lease payables	1.594	-
Other(*)	2.796.022	3.367.929
Total	8.928.215	9.088.626

Other long term payables:	31 March 2021	31 December 2020
Financial lease payables	1.261	3.325
Other(*)	8.485.087	4.427.826
Total	8.486.348	4.431.151

(*) 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:

	31 March 2021	Pay (%)	31 December 2020	Pay (%)
Aksigorta	234.525	36,00	337.002	36,00
Avivasa	409.904	40,00	439.473	40,00
Brisa	657.895	43,63	627.568	43,63
Akçansa	365.497	39,72	397.334	39,72
Enerjisa Üretim Santralleri	3.034.076	50,00	3.296.513	50,00
Enerjisa Enerji	2.687.813	40,00	2.861.321	40,00
Philsa	149.653	25,00	130.474	25,00
Philip Morrissa	37.904	24,75	125.051	24,75
Temsa Ulaşım Araçları	62.181	50,00	83.636	50,00
Total	7.639.448		8.298.372	

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

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:

	1 January - 31 March 2021	1 January - 31 March 2020
Aksigorta	22.776	25.701
Avivasa	55.132	40.180
Brisa	122.956	33.260
Akçansa	9.876	(9.803)
Enerjisa Üretim Santralleri	196.855	232.533
Enerjisa Enerji	212.794	136.427
Philsa	41.261	33.046
Philip Morrissa	12.275	(2.073)
Temsa Ulaşım Araçları	(23.043)	-
Total	650.882	489.271

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

	31 March 2021		31 December 2020	
	Total assets	Total Liabilities	Total assets	Total liabilities
Aksigorta	9.720.036	9.068.579	9.131.387	8.195.271
Avivasa	4.718.876	3.717.655	4.256.009	3.180.864
Brisa	7.140.359	5.632.463	6.387.170	4.948.783
Akçansa	2.240.464	1.307.365	2.255.730	1.242.475
Enerjisa Üretim Santralleri	14.638.305	8.570.152	14.573.769	7.980.742
Enerjisa Enerji	25.361.660	18.642.124	24.675.505	17.522.199
Philsa	4.140.935	3.542.322	3.986.358	3.464.463
Philip Morrissa	1.753.558	1.600.410	1.972.279	1.467.024
Temsa Ulaşım Araçları	2.175.877	1.850.671	2.124.755	1.758.264
Total	71.890.070	53.931.741	69.362.962	49.760.085

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021

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

NOTE 9 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (Continued)

Sales

	1 January - 31 March 2021	1 January - 31 March 2020
Aksigorta	1.577.956	1.233.591
Avivasa	405.777	327.941
Brisa	1.472.531	976.902
Akçansa	527.344	384.959
Enerjisa Üretim Santralleri	2.610.757	2.085.643
Enerjisa Enerji	5.888.865	5.779.079
Philsa (*)	7.172.256	6.802.693
Philip Morrissa	7.178.245	6.498.568
Temsa Ulaşım Araçları	264.652	-

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

Net profit/(loss)

	1 January - 31 March 2021	1 January - 31 March 2020
Aksigorta	63.267	71.390
Avivasa	137.829	100.450
Brisa	281.815	76.232
Akçansa	24.815	(24.850)
Enerjisa Üretim Santralleri	393.710	465.067
Enerjisa Enerji	531.984	341.068
Philsa	165.044	132.186
Philip Morrissa	49.602	(8.375)
Temsa Ulaşım Araçları	(46.087)	-

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment for the year ended 31 March 2021 is as follows:

	1 January 2021	Currency translation differences	Additions	Disposals	Transfers (*)	Impairment	31 March 2021
Cost:							
Land and land improvements	504.541	9.856	908	(247)	638	-	515.696
Buildings	3.808.279	116.038	4.151	(36.180)	3.350	-	3.895.638
Machinery and equipment	6.415.087	393.461	13.040	(1.150)	32.197	-	6.852.635
Motor vehicles	92.543	1.360	1.064	(386)	-	-	94.581
Furnitures and fixtures	4.064.338	13.643	53.418	(32.564)	5.747	139	4.104.721
Total	14.884.788	534.358	72.581	(70.527)	41.932	139	15.463.271
Construction in progress	242.522	5.284	63.064	-	(52.840)	-	258.030
Total	15.127.310	539.642	135.645	(70.527)	(10.908)	139	15.721.301
Accumulated depreciation:							
Land and land improvements	(243.402)	(2.036)	(2.627)	-	-	-	(248.065)
Buildings	(1.174.766)	(30.941)	(23.986)	252	-	-	(1.229.441)
Machinery and equipment	(3.352.999)	(204.247)	(70.287)	1.016	-	-	(3.626.517)
Motor vehicles	(92.543)	(206)	(2.196)	364	-	-	(94.581)
Furnitures and fixtures	(2.303.979)	(10.172)	(125.985)	30.264	-	105	(2.409.767)
Total	(7.167.689)	(247.602)	(225.081)	31.896	-	105	(7.608.371)
Net Book Value	7.959.621						8.112.930

(*) TRY10.908 of the transfers from construction in progress in the current period is recognized in intangible assets.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The movement in property, plant and equipment for the year ended 31 March 2020 is as follows:

	1 January 2020	Currency translation differences	Additions	Disposals	Transfers (*)	Impairment	31 March 2020
Cost:							
Land and land improvements	559.287	22.050	706	(8.372)	135	-	573.806
Buildings	3.459.621	73.853	12.052	(2.105)	1.260	-	3.544.681
Machinery and equipment	5.479.213	185.419	11.306	(5.741)	70.352	-	5.740.549
Motor vehicles	94.270	1.121	385	(1.879)	-	-	93.897
Furnitures and fixtures	3.461.421	1.863	246.640	(49.695)	1.289	1.538	3.663.056
Total	13.053.812	284.306	271.089	(67.792)	73.036	1.538	13.615.989
Construction in progress	246.441	2.631	35.592	(1.674)	(73.833)	-	209.157
Total	13.300.253	286.937	306.681	(69.466)	(797)	1.538	13.825.146
Accumulated depreciation:							
Land and land improvements	(231.036)	(2.356)	(2.916)	1.048	-	-	(235.260)
Buildings	(990.425)	(29.921)	(60.678)	179	-	-	(1.080.845)
Machinery and equipment	(2.683.713)	(92.021)	(66.117)	2.888	-	-	(2.838.963)
Motor vehicles	(92.218)	(1.072)	(1.588)	981	-	-	(93.897)
Furnitures and fixtures	(2.006.984)	(2.935)	(72.522)	29.385	-	(466)	(2.053.522)
Total	(6.004.376)	(128.305)	(203.821)	34.481	-	(466)	(6.302.487)
Net Book Value	7.295.877						7.522.659

(*) TRY797 of the transfers from construction in progress in the current period is recognized in intangible assets.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

NOTE 11 - INTANGIBLE ASSETS

The movements in intangible assets for the years ended 31 March 2021 and 2020 are as follows:

	1 January 2021	Currency translation differences	Additions	Impairment	Transfers	31 March 2021
Cost (*)	3.632.922	144.960	68.357	(712)	10.908	3.856.435
Accumulated amortization (-)	(1.357.642)	(22.214)	(94.237)	712	-	(1.473.381)
Net book value	2.275.280					2.383.054

	1 January 2020	Currency translation differences	Additions	Impairment	Transfers	31 March 2020
Cost (*)	2.874.743	41.923	89.525	(27.500)	797	2.979.488
Accumulated amortization (-)	(1.001.583)	(10.884)	(75.580)	13.051	-	(1.074.996)
Net book value	1.873.160					1.904.492

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

NOTE 12 - RIGHT OF USE ASSETS

Movement table of right of use assets as of 31 March 2021 is as follows:

	1 January 2021	Addition	Disposals	Currency translation difference	31 March 2021
Cost					
Real estates	2.317.656	212.977	(26.141)	31.087	2.535.579
Fixtures	252	-	-	35	287
Motor vehicles	68.441	-	(1.774)	1.700	68.367
Other	19.470	-	-	2.459	21.929
Total	2.405.819	212.977	(27.915)	35.281	2.626.162
Accumulated depreciation:					
Real estates	(630.543)	(107.401)	12.913	(2.867)	(727.898)
Fixtures	(112)	(35)	-	(18)	(165)
Motor vehicles	(36.338)	(4.879)	1.143	(599)	(40.673)
Other	(7.249)	(1.335)	-	137	(8.447)
Total	(674.242)	(113.650)	14.056	(3.347)	(777.183)
Net book value	1.731.577				1.848.979

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

NOTE 12 - RIGHT OF USE ASSETS (Continued)

Movement table of right of use assets as of 31 March 2020 is as follows:

	1 January 2020	Additions	Disposals	Currency translation difference	31 March 2020
Cost					
Real estates	2.187.816	108.900	(50.252)	12.867	2.259.331
Fixtures	595	-	(401)	31	225
Motor vehicles	38.758	11.835	-	913	51.506
Other	16.521	222	-	1.405	18.148
Total	2.243.690	120.957	(50.653)	15.216	2.329.210
Accumulated depreciation:					
Real estates	(338.619)	(102.229)	25.421	(3.151)	(418.578)
Fixtures	(186)	(13)	-	(86)	(285)
Motor vehicles	(16.204)	(3.568)	-	142	(19.630)
Other	(3.218)	(839)	230	25	(3.802)
Total	(358.227)	(106.649)	25.651	(3.070)	(442.295)
Net book value	1.885.463				1.886.915

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

NOTE 13 - GOODWILL

The movements in goodwill for the years ended 31 March 2021 and 2020 are as follows:

	2021	2020
1 January	1.600.690	1.475.337
Currency translation differences	117.849	17.746
31 March	1.718.539	1.493.083

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short term provisions	31 March 2021	31 December 2020
Provision for liabilities	707.728	682.435
<i>Credit bonus provision</i>	76.457	69.473
<i>Provisions for litigation</i>	94.155	90.769
<i>Uncompensated and not encashed</i>		
<i>non-cash loans</i>	491.046	492.437
<i>Other short-term provisions</i>	46.070	29.756
Other debt provisions	24.527	4.926
Total	732.255	687.361

Other long term provisions	31 March 2021	31 December 2020
Provision for liabilities	228.573	241.504
<i>Provisions for litigation</i>	45.687	49.666
<i>Other long-term provisions</i>	182.886	191.838
Total	228.573	241.504

Commitments - banking segment	31 March 2021	31 December 2020
Letters of guarantee given	40.123.813	36.466.405
Letters of credit	5.934.571	4.649.260
Foreign currency acceptance	79.839	47.814
Other guarantees given	11.470.534	8.259.644
Total	57.608.757	49.423.123

Commitments - other companies	31 March 2021	31 December 2020
Letters of guarantee given	1.134.910	880.540
Other guarantees given	1.652.636	1.583.897
Mortgages, guarantees and pledges for tangible assets	17.718	16.330
Total	2.805.264	2.480.767

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021

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

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 2021 and 31 December 2020 are as follows:

	31 March 2021	31 December 2020
Repurchase commitments	35.574.472	19.855.361
Transactions for held for trading		
	31 March 2021	31 December 2020
Foreign currency purchases	6.122.187	6.658.885
Foreign currency sales	6.038.318	6.377.496
Total	12.160.505	13.036.381
	31 March 2021	31 December 2020
Currency swap purchases	119.787.842	121.885.178
Currency swap sales	133.479.249	138.390.998
Interest swap purchases	96.624.903	86.327.116
Interest swap sales	96.624.903	86.327.116
Total	446.516.897	432.930.408
	31 March 2021	31 December 2020
Spot purchases	2.645.546	3.053.071
Spot sales	2.644.955	3.054.727
Total	5.290.501	6.107.798
	31 March 2021	31 December 2020
Currency, interest and securities options purchases	15.342.896	13.271.378
Currency, interest and securities options sales	15.647.484	13.152.376
Total	30.990.380	26.423.754
	31 March 2021	31 December 2020
Future purchase transactions	2.266.559	2.657.066
Future sales transactions	2.322.302	2.827.998
Total	4.588.861	5.485.064
	31 March 2021	31 December 2020
Other purchase transactions	30.510.280	26.581.999
Other sales transactions	9.120.690	7.978.827
Total	39.630.970	34.560.826

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

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

Types of derivative transactions held for hedges:

	31 March 2021	31 December 2020
Interest swap purchases	27.753.623	23.672.399
Interest swap sales	27.753.623	23.672.399
Total	55.507.246	47.344.798

	31 March 2021	31 December 2020
Money swap purchases	18.616.260	22.678.665
Money swap sales	10.199.036	14.494.876
Total	28.815.296	37.173.541

The maturity analysis of the off-balance sheet assets of the Banking segment at 31 March 2021 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees given	19.249.704	20.874.109	40.123.813
Letters of credits	4.622.826	1.311.745	5.934.571
Acceptance credits	79.839	--	79.839
Other guarantees	4.781.727	6.688.807	11.470.534
Total	28.734.096	28.874.661	57.608.757

The maturity analysis of the off-balance sheet assets of the Banking segment at 31 December 2020 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees given	16.747.460	19.718.945	36.466.405
Letters of credits	3.502.759	1.146.501	4.649.260
Acceptance credits	47.814	-	47.814
Other guarantees	2.416.094	5.843.550	8.259.644
Total	22.714.127	26.708.996	49.423.123

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

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

The economic sector risk concentrations of the commitments of the Banking segment at 31 March 2021 and 31 December 2020 are as follows:

	31 March 2021	31 December 2020
Wholesale	10.722.054	9.445.709
Construction	9.754.376	8.671.929
Other manufacturing	5.837.131	4.400.880
Financial institutions	5.415.344	5.261.526
Steel and mining	4.594.318	3.549.328
Small-scale retailers	4.433.649	3.703.770
Electricity, gas and water	2.898.434	2.676.043
Chemicals	2.444.378	1.855.060
Textile	2.158.874	1.679.855
Transportation	1.977.867	1.744.525
Automotive	1.169.022	977.967
Food and beverage	1.114.721	944.397
Tourism	537.270	361.201
Agriculture and forestry	487.514	385.570
Electronics	330.800	250.609
Telecommunications	308.903	349.336
Other	3.424.102	3.165.418
Total	57.608.757	49.423.123

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

NOTE 15 - COMMITMENTS

Collaterals, pledges and mortgages ("CRM") given by the Subsidiaries at 31 March 2021 is as follows:

	31 March 2021				
	Total TL Equivalent	TL	USD	EUR	Other
A, Total amount of the Collaterals given for its own legal entity	991.552	909.655	4.332	4.691	--
B, Collaterals given on behalf of fully consolidated companies	2.010.963	733.620	53.886	84.635	1.909
C, Collaterals given on behalf of the third parties' debt for continuation of their economic activities	57.608.757	25.930.367	2.007.191	1.456.908	734.681
D, Total amount of other Collaterals					
i, Given on behalf of majority shareholder					
ii, Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii, Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Collaterals	60.611.272	27.573.642	2.065.409	1.546.235	736.590
A, Total amount of the mortgages given for its own legal entity	--	--	--	--	--
B, Mortgages given on behalf of fully consolidated companies	--	--	--	--	--
C, Mortgages given on behalf of third parties' debt for continuation of their economic activities	--	--	--	--	--
D, Total amount of other Mortgages					
i, Given on behalf of majority shareholder					
ii, Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii, Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Mortgages	--	--	--	--	--
A, Total amount of the pledges given for its own legal entity	--	--	--	--	--
B, Pledges given on behalf of fully consolidated companies	--	--	--	--	--
C, Pledges given on behalf of third parties' debt for continuation of their economic activities	--	--	--	--	--
D, Total amount of other Pledges					
i, Given on behalf of majority shareholder	--	--	--	--	--
ii, Given on behalf of other group companies which are not in the scope of	--	--	--	--	--
iii, Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Pledges	--	--	--	--	--

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

NOTE 15 – COMMITMENTS (Continued)

As of 31 March 2021, the collateral / pledge / mortgage ("TRI") position of the Joint Ventures is as follows;

	31 March 2021				
	Total TL Equivalent	TL	USD	EUR	Other
A, Total amount of the Collaterals given for its own legal entity	1.071.909	1.023.830	2.239	3.014	--
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	4.287	4.287	--	--	--
D, Total amount of other Collaterals					
i, Given on behalf of majority shareholder	--	--	--	--	--
ii, Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii, Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Collaterals	1.076.196	1.028.117	2.239	3.014	--
A, Total amount of the mortgages given for its own legal entity	--	--	--	--	--
B, Mortgages given on behalf of fully consolidated companies	--	--	--	--	--
C, Mortgages given on behalf of third parties' debt for continuation of their economic activities	--	--	--	--	--
D, Total amount of other Mortgages					
i, Given on behalf of majority shareholder	--	--	--	--	--
ii, Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii, Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Mortgages	--	--	--	--	--
A, Total amount of the pledges given for its own legal entity	--	--	--	--	--
B, Pledges given on behalf of fully consolidated companies	--	--	--	--	--
C, Pledges given on behalf of third parties' debt for continuation of their economic activities	--	--	--	--	--
D, Total amount of other Pledges					
i, Given on behalf of majority shareholder	--	--	--	--	--
ii, Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii, Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Pledges	--	--	--	--	--

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

NOTE 15 – COMMITMENTS (Continued)

Collaterals, pledges and mortgages ("TRI") given by the Subsidiaries at 31 December 2020 is as follows:

	31 December 2020				
	Total TL Equivalent	TL	USD	EUR	Other
A, Total amount of the Collaterals					
given for its own legal entity	1.002.913	775.579	21.814	7.461	--
B, Collaterals given on behalf of fully consolidated companies	2.012.527	700.223	53.956	101.488	2.050
C, Collaterals given on behalf of the third parties' debt for continuation of their economic activities	49.423.123	24.200.751	1.670.304	1.366.162	655.252
D, Total amount of other Collaterals					
i, Given on behalf of majority shareholder					
ii, Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii, Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Collaterals	52.438.563	25.676.553	1.746.074	1.475.111	657.302
A, Total amount of the mortgages	--	--	--	--	--
given for its own legal entity	--	--	--	--	--
B, Mortgages given on behalf of fully consolidated companies	--	--	--	--	--
C, Mortgages given on behalf of third parties' debt for continuation of their economic activities	--	--	--	--	--
D, Total amount of other Mortgages	--	--	--	--	--
i, Given on behalf of majority shareholder					
ii, Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii, Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Mortgages	--	--	--	--	--
A, Total amount of the pledges					
given for its own legal entity	--	--	--	--	--
B, Pledges given on behalf of fully consolidated companies	--	--	--	--	--
C, Pledges given on behalf of third parties' debt for continuation of their economic activities	--	--	--	--	--
D, Total amount of other Pledges					
i, Given on behalf of majority shareholder	--	--	--	--	--
ii, Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii, Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Pledges	--	--	--	--	--

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

NOTE 15 – COMMITMENTS (Continued)

As of 31 December 2020, the collateral / pledge / mortgage ("TRI") position of the Joint Ventures is as follows;

	31 December 2021				
	Total TL Equivalent	TL	USD	EUR	Other
A, Total amount of the Collaterals					
given for its own legal entity	1.136.353	1.018.185	12.310	3.087	--
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	4.113	4.113	--	--	--
D, Total amount of other Collaterals					
i, Given on behalf of majority shareholder					
ii, Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii, Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Colleterals	1.140.466	1.022.298	12.310	3.087	--
A, Total amount of the mortgages					
given for its own legal entity	--	--	--	--	--
B, Mortgages given on behalf of fully consolidated companies	--	--	--	--	--
C, Mortgages given on behalf of third parties' debt for continuation of their economic activities	--	--	--	--	--
D, Total amount of other Mortgages					
i, Given on behalf of majority shareholder	--	--	--	--	--
ii, Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii, Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Mortgages	--	--	--	--	--
A, Total amount of the pledges					
given for its own legal entity	--	--	--	--	--
B, Pledges given on behalf of fully consolidated companies	--	--	--	--	--
C, Pledges given on behalf of third parties' debt for continuation of their economic activities	--	--	--	--	--
D, Total amount of other Pledges					
i, Given on behalf of majority shareholder	--	--	--	--	--
ii, Given on behalf of other group companies which are not in the scope of B and C	--	--	--	--	--
iii, Given on behalf of third parties which are not in scope of C	--	--	--	--	--
Total Pledges	--	--	--	--	--

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

NOTE 16 - OTHER ASSETS AND LIABILITIES

Other Current Assets	31 March 2021	31 December 2020
Cheques in clearance	864.784	852.507
Deductible, deferred and other VAT	195.475	200.743
Other Current Assets	69.535	56.173
Total	1.129.794	1.109.423

Other Non-Current Assets	31 March 2021	31 December 2020
Long term tax claims and other legal receivables	17.879	17.725
Deductible, deferred and other VAT	2.709	1.050
<i>Other non-current assets</i>	100.763	90.731
Total	121.351	109.506

Other Short Term Liabilities	31 March 2021	31 December 2020
Cheques in clearance	1.776.807	1.683.800
Saving deposits insurance	120.397	119.637
Other short term liabilities	1.215.588	419.364
Total	3.112.792	2.222.801

Other Long Term Liabilities	31 March 2021	31 December 2020
Other long term liabilities	59.506	52.924
Total	59.506	52.924

NOTE 17 - EQUITY

Hacı Ömer Sabancı Holding A.Ş.'s authorised and issued capital consists of 204.040.393.100 (31 December 2020: 204.040.393.100) shares of Kr 1 each.

The Holding's authorised and paid-in share capital and shareholding structure at 31 March 2021 and 31 December 2020 is as follows:

Shareholders:	Share (%)	31 March 2021	Pay (%)	31 December 2020
Sakıp Sabancı Holding A.Ş.	14,07	287.100	14,07	287.100
Serra Sabancı	7,22	147.341	7,22	147.341
Suzan Sabancı Dinçer	6,94	141.567	6,94	141.567
Çiğdem Sabancı Bilen	6,94	141.567	6,94	141.567
Diğer	64,83	1.322.829	64,83	1.322.829
Share capital	100,00	2.040.404	100,00	2.040.404
Capital adjustments due to cross-ownership (-)		(190.470)		(190.470)
Share Premium		22.237		22.237

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

NOTE 17 - EQUITY (Continued)

According to Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. (Exsa)'s Board of Director decision on 22 December 2015, company has started to make share buyback at BİST (İstanbul Stock Market). Hence; with these transactions Exsa's share at Sabancı Holding reached at 1.17% as of 31 March 2021. These shares are shown in consolidated equity as capital adjustments due to treasury shares.

Restricted Reserves

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The Company, reserves 5% of the historical statutory profit as first legal reserve, until the total reserve reaches 20% of the historical paid in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

Furthermore, to be entitled to the exemption for sale of participation shares and property, 75% of related gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. Based on the exemption for sale of participation shares and property, 75% of the related gain is required to be held in account "gain on sale of subsidiaries". In 2012, related to the initial public offering of Teknosa, Holding accounted for 75% of this gain in this account.

The details of restricted reserves mentioned above are as follows:

	31 March 2021	31 December 2020
Legal reserves	1.370.269	879.056
Subsidiary sales profit	-	344.487
Total	1.370.269	1.223.543

Dividend Distribution

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

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

NOTE 17 - EQUITY (Continued)

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

	Fair Value Revaluation Fund	Cash Flow Hedge Fund	Net Investment Hedge Fund	Currency Translation Effect
Balance as of 1 January 2020	56.439	(765.162)	(448.128)	1.688.674
Increases/(decreases) during the period	(1.326.402)	(370.183)	(70.221)	178.946
Gains transferred to income statement	344.825	141.819	-	-
Net gains & losses included in the income statement due to transfer of available for sale financial assets into held to maturity assets	(173.823)	-	-	-
Tax effect	254.188	50.240	15.449	-
Balance as of 31 March 2020	(844.773)	(943.286)	(502.900)	1.867.620

	Fair Value Revaluation Fund	Cash Flow Hedge Fund	Net Investment Hedge Fund	Currency Translation Effect
Balance as of 1 January 2021	207.135	(824.534)	(931.208)	2.684.551
Increases/(decreases) during the period	(863.603)	(25.100)	(209.224)	454.004
Gains transferred to income statement	(116.970)	170.985	-	-
Net gains & losses included in the income statement due to transfer of available for sale financial assets into held to maturity assets	(54.676)	-	-	-
Tax effect	207.050	(29.178)	41.845	-
Balance as of 31 March 2021	(621.064)	(707.827)	(1.098.587)	3.138.555

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

1 January - 31 March 2021

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 TRY2.449.319 as of 31 March 2021 (31 March 2020: TRY22.827). For the period ended 31 March 2021 and 31 March 2020, 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 TRY3.711.175 as of 31 March 2021 (31 December 2020: Total TRY2.925.808). The amount recognised under "Liabilities Held For Sale" is Total TRY3.711.175 as of 31 March 2021 (31 December 2020: Total TRY4.026.883).

The sale of the lands which are not used actively of Çimsa, one of the subsidiaries of the Group, continues and the remaining part amounting to Total TRY 2.871.419 has been classified as fixed assets held for sale (31 December 2020: Total TRY 8.522.648)

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

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

Information on assets held for sale:

	31 March 2021	31 December 2020
Cost	277.011	250.782
Accumulated depreciation (-)	3	4
Net book value	277.008	250.778

	31 March 2021	31 December 2020
Beginning, net book value	262.226	673.547
Acquired	79.951	265.721
Disposed of (-), net	53.340	184.122
Impairment (-)	381	496.888
Other	(4.865)	3.968
Closing, net book value	283.591	262.226

Remaining part of the assets held for sale includes the real estates that the bank has acquired due to its receivables.

1 January - 31 March 2020

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 TRY22.827 as of 31 March 2020. For the period ended 31 March 2020, 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 TRY8.557.740 as of 31 March 2020. The amount recognised under "Liabilities Held For Sale" is Total TRY3.480.754 as of 31 March 2020.

NOTE 19 - FINANCIAL INCOME AND EXPENSE

	1 January- 31 March 2021	1 January- 31 March 2020
Financial income		
Foreign currency gains	23.677	25.931
Interest Income	2.770	-
Other financial gains	18.384	
Total	44.831	25.931
Financial expenses		
Foreign currency losses	(23.631)	(44.380)
Interest expense	(177.919)	(149.314)
Other financial expenses	(47.449)	(59.901)
Total	(248.999)	(253.595)

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

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

NOTE 20 - TAX ASSETS AND LIABILITIES

	31 March 2021	31 December 2020
Corporate and income taxes payable	364.888	2.837.819
Less: prepaid taxes	-	(1.672.762)
Total taxes payable	364.88	1.165.057

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

The Corporate Tax Law was amended as of 13 June 2006 with Law No 5520. The majority of the clauses of Law No 5520 are effective as of 1 January 2006. The effective tax rate of the fiscal year 2021 is 20% (2020: 22%). According to the Law No. 7316, published in the Official Gazette dated April 22, 2021, tax rate has been increased to 25% for the taxation period of 2021 that will start on 1/7/2021. This rate will be applied as 23% for the 2022 taxation period. The impact of the change in the corporate tax rate on 31 March 2021 is immaterial for the Group.

Corporation tax is payable for 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 on their corporate income and declare it until the 10th day and pay it on the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns by the 25th of the fourth month following the close of the financial year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods. There are numerous exemptions in the Corporate Tax Law concerning the corporations. Those related to Group are as follows:

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.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

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 2019, 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.

Investment incentives

The corporate tax rate in Turkey is 20%. 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.

Tax amounts related to comprehensive income items in the consolidated statement of other comprehensive profit or loss for the period ended 31 March 2021 and 31 March 2020 are as follows:

	31 March 2021			31 March 2020		
	Before Tax	Tax Expense	After tax	Before Tax	Tax Expense	After tax
Fair value gains/(losses) from financial assets through other comprehensive income	(2.478.366)	495.673	(1.982.693)	(2.750.092)	605.020	(2.145.072)
Cash flow hedges, after tax	522.728	(104.546)	418.182	(170.850)	37.587	(133.263)
Financial assets related to the hedging of net investment in a foreign operation, after tax	(513.431)	102.686	(410.745)	(172.321)	37.911	(134.410)
Currency translation differences	942.997	-	942.997	471.187	-	471.187
Actuarial (losses)/gains	(6.785)	1.357	(5.428)	1.357	(298)	1.059
Other comprehensive income	(1.532.857)	495.170	(1.037.687)	(2.620.719)	680.220	(1.940.499)

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

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.

According to the Law No. 7316, published in the Official Gazette dated April 22, 2021, tax rate has been increased to 25% for the taxation period of 2021 that will start on 1/7/2021. This rate will be applied as 23% for the 2022 taxation period.

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.

For the period ended 31 March 2021, tax on the income generated for the three-month periods are paid at the rate of 20% (2020: 22%) according to tax legislation and the amounts paid in this manner are deducted from the tax calculated on the annual earnings. According to the Law No. 7316, published in the Official Gazette dated April 22, 2021, tax rate has been increased to 25% for the taxation period of 2021 that will start on 1/7/2021. This rate will be applied as 23% for the 2022 taxation period.

At 31 March 2021, the Group has not recognized deferred income tax assets over carry forward tax losses in the amount of TRY1,091.315 which can be offset against future taxable profits for a period of five years (31 December 2020: TRY1,132,506). As of 31 March 2021 and 31 December 2020 carry forward tax losses and the latest annual periods are as follows:

	31 March 2021	31 December 2020
2021	336.323	428.185
2022	127.423	48.623
2023	345.260	469.619
2024	282.309	186.079
Total	1.091.315	1.132.506

Deferred tax assets/(liabilities) for the period ended at 31 March 2021 and 31 December 2020 are as follows:

	31 March 2021	31 December 2020
Deferred tax assets	767.066	719.275
Deferred tax liabilities	(372.047)	(318.277)
Net Deferred Tax Assets	395.019	400.998

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax (continued)

The movements in deferred income tax assets/(liabilities) for the six-month periods ended 31 March 2021 and 31 March 2020 are as follows:

	2021	2020
1 January	400.998	(383.846)
Charged to equity	446.506	713.731
Change in foreign currency translation differences	(9.532)	(16.977)
Charged to statement of profit or loss	(442.618)	(157.268)
Other	(335)	(278)
31 March	395.019	155.362

NOTE 21 - DERIVATIVE FINANCIAL INSTRUMENTS

31 March 2021

Derivative instruments held for trading:

	Fair Value	
	Assets	Liabilities
Foreign exchange derivative instruments		
Currency and interest rate swaps purchases and sales transactions	15.032.156	10.542.805
Forward currency purchases and sales transactions	301.016	403.442
Currency purchases and sales options	180.247	227.724
Other purchases and sales transactions	3.119.308	61
Total derivative instruments held for trading	18.632.727	11.174.032

Derivative instruments held for hedging:

Currency and interest rate swap purchases and sales transactions	8.838.701	1.158.731
Currency purchases and sales transactions	22.599	-
Total derivative instruments held for hedging	8.861.300	1.158.731

Total derivative instruments	27.494.027	12.332.763
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31 December 2020

Derivative instruments held for trading:

	Fair value	
	Assets	Liabilities
Foreign exchange derivative instruments		
Currency and interest rate swaps purchases and sales transactions	11.394.200	13.005.806
Forward currency purchases and sales transactions	467.640	294.644
Currency purchases and sales options	152.494	163.566
Other purchases and sales transactions	2.928.325	-
Total derivative instruments held for trading	14.942.659	13.464.016

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

**HACI ÖMER SABANCI HOLDİNG A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

NOTE 21 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

31 December 2020

Derivative instruments held for hedging:	Assets	Liability
Currency and interest rate swap purchases and sales transactions	7.969.203	1.439.838
Currency purchases and sales transactions	7.020	-
Total derivative instruments held for hedging	7.976.223	1.439.838
Total derivative instruments	22.918.882	14.903.854

Akbank hedges 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

Loans and advances to customers	31 March 2021	31 December 2020
Consumer loans and credit cards receivables	71.355.792	65.300.985
Project finance loans	63.667.963	53.711.159
Construction	27.347.304	26.515.968
Financial institutions	19.117.026	17.325.559
Chemicals	15.706.845	13.815.777
Small-scale enterprises	13.832.112	14.278.017
Other manufacturing industries	10.040.066	8.985.032
Automotive	8.674.834	7.075.284
Mining	8.368.220	7.713.671
Textile	7.035.118	7.102.241
Food and beverage, wholesale and retail	6.947.841	7.046.798
Telecommunication	1.770.124	1.380.550
Other	44.532.092	48.214.932
Total loans and advances to customers	298.395.339	278.465.973
Leasing receivables	5.731.231	5.582.849
Provision for loan losses	(17.644.412)	(16.969.515)
Net loans and advances to customers	286.482.158	267.079.307

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.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

NOTE 22 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

Banking (Continued)

Annual effective interest rates of loans and advances granted to clients in USD, EUR, TRY are as follows respectively 5,69% (31 December 2020: 5,15%), 3,96% (31 December 2020: 3,78%) and 14,67% (31 December 2020: 13,21%).

The movement of loan loss provision of banking segment as of 31 March 2021 by class is as follows:

	Corporate	Consumer	Rental Receivables	Total
1 January 2021	13.773.709	2.801.353	394.453	16.969.515
Gross provisions	886.707	308.781	51.059	1.246.547
Recoveries	(324.642)	(110.440)	(43.498)	(478.580)
Extracted from financial statements	(12.925)	(12.088)	(68.057)	(93.070)
31 March 2021	14.322.849	2.987.606	333.957	17.644.412

The movement of loan loss provision of banking segment as of 31 March 2020 by class is as follows:

	Corporate	Consumer	Rental Receivables	Total
1 January 2020	9.980.877	2.324.492	401.711	12.707.080
Gross provisions	881.748	317.330	(2.662)	1.196.416
Recoveries	(210.801)	(127.503)	(2.177)	(340.481)
Extracted from financial statements	(127)	(1.805)	(687)	(2.619)
31 March 2020	10.651.697	2.512.514	396.185	13.560.396

The maturity schedule of loans and advances to customers at 31 March 2021 and 31 December 2020 are summarized below:

	31 March 2021	31 December 2020
Up to 3 months	101.035.241	82.574.733
3 to 12 months	60.097.661	65.679.464
Current	161.132.902	148.254.197
1 to 5 years	94.360.328	90.581.839
Over 5 years	25.257.697	22.660.422
Non-current	119.618.025	113.242.261
Total	280.750.927	261.496.458

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

NOTE 22 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

Banking (Continued)

The repricing schedule of loans and advances to customers at 31 March 2021 and 31 December 2020 are summarized below:

	31 March 2021	31 December 2020
Up to 3 months	138.826.866	124.011.508
3 to 12 months	59.855.352	61.397.260
1 to 5 years	75.242.196	70.433.572
Over 5 years	6.826.511	5.654.118
Total	280.750.925	261.496.458

NOTE 23 - PAYABLES FROM FINANCE SECTOR OPERATIONS

Banking

	31 March 2021			31 December 2020		
	Demand	Time	Total	Demand	Time	Total
Saving deposits	53.847.829	142.058.087	195.905.916	53.209.481	129.356.513	182.565.994
Commercial deposits	39.716.693	56.008.859	95.725.552	36.839.963	53.537.708	90.377.671
Bank deposits	507.602	10.304.574	10.812.176	280.804	12.293.003	12.573.807
Funds provided from repo transactions	-	36.702.634	36.702.634	-	20.478.250	20.478.250
Other	1.715.530	2.956.113	4.671.643	1.394.100	3.051.410	4.445.510
Total	95.787.654	248.030.267	343.817.921	91.724.348	218.716.884	310.441.232

Annual effective interest rate of deposit accounts in USD, Euro and TRY are 0,98% (31 December 2020: 1,83%), 0,42% (31 December 2020: 0,72%) and 16,66% (31 December 2020 16,30%).

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 2021 and 31 December 2020:

	31 March 2021	31 December 2020
No maturity	95.787.654	91.724.348
Up to 3 months	208.326.243	192.614.949
3 to 12 months	27.047.698	15.404.683
1 to 5 years	11.625.945	9.612.044
Over 5 years	1.030.381	1.085.208
Total	343.817.921	310.441.232

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

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 2021 and 2020 are as follows:

	31 March 2021	31 March 2020
Short term benefits	29.400	19.414
Benefits resulted from discharge	664	290
Other long term benefits	147	122
Total	30.211	19.826

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.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

**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 2021 and 31 December 2020 in terms of TRY are as follows:

	31 March 2021	31 December 2020
Assets	240.039.283	216.553.239
Liabilities	289.554.682	(272.353.612)
Net foreign currency balance sheet position	(49.515.399)	(55.800.373)
Off-balance sheet derivative financial instruments position	56.723.925	63.151.207
Net foreign currency balance sheet and off-balance sheet position	7.208.526	7.350.834

31 March 2021	Total TRY Equivalent	USD TRY Equivalent	EUR TRY Equivalent	GBP TRY Equivalent	Other TRY Equivalent
Assets:					
Cash and Cash Equivalents	30.765.481	21.856.493	7.310.315	933.362	665.311
Financial Assets	51.840.262	47.845.013	2.470.261	-	1.524.988
Receivables from Financial Operations	110.312.995	43.304.834	66.953.934	3	54.224
Reserve Deposits at Central Bank	39.842.046	21.405.860	16.017.942	-	2.418.244
Trade Receivables	983.290	449.063	434.723	1.075	98.429
Other Current Assets	6.295.209	5.223.667	849.573	958	221.011
Total assets	240.039.283	140.084.930	94.036.748	935.398	4.982.207
Liabilities:					
Funds Borrowed and Debt					
Securities in Issue	65.931.702	53.001.629	12.903.080	-	26.993
Customer Deposits	209.470.978	120.320.112	65.102.959	4.791.848	19.256.059
Trade Payables	561.612	399.416	133.943	678	27.575
Other Payables and Provisions	13.590.390	9.841.211	3.690.731	2.466	55.982
Total liabilities	289.554.682	183.562.368	81.830.713	4.794.992	19.366.609
Net foreign currency asset/ (liability) position of off-balance sheet derivative	56.723.925	50.003.668	(12.079.434)	3.880.244	14.919.447
Net foreign currency asset/ (liability) position	7.208.526	6.526.230	126.601	20.650	535.045

Net profit effect of the consolidated to the total net foreign currency position is TRY 1.748.035 in the long term as of 31 March 2021 (Akbank and Philsa-Philip Morrissa excluded).

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

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

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

25.1.1.1 Foreign Exchange Risk (Continued)

31 December 2020	Total TRY Equivalent	USD TRY Equivalent	EUR TRY Equivalent	GBP TRY Equivalent	Other TRY Equivalent
Assets:					
Cash and Cash Equivalents	17.750.024	10.962.166	4.987.731	193.784	1.606.343
Financial Assets	49.719.043	42.214.779	5.917.748	-	1.586.516
Receivables from Financial Operations	96.737.391	37.300.579	59.375.937	170	60.705
Reserve Deposits at Central Bank	39.976.266	21.355.079	16.583.250	-	2.037.937
Trade Receivables	773.171	358.785	349.153	503	64.730
Other Current Assets	11.597.344	7.434.192	4.115.677	68	47.407
Total assets	216.553.239	119.625.580	91.329.496	194.525	5.403.638
Liabilities:					
Funds Borrowed and Debt					
Securities in Issue	60.313.498	48.383.812	11.884.595	-	45.091
Customer Deposits	202.387.245	114.548.411	63.647.373	4.828.016	19.363.445
Trade Payables	489.811	345.958	117.179	1.278	25.396
Other Payables and Provisions	9.163.058	5.285.955	3.684.809	118.462	73.832
Total liabilities	272.353.612	168.564.136	79.333.956	4.947.756	19.507.764
Net foreign currency asset/ (liability) position of off-balance sheet derivative					
	63.151.207	58.006.131	(13.695.693)	4.683.301	14.157.468
Net foreign currency asset/ (liability) Position					
	7.350.834	9.067.575	(1.700.153)	(69.930)	53.342

Net profit effect of the consolidated to the total net foreign currency position is TRY 1.138.291 as of 31 December 2020 (Akbank and Philsa-Philip Morrissa excluded).

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM CONDENSED CONSOLIDATED
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD ENDED 31 MARCH 2021**

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

**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 2021 and 31 March 2020 is summarized as follows:

31 March 2021	Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TRY by 20%		
USD net assets/liabilities	334.011	(334.011)
Hedged items (-)	-	-
USD net effect	334.011	(334.011)
Change in EUR against TRY by 20%		
EUR net assets/liabilities	(54.869)	54.869
Hedged items (-)	-	-
EUR net effect	(54.869)	54.869
Change in GBP against TRY by 20%		
GBP net assets/liabilities	187	(187)
Hedged items (-)	-	-
GBP net effect	187	(187)
Change in other currency against TRY by 20%		
Other currency net assets/liabilities	2	(2)
Hedged items (-)	-	-
Other currency net effect	2	(2)

31 March 2020	Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TRY by 20%		
USD net assets/liabilities	305.300	(305.300)
Hedged items (-)	-	-
USD net effect	305.300	(305.300)
Change in EUR against TRY by 20%		
EUR net assets/liabilities	16.065	(16.065)
Hedged items (-)	-	-
EUR net effect	16.065	(16.065)
Change in GBP against TRY by 20%		
GBP net assets/liabilities	918	(918)
Hedged items (-)	-	-
GBP net effect	918	(918)
Change in other currency against TRY by 20%		
Other currency net assets/liabilities	(381)	381
Hedged items (-)	-	-
Other currency net effect	(381)	381

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

NOTE 26 – EVENTS AFTER THE BALANCE SHEET DATE

The capital increase process planned by Teknosa, one of the subsidiaries of the Group is still in progress. Within this scope, to increase the share capital of Teknosa from TRY 110,000,000 to TRY 201,000,000 in cash by issuing shares with TRY 91,000,000 nominal value with a consideration of TRY 3 (for each 100 shares with TRY 1 nominal value in total); Capital Markets Board (CMB) application was accepted on April 22, 2021, and the new share purchase rights will be enforced between April 28, 2021 and May 17, 2021.

According to the Law No. 7316, published in the Official Gazette dated April 22, 2021, corporate tax rate has increased to 25% for the taxation period of 2021 which will start beginning from 1/7/2021. The rate will be applied as 23% for the 2022 taxation period. The impact of the change in the corporate tax rate as of 31 March 2021 is immaterial for the Group.

In the public disclosure dated 4th April of 2021, Group announced that CFO Barış Oran and Building Materials Group President Tamer Saka will leave their duties as of May 11, 2021. Burak Turgut Orhun, who is currently the Head of the Strategy and Business Development, has been appointed as the Building Materials Group President effective from May 12, 2021 following Tamer Saka's resignation as of May 11, 2021. Combining the functions of the Strategy & Business Development and the General Secretariat to create the position of "Strategy and Business Development Group Presidency"; Gökhan Eyigün is appointed as the Group President effective from May 12, 2021, who is currently the Secretary General, which is shared with the public in April 30, 2021. According to the public disclosure dated May 5, 2021, due to CFO Barış Oran's leaving his post as of May 11, 2021; Nusret Orhun Köstem will be appointed, as of July 1, 2021. During the interim period 11 May 2021 and the 1 July 2021, CEO Cenk Alper will fulfill the Finance Group Presidency (CFO) duties.

In the public disclosure dated 5.5.2021, Ageas Insurance International NV (Ageas) has acquired 40% shares (nominal 72.000.006 Full TRY) of AvivaSa (A Joint Venture of the Group); following the completion of closing procedures set forth in the Share Purchase Agreement signed by and among Ageas and Aviva at 23.2.2021. Simultaneously with the transfer of shares, the Shareholders Agreement dated 14 January 2021 was signed between our Group and Ageas in order to determine the issues regarding the management of AvivaSA. Company will resume its activities with the shareholding structure of 40-40% between the Group and Ageas.