

HACI ÖMER SABANCI HOLDİNG A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 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.....	7-81
NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP	7-9
NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS	9-14
NOTE 3 BUSINESS COMBINATIONS	15-16
NOTE 4 SEGMENT REPORTING.....	16-36
NOTE 5 FINANCIAL ASSETS.....	37-41
NOTE 6 FINANCIAL LIABILITIES.....	42-44
NOTE 7 LIABILITIES FROM LEASING TRANSACTIONS.....	44-45
NOTE 8 OTHER RECEIVABLES AND PAYABLES.....	46
NOTE 9 INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD.....	46-48
NOTE 10 PROPERTY, PLANT AND EQUIPMENT	49-50
NOTE 11 INTANGIBLE ASSETS	51
NOTE 12 USE RIGHT OF ASSETS.....	52-53
NOTE 13 GOODWILL	54
NOTE 14 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	54-57
NOTE 15 COMMITMENTS.....	58-61
NOTE 16 OTHER ASSETS AND LIABILITIES	61
NOTE 17 EQUITY.....	61-64
NOTE 18 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS.....	64-65
NOTE 19 OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES	66
NOTE 20 INCOME AND EXPENSES FROM INVESTING ACTIVITIES	66-67
NOTE 21 FINANCIAL INCOME/ EXPENSES.....	67
NOTE 22 TAX ASSETS AND LIABILITIES.....	67-71
NOTE 23 DERIVATIVE FINANCIAL INSTRUMENTS.....	72
NOTE 24 RECEIVABLES FROM FINANCE SECTOR OPERATIONS.....	73-74
NOTE 25 PAYABLES FROM FINANCE SECTOR OPERATIONS	75
NOTE 26 RELATED PARTY DISCLOSURES.....	75
NOTE 27 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS.....	77-80
NOTE 28 EVENTS AFTER THE REPORTING PERIOD.....	80

HACI ÖMER SABANCI HOLDİNG A.Ş.**CONDENSED CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 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	Not audited	Audited
	References	30 September	31 December
		2021	2020
ASSETS			
Current Assets			
		360.414.746	269.491.344
Cash and Cash Equivalents		40.937.727	19.828.118
Financial Investments		36.027.971	35.799.568
- Fair Value Through Profit or Loss	5.a	10.046.888	9.214.502
- Fair Value Through Other Comprehensive Income	5.b	13.102.900	9.837.424
- At Amortized Cost	5.c	12.521.398	16.731.294
- Time Deposit	5.d	356.785	16.348
Trade Receivables		2.955.852	1.845.555
Receivables From Finance Sector Operations	24	190.884.864	150.108.617
Reserve Deposits with the Central Bank of Republic of Turkey		65.860.722	42.604.370
Other Receivables	8	2.593.743	4.497.536
Derivative Financial Instruments	23	5.721.521	8.463.520
Inventories		5.119.336	3.761.354
Prepaid Expenses		2.016.891	1.204.269
Deferred Commission Expenses		215.466	-
Current Tax Assets	22	5.342	6.788
Other Current Assets	16	7.594.636	1.109.423
		359.934.071	269.229.118
Assets Classified as Held for Sale	18	480.675	262.226
Non-Current Assets			
		275.563.373	231.767.030
Financial Investments		102.183.694	73.524.030
- Fair Value through Other Comprehensive Income	5.b	63.555.377	48.382.002
- At Amortized Cost	5.c	38.628.317	25.142.028
Trade Receivables		663	566
Receivables from Finance Sector Operations	24	126.400.288	116.970.690
Other Receivables	8	581.611	3.869.631
Derivative Financial Instruments	23	16.734.325	14.455.362
Investments Accounted Through Equity Method	9	8.170.811	8.298.372
Investment Property		269.814	235.062
Property, Plant and Equipment	10	8.637.943	7.959.621
Right of Use Assets	12	1.805.786	1.731.577
Intangible Assets		9.904.800	3.875.970
- Goodwill	13	1.910.113	1.600.690
- Other Intangible Assets	11	7.994.687	2.275.280
Prepaid Expenses		25.633	17.368
Deferred Commission Expenses		30.252	-
Deferred Tax Assets	22	684.136	719.275
Other Non-Current Assets	16	133.617	109.506
TOTAL ASSETS		635.978.119	501.258.374

These consolidated financial statements have been approved for issue by the Board of Directors on 4 November 2021. The General Assembly has the authority to change the consolidated financial statements.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.**CONDENSED CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 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	Not audited 30 September 2021	Audited 31 December 2020
LIABILITIES			
Short Term Liabilities		462.146.157	351.320.596
Short Term Borrowings	6	14.058.205	13.713.590
Current Portion of Long Term Borrowings	6	18.549.097	20.053.065
Liabilities From Leasing Transactions	7	371.191	334.423
Trade Payables		5.737.203	5.023.674
Payables From Finance Sector Operations	25	393.778.498	292.375.186
Payables Related with Employee Benefits		152.013	119.126
Other Payables	8	9.660.750	9.088.626
Derivative Financial Instruments	23	2.996.917	5.795.534
Deferred Income		225.354	209.063
Income Taxes Payable	22	1.791.770	1.171.845
Short Term Provisions		10.759.077	1.209.636
- Short Term Provisions for Employee Benefits		622.256	522.275
- Insurance Technical Provisions	14	9.200.805	-
- Other Short Term Provisions	14	936.016	687.361
Other Short Term Liabilities	16	4.062.233	2.222.801
		462.142.308	351.316.569
Liabilities Classified as Held for Sale	18	3.849	4.027
Long Term Liabilities		81.953.272	73.154.884
Long Term Borrowings	6	48.688.130	38.494.543
Liabilities From Leasing Transactions	7	1.642.820	1.599.783
Payables from Finance Sector Operations	25	12.067.168	18.066.046
Other Payables	8	5.646.244	4.431.151
Derivative Financial Instruments	23	8.141.555	9.108.320
Deferred Income		156.824	137.410
Long Term Provisions		4.405.211	946.430
- Long Term Provisions for Employee Benefits		829.357	704.926
- Insurance Technical Provisions	14	3.142.812	-
- Other Long Term Provisions	14	433.042	241.504
Deferred Tax Liabilities	22	1.173.974	318.277
Other Long Term Liabilities	16	31.346	52.924
EQUITY		91.878.690	76.782.894
Equity Attributable To The Parent	17	44.814.968	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)
Accumulated Profits or Losses			
Will Not Be Reclassified to Profit or Loss		(169.379)	(150.921)
- Actuarial Gain/(Loss)		(169.379)	(150.921)
Accumulated Profits or Losses			
Will Be Reclassified to Profit or Loss		1.861.870	1.135.944
- Currency Translation Reserve	17	3.572.358	2.684.551
- Gains/Losses on Hedge	17	(1.466.622)	(1.755.742)
- Revaluation Reserve	17	(243.866)	207.135
Restricted Reserves	17	1.370.269	1.223.543
Retained Earnings		29.596.568	25.721.428
Net Income for the Period		6.856.708	4.767.573
Non-controlling Interests		47.063.722	38.786.395
TOTAL EQUITY AND LIABILITIES		635.978.119	501.258.374

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED
30 SEPTEMBER 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	Not audited 1 January - 30 September 2021	Not audited 1 January - 30 September 2020	Not audited 1 April- 30 September 2021	Not audited 1 April- 30 September 2020
	References				
CONTINUING OPERATIONS					
Sales (net)	4	20.864.465	15.026.408	7.855.015	6.075.360
Cost of Sales (-)	4	(16.207.445)	(11.971.609)	(6.150.654)	(4.824.113)
Gross Profit from Non-Financial Operations		4.657.020	3.054.799	1.704.361	1.251.247
Interest, Premium, Commission and Other Income	4	38.106.257	27.689.174	15.514.776	9.150.482
Interest, Premium, Commission and Other Expense (-)	4	(21.003.831)	(14.938.132)	(8.516.080)	(4.661.217)
Gross Profit from Financial Operations		17.102.426	12.751.042	6.998.696	4.489.265
GROSS PROFIT		21.759.446	15.805.841	8.703.057	5.740.512
General and Administrative Expenses(-)		(7.818.618)	(6.556.782)	(3.036.575)	(2.124.770)
Marketing Expenses (-)		(2.170.582)	(1.753.719)	(787.755)	(618.681)
Research and Development Expenses (-)		(34.111)	(18.381)	(11.613)	(5.996)
Other Income from Operating Activities	19	1.636.943	2.163.921	549.860	501.478
Other Expense from Operating Activities(-)	19	(1.419.679)	(1.933.219)	(501.203)	(451.769)
Share of Profit of Investments Accounted for Using the Equity Method	9	1.734.441	1.422.346	521.549	594.055
OPERATING PROFIT		13.687.840	9.130.007	5.437.320	3.634.829
Income from Investing Activities	20	1.648.756	40.457	1.508.654	14.865
Expense from Investing Activities (-)	20	(8.517)	(3.348)	(6.738)	(1.378)
OPERATING PROFIT BEFORE FINANCIAL EXPENSES		15.328.079	9.167.116	6.939.236	3.648.316
Financial Income	21	113.203	68.606	43.856	14.685
Financial Expenses (-)	21	(877.863)	(817.328)	(288.492)	(290.350)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS		14.563.419	8.418.394	6.694.600	3.372.651
Tax Expense from Continuing Operations					
Current Tax Expense		(2.758.894)	(1.054.074)	(1.452.980)	255.405
Deferred Tax Income/(Expense)	22	(121.601)	(555.585)	223.875	(866.904)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		11.682.924	6.808.735	5.465.495	2.761.152
DISCONTINUED OPERATIONS					
Profit After Tax From Discontinued Operations		(4.342)	408	(140)	414
PROFIT FOR THE PERIOD		11.678.582	6.809.143	5.465.355	2.761.566
ALLOCATION OF PROFIT					
- Non-controlling Interests		4.821.874	2.968.257	2.072.967	1.150.052
- Equity Holders of the Parent		6.856.708	3.840.886	3.392.388	1.611.514
Earnings per share					
- hundreds of ordinary shares (TRY)		3,36	1,88	1,66	0,79
Earnings per share from continuing operations					
- hundreds of ordinary shares (TRY))		3,36	1,88	1,66	0,79

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 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.)

	Not audited 1 January - 30 September 2021	Not audited 1 January - 30 September 2020	Not audited 1 April- 30 September 2021	Not audited 1 April- 30 September 2020
INCOME FOR THE PERIOD	11.678.582	6.809.143	5.465.355	2.761.566
Other Comprehensive Income / (Loss):				
Items that will not be Reclassified				
To Profit or Loss	(40.048)	(20.532)	(1.842)	(4.761)
Actuarial (losses) / gains	(39.863)	(20.450)	(3.702)	(3.255)
Other comprehensive income/(expense) shares of investments accounted by equity method, after tax	(185)	(82)	1.860	(1.506)
Items that will be Reclassified				
To Profit or Loss	1.287.153	292.968	(214.056)	184.516
Gains/(losses) on available for sale financial assets transferred to the income statement, after tax	(1.047.279)	(1.073.673)	(486.539)	(735.832)
Currency translation differences	1.679.357	2.520.107	10.988	1.527.974
Cash flow hedges, after tax	1.369.074	311.318	168.727	385.346
Profit/(loss) from the derivative financial assets related to the hedging of net investment in a foreign operation, after tax	(740.965)	(1.122.145)	19.712	(864.483)
Other comprehensive income/(expense) shares of investments accounted by equity method, after tax	26.966	(342.639)	73.056	(128.489)
OTHER COMPREHENSIVE INCOME (AFTER TAX)	1.247.105	272.436	(215.898)	179.755
TOTAL COMPREHENSIVE INCOME	12.925.687	7.081.579	5.249.457	2.941.321
ALLOCATION OF TOTAL COMPREHENSIVE INCOME				
- Non-controlling Interests	5.390.846	3.275.727	1.910.631	1.279.316
- Equity Holders of the Parent	7.534.841	3.805.852	3.338.826	1.662.005

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 1 JANUARY - 30 SEPTEMBER 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		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	Non-controlling interest		
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	-	-	-	-	-	-	-	-	38.162	3.741.574	(3.779.736)	-	-	-	
Dividends	-	-	-	-	-	-	-	-	-	(684.346)	-	(684.346)	(14.424)	(698.770)	
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	147.000	147.000	
Total comprehensive income	-	-	-	-	(9.691)	1.093.099	(651.920)	(466.522)	-	-	3.840.886	3.805.852	3.275.727	7.081.579	
Balances at 30 September 2020	2.040.404	3.426.761	(190.470)	22.237	(125.944)	2.781.773	(1.865.210)	(410.083)	1.212.048	25.647.421	3.840.886	36.379.823	36.627.429	73.007.252	
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)	(414.157)	(1.147.748)	
Capital increase (**)	-	-	-	-	-	-	-	-	-	-	-	-	139.339	139.339	
Subsidiary acquisition (***)	-	-	-	-	-	-	-	-	-	-	-	-	3.178.518	3.178.518	
Changes in ownership interests in subsidiaries that do not result in a loss of control (***)	-	-	-	-	-	29.335	-	-	-	(12.116)	-	17.219	(17.219)	-	
Total comprehensive income	-	-	-	-	(18.458)	858.472	289.120	(451.001)	-	-	6.856.708	7.534.841	5.390.846	12.925.687	
Balances at 30 September 2021	2.040.404	3.426.761	(190.470)	22.237	(169.379)	3.572.358	(1.466.622)	(243.866)	1.370.269	29.596.568	6.856.708	44.814.968	47.063.722	91.878.690	

(*) Dividends paid by the Holding per share with a TRY 1 nominal value is TRY 0.35 (2020: TRY 0.33).

(**) Teknosa İç ve Dış Ticaret A.Ş., a subsidiary of the Group, increased its issued capital of TRY110.000.000 (full) by TRY91.000.000 (full), to TRY201.000.000, with contributions composed entirely of cash. The capital contribution ended on 18 June 2021 with the registration of capital.

(***) According to revised of Shareholders Agreement conditions on 1 July 2021, Aksigorta A.Ş. and Agesa Hayat ve Emeklilik A.Ş. started to be reported in the Group's financial statements using the full consolidation method as of 30 September 2021.

(****) Subsidiary shares which operates the foreign white cement operations of Çimsa Çimento Sanayi ve Ticaret A.Ş. were sold to CSC BV and the Holding's proportion of effective ownership interest ratio in these companies increased from 58,10% to 83,24%.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 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	Not audited 30 September 2021	Not audited 30 September 2020
Net income from continuing operations		11.682.924	6.808.735
Net income from discontinued operations		(4.342)	408
Adjustments to reconcile income before taxation to net cash provided by operation activities:			
Tax expense/income		2.880.495	1.609.659
Depreciation and amortization expenses	4	1.528.036	1.206.564
Provision for loan losses		2.661.654	5.590.676
Changes in the fair value of derivative instruments		(5.046.671)	(5.738.973)
Interest income/expense and foreign currency gains		(4.246.202)	(5.330.819)
Provision for employment termination benefits		150.915	95.518
Impairment charge on property, plant and equipment,intangible assets and investment property		(98)	1.272
Impairment an assets held for sale		1.629	490.160
Income from sale of property, plant and equipment,intangible assets and investment property		(126.994)	(22.458)
Income from associates and joint ventures	9	(1.734.441)	(1.422.346)
Provision for /(reversal of) inventory impairment		23.895	17.126
Provision for /(reversal of) doubtful receivables		7.687	587
Unrealized foreign currency translation differences		(1.128.367)	528.737
Other adjustments related to reconciliation of profit/(loss)		(1.359.258)	-
Net cash provided by operation activities before changes in operating assets and liabilities		5.290.862	3.834.846
Changes in trade receivables		(1.119.527)	(200.958)
Changes in inventories		(1.320.051)	(528.539)
Changes in other receivables		5.191.813	(1.251.533)
Changes in prepaid expenses		(820.887)	(449.427)
Changes in derivative financial instruments		2.367.168	(810.827)
Changes in other assets		(6.541.172)	(1.064.319)
Changes in trade payables		455.091	233.945
Changes in other liabilities and other payables		15.981.279	4.795.246
Net cash provided in operating activities of assets classified as held for sale		(45.121)	62.766
Changes in assets and liabilities in finance segment:			
Changes in financial investments		(2.074.402)	(957.103)
Changes in receivables from finance sector operations		(45.642.026)	(48.845.652)
Changes in payables from finance sector operations		83.564.423	64.340.075
Changes in Central Bank of the Republic of Turkey account		(23.256.352)	(13.517.148)
Income taxes paid	20	(2.137.523)	(1.291.395)
Employment termination benefits paid		(101.975)	(46.260)
Net cash provided from operating activities		29.791.600	4.303.717
Sale / (Proceed) of fair value through other comprehensive income or amortized cost at financial asset		(26.051.338)	(18.108.699)
Capital expenditures		(937.655)	(1.366.077)
Proceeds from sales of property, plant, equipment and intangible assets		403.115	257.714
Proceeds from related to purchases to gain control of subsidiaries		3.499.068	-
Cash outflows from acquisitions or capital increase in associates and/or joint		(150.000)	-
Dividends received		1.186.775	428.922
Other cash inflows/outflows		(1.339.487)	-
Net cash provided from / (used in) investing activities		(23.389.522)	(18.788.140)
Proceeds from changes in ownership interests in subsidiaries that do not result in loss of control		139.339	147.000
Cash inflows from financial liabilities		13.631.482	25.051.540
Cash outflows from repayments of borrowings		(5.488.912)	(5.080.960)
Cash outflows from payments of lease liabilities		(590.719)	(511.667)
Dividends paid		(1.147.748)	(698.770)
Net cash provided from / (used in) financing activities		6.543.442	18.907.143
Effect of change in foreign currency rates on cash and cash equivalents		2.300.683	4.142.771
Net increase / (decrease) in cash and cash equivalents		15.246.203	8.565.491
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		30.731.214	27.090.765

(*) Cash and cash equivalents include interest rediscount of TRY1.927 (31 December 2020: TRY332) in the current period. The blocked deposit was by TRY4.342.775 at the beginning of the current period, and it was TRY10.204.586 at the end of the period (30 September 2020: respectively TRY3.916.739 and TRY5.610.770).

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 - ORGANIZATION AND OPERATIONS OF THE GROUP

Hacı Ömer Sabancı Holding A.Ş. (the “Holding”) was established in 1967 to coordinate and perform liaison services regarding the activities of companies operating in various fields including mainly finance, manufacturing and trade. The Holding is registered in Turkey. The number of employees in 2021 is 64.053 (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 Istanbul (“BİST”) (previously known as the Istanbul Stock Exchange (“ISE”)) since 1997. As of 30 September 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
Other	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 30 September 2021, the type of activity of subsidiaries and their respective business segments in these condensed consolidated financial statements for the interim period are as follows:

Subsidiaries	Traded Stock Market	Type of Activity	Business Segment	Number of Employees	Registered Country
Akbank T.A.Ş. (“Akbank”)	BİST	Banking	Banking	16.400	Turkey
Aksigorta A.Ş. (“Aksigorta”)	BİST	Insurance	Financial Services	666	Turkey
Agesa Hayat ve Emeklilik A.Ş. (“Agesa”)	BİST	Pension and Insurance	Financial Services	1.844	Turkey
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. (“Carrefoursa”)	BİST	Trade	Retailing	12.651	Turkey
Teknosa İç ve Dış Ticaret A.Ş. (“Teknosa”)	BİST	Trade	Retailing	2.526	Turkey
Çimsa Çimento Sanayi ve Ticaret A.Ş. (“Çimsa”)	BİST	Cement	Building Materials	2.416	Turkey
Çimsa Sabancı Cement BV (“CSC BV”)	-	Cement	Building Materials	229	Holland
Kordsa Teknik Tekstil Anonim Şirketi (“Kordsa”)	BİST	Clinker tire	Industry	4.574	Turkey
Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. (“Exsa”)	-	Trade	Other	46	Turkey
Ankara Enternasyonal Otelcilik A.Ş. (“AEO”)	-	Tourism	Other	2	Turkey
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. (“Tursa”)	-	Tourism	Other	2	Turkey
Sabancı Dijital Teknoloji Hizmetleri A.Ş. (“SabancıDX”)	-	Information Technologies	Other	261	Turkey

As of the financial statements dated 30 September 2021, Aksigorta and Agesa have started to be reported with the full consolidation method in the Group’s financial statements.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 - ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

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 on Note 4.

Joint Ventures

As at 30 September 2021, the type of activity and business segments of the Joint Ventures which are accounted through equity method in the condensed consolidated financial statements for the interim period are as follows:

Joint ventures	Traded Stock Market	Type of Activity	Business Segment	Ventures	Number of Employees
Akçansa Çimento Sanayi ve Ticaret A.Ş. (“Akçansa”)	BİST	Cement and clinker	Cement	Heidelberg	2.115
Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (“Brisa”)	BİST	Tire	Industry	Bridgestone	3.006
Enerjisa Enerji A.Ş. (“Enerjisa Enerji”)	BİST	Energy	Energy	E.ON SE	11.963
Enerjisa Üretim Santralleri A.Ş. (“Enerjisa Üretim”)	-	Energy	Energy	E.ON SE	843
Temsa Skoda Sabancı Ulaşım Araçları A.Ş. (“Temsa Ulaşım Araçları”)	-	Automotive	Other	PPF Industry CO. B.V.	1.429

All joint ventures are registered in Turkey.

Associates

the type of activity and business segments of the affiliates which are accounted through equity method in the condensed consolidated financial statements for the interim period as of 30 September 2021 are as follows:

Affiliates	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	2.616
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 affiliates are registered in Turkey.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 - ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

1.1 Effects of COVID-19 pandemic

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 cancelling 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.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Financial reporting standards

Sabancı Holding and 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 interim condensed 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 Financial Reporting Standards (“TFRS”).

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 Financial Reporting Standards Standards (“TFRS”) that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué

In accordance with the Turkish Accounting Standard No: 34 “Interim Financial Reporting”, entities are allowed to prepare a complete or condensed set of interim financial statements. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2020.

The interim condensed consolidated financial statements are presented in accordance with the “Announcement regarding to TAS Taxonomy” which was published on 15 April 2019 by POA and the format and mandatory information recommended by CMB. 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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)

2.1.1 Financial reporting standards (Continued)

Functional and Presentation Currency

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

2.1.2 New and Revised Turkish Accounting Standards

The accounting policies adopted in preparation of the consolidated financial statements as at September 30, 2021 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2021. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

a) The new standards, amendments and interpretations which are effective as at 1 January 2021 are as follows:

- Amendments to IFRS 16 - Covid-19-Related Rent Concessions
- Interest Rate Benchmark Reform - Phase 2 - Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16

b) Standards issued but not yet effective and not early adopted as of 1 January 2021

- Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to TFRS 3 - Reference to the Conceptual Framework
- Amendments to TAS 16 - Proceeds before intended use
- Amendments to TAS 37 - Onerous contracts – Costs of Fulfilling a Contract
- TFRS 17 - The new Standard for insurance contracts
- Amendments to TAS 1 - Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Annual improvements – 2018/2020 Period

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 *Financial Instruments*, 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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 the Joint Ventures and shows the proportion of ownership interest and effective interest of the Holding in these Joint Ventures at 30 September 2021 and 31 December 2020:

	30 September 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
Aksigorta	36,00	36,00	36,00	36,00
Agesa	40,00	40,00	40,00	40,00
Carrefoursa	57,12	57,12	57,12	57,12
CSC BV	100,00	83,24	100,00	83,24
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
SabancıDX	100,00	100,00	100,00	100,00
Teknosa	50,00	50,00	50,00	50,00
Tursa	100,00	100,00	100,00	100,00

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 30 September 2021 and 31 December 2020:

	30 September 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
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.

The table below sets out all Associates and shows the total interest of the Holding in these associates at 30 September 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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)

2.1.4 Comparatives and Restatement of Prior Year Financial Statements

The current period condensed consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period condensed consolidated financial statements.

2.2 Changes in Accounting Policies and Estimates and Errors

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

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

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

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

2.3 Summary of Significant Accounting Policies

For the period ended 30 September 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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

NOTE 3 - BUSINESS COMBINATIONS

The business combinations between the period 1 January and 30 September 2021 are as follows:

Ageas Insurance International NV (Ageas) have acquired all AvivaSA Emeklilik ve Hayat A.Ş. (AvivaSA) shares that representing %40 of the share capital, from Aviva International Holdings Ltd. (Aviva) as of 05 May 2021. %80 of AvivaSA's shares representing have been shared equally by the Company and Ageas as of the date and the trade name of Avivasa has been changed to AgeSa Hayat ve Emeklilik A.Ş. (Agesa) was registered in the trade registry on 8 July 2021. The Company and Ageas also own the shares representing %72 of Aksigorta's capital in egually. The Shareholders Agreement signed between the Company and Ageas with the change in the shareholding structure in Agesa which regulates the matters related to the management of Agesa as of 14 January 2021. Similarly, the Shareholders Agreement which regulates the joint management of Aksigorta between the Company and Ageas dated 18 February 2011 has also been revised and signed between the Company and Ageas as of 14 January 2021.

While the Group has been consolidated Aksigorta and Agesa companies with equity method by 36% and 40% shareholdings due to the changes on conditions of shareholders' agreements, the company have taken control of Agesa and Aksigorta and have been consolidated with full consolidation method in accordance with TFRS 3 as of July 1, 2021.

This calculation was based on provisional amounts and once final figures completed correction entries from the purchase date will be made within twelve months following the purchase date if necessary.

Value of assets and liabilities at the date of full consolidation:

	Agesa
Assets valued at full consolidation	7.398.746
Liabilities valued at full consolidation	4.462.436
Total net identifiable assets	2.936.310
Fair valued at full consolidation	3.214.353
Ownership rate	%40
Group portion of goodwill	111.217

Differences between fair value of acquired identifiable assets, liabilities and contingent liabilities and the book value per group share as a result of full consolidation has been accounted as goodwill amounted by TRY 111.217.

	Aksigorta
Assets valued at full consolidation	12.038.417
Liabilities valued at full consolidation	9.826.036
Total net identifiable assets	2.212.381
Fair valued at full consolidation	2.263.763
Ownership rate	%36
Group portion of goodwill	18.498

Differences between fair value of acquired identifiable assets, liabilities and contingent liabilities and the book value per group share as a result of full consolidation has been accounted as goodwill amounted by TRY 18.498.

Buñol White Cement Plant was purchased by Cimsa Cementos Espana S.A.U, as %100 subsidiary of CSC BV as of 9 July 2021 amounted by USD 155.200.905.

This calculation was based on provisional amounts and once final figures completed correction entries from the purchase date will be made within twelve months following the purchase date if necessary.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

The business combinations between the period 1 January and 30 September 2021 are as follows:
(Continued)

	Bunol Beyaz Çimento
Total net identifiable assets	1.336.863
Purchase price	1.336.863

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

As of 22 October 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 16 December 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.

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 delay interest income and expenses as part of other operating income and expenses and depreciation and amortization). In addition to the requirements of segment reporting, The Group’s management presented this information for certain financial statement readers to utilize this data during their analyses.

a) External Revenues (Consolidated):

	1 January- 30 September 2021	1 January- 30 September 2020
Finance	38.106.257	27.689.174
Banking	36.097.225	27.689.174
Financial services	2.009.032	-
Industry	5.189.553	3.085.439
Retail	11.569.611	9.336.764
Building materials	3.008.126	1.631.623
Other	1.097.175	972.582
Total (*)	58.970.722	42.715.582

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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)

b) Segment Assets (Consolidated):

	30 September 2021	31 December 2020
Finance	607.535.259	475.309.693
Banking	587.330.103	475.309.693
Financial services	20.205.156	-
Industry	9.559.341	7.691.684
Retail	6.593.144	6.597.362
Building materials	6.175.449	4.962.682
Other	3.726.252	2.642.860
Segment assets	633.589.445	497.204.281
Assets classified as held for sale	480.675	262.226
Investments accounted through equity method (Note 9)	8.170.811	8.298.372
Unallocated assets	(807.723)	(463.260)
Less: intersegment eliminations	(5.455.089)	(4.043.245)
Total assets as per consolidated financial statements	635.978.119	501.258.374

c) Segment Liabilities (Consolidated):

	30 September 2021	31 December 2020
Finance	533.788.561	414.242.517
Banking	518.908.202	414.242.517
Financial services	14.880.359	-
Industry	5.223.750	4.402.207
Retail	6.818.955	6.903.104
Building materials	3.962.148	2.990.595
Other	500.178	463.413
Segment liabilities	550.293.592	429.001.836
Assets classified as held for sale	3.849	4.027
Unallocated liabilities	(728.567)	(495.219)
Less: intersegment eliminations	(5.469.445)	(4.035.164)
Total liabilities as per consolidated financial statements	544.099.429	424.475.480

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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(*) 30 September 2021	Consolidated(**) 30 September 2021	Combined(*) 31 December 2020	Consolidated(**) 31 December 2020
Cash and cash equivalents	38.074.351	38.074.351	17.971.434	17.971.434
Financial assets	132.441.478	132.441.478	109.271.030	109.271.030
Derivative financial instruments	22.378.318	22.378.318	22.858.366	22.858.366
Reserve deposits with the Central Bank of Republic of Turkey	65.860.722	65.860.722	42.604.370	42.604.370
Receivables from finance sector operations	317.692.671	317.692.671	267.846.568	267.846.568
Property, plant and equipment	2.180.773	2.180.773	2.326.451	2.326.451
Right of use assets	556.196	556.196	546.620	546.620
Intangible assets	1.228.895	1.228.895	1.190.909	1.190.909
Other receivables and other assets	7.219.309	7.219.309	10.944.723	10.944.723
Total segment assets	587.632.713	587.632.713	475.560.471	475.560.471
Financial liabilities	76.590.40	76.590.480	67.258.898	67.258.898
Payables from finance sector operations	408.717.882	408.717.882	313.617.634	313.617.634
Derivative financial instruments	11.058.909	11.058.909	14.840.973	14.840.973
Other payables and other liabilities	22.540.931	22.540.931	18.525.012	18.525.012
Total segment liabilities	518.908.202	518.908.202	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 30 September 2021, the cash flows from operating activities of the Bank is TRY23.387.867 (30 September 2020: TRY3.911.356).

As of 30 September 2021, the cash flows from investing activities of the Bank is TRY(19.594.547) (30 September 2020: TRY(11.222.132)).

As of 30 September 2021, the cash flows from financing activities of the Bank is TRY8.210.418 (30 September 2020: TRY10.691.019).

Banking segment consists of Akbank. Akbank’s accumulated non-controlling interests calculated from its financial statements amount to TRY40.719.272 as of 30 September 2021 (31 December 2020: TRY36.330.888).

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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(*) 30 September 2021	Consolidated(**) 30 September 2021	Combined(*) 31 December 2020	Consolidated(**) 31 December 2020
Cash and cash equivalents	3.067.289	3.067.289	3.250.898	-
Financial investments	5.718.373	5.718.373	4.019.101	-
Receivables from finance sector operations	1.235.744	1.235.744	1.327.774	-
Investments accounted through equity method (Note 9)	-	-	-	776.475
Property, plant and equipment	69.014	69.014	45.857	-
Right of use assets	30.792	30.792	49.680	-
Intangible assets	4.972.317	4.972.317	151.021	-
Other receivables and other assets	4.981.912	5.111.627	4.543.064	-
Total segment assets	20.075.441	20.205.156	13.387.395	776.475
Payables from finance sector operations	868.196	868.196	858.957	-
Insurance Technical Provisions	12.343.617	12.343.617	9.795.408	-
Other payables and other liabilities	1.668.546	1.668.546	721.770	-
Total segment liabilities	14.880.359	14.880.359	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.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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(*) 30 September 2021	Consolidated(**) 30 September 2021	Combined(*) 31 December 2020	Consolidated(**) 31 December 2020
Cash and cash equivalents	2.612.214	-	2.215.534	-
Financial investments	269.753	-	428.955	-
Trade receivables	5.488.264	-	3.967.365	-
Inventories	605.076	-	365.300	-
Investments accounted through equity method (Note 9)	-	6.515.334	-	6.157.834
Property, plant and equipment	10.229.821	-	10.431.824	-
Right of use assets	369.597	-	243.615	-
Intangible assets	4.720.713	-	4.899.073	-
Other receivables and other assets	17.570.148	-	16.697.609	-
Total segment assets	41.865.586	6.515.334	39.249.275	6.157.834
Financial liabilities	16.913.211	-	16.657.255	-
Trade payables	3.021.393	-	2.720.039	-
Other payables and other liabilities	7.373.607	-	6.125.647	-
Total segment liabilities	27.308.211	-	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.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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(*) 30 September 2021	Consolidated(**) 30 September 2021	Combined(*) 31 December 2020	Consolidated(**) 31 December 2020
Cash and cash equivalents	2.609.342	355.212	1.935.371	449.893
Financial investments	587	587	52.130	645
Trade receivables	2.749.165	1.648.080	1.854.034	1.091.112
Inventories	2.698.621	1.766.923	1.842.962	1.225.313
Investments accounted through equity method (Note 9)	429.786	1.029.837	339.158	883.093
Property, plant and equipment	4.719.296	2.797.039	4.381.708	2.533.463
Right of use assets	150.058	136.443	111.574	95.429
Intangible assets	1.216.551	1.107.783	1.058.349	951.037
Other receivables and other assets	3.325.147	1.749.856	2.780.635	1.347.718
Total segment assets	17.898.553	10.591.760	14.355.921	8.577.703
Financial liabilities	6.984.981	3.177.085	6.144.229	2.978.692
Trade payables	2.631.627	1.051.808	1.864.121	664.286
Other payables and other liabilities	1.841.954	998.706	1.346.668	763.256
Total segment liabilities	11.458.562	5.227.599	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.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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(*) 30 September 2021	Consolidated(**) 30 September 2021	Combined(*) 31 December 2020	Consolidated(**) 31 December 2020
Cash and cash equivalents	663.060	663.060	1.297.782	1.297.782
Trade receivables	260.036	260.036	180.567	180.567
Inventories	2.638.480	2.638.480	2.108.143	2.108.143
Investment property	29.222	29.222	29.222	29.222
Property, plant and equipment	604.155	604.155	705.223	705.223
Right of use assets	1.007.787	1.007.787	1.017.773	1.017.773
Intangible assets	90.637	90.637	91.768	91.768
Other receivables and other assets	1.238.932	1.299.767	1.106.050	1.166.884
Total segment assets	6.532.309	6.593.144	6.536.528	6.597.362
Financial liabilities(***)	2.345.174	2.345.174	2.681.937	2.681.937
Trade payables	3.781.296	3.781.296	3.569.076	3.569.076
Other payables and other liabilities	692.485	692.485	652.091	652.091
Total segment liabilities	6.818.955	6.818.955	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.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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(*) 30 September 2021	Consolidated(**) 30 September 2021	Combined(*) 31 December 2020	Consolidated(**) 31 December 2020
Cash and cash equivalents	889.831	742.012	1.751.992	1.433.619
Financial investments	499.012	64	185.224	64
Trade receivables	1.777.838	961.049	950.153	507.869
Inventories	900.675	510.839	465.336	285.260
Investments accounted through equity method (Note 9)	-	407.413	-	397.334
Property, plant and equipment	3.625.248	2.741.587	3.008.741	2.155.891
Right of use assets	148.646	56.747	144.165	53.285
Intangible assets	617.654	575.003	61.335	16.967
Other receivables and other assets	1.050.040	763.629	779.587	518.249
Total segment assets	9.508.944	6.758.343	7.346.533	5.368.538
Financial liabilities	3.386.739	2.795.434	2.646.567	2.039.083
Trade payables	1.589.398	718.474	1.079.271	635.366
Other payables and other liabilities	672.008	448.240	507.232	316.146
Total segment liabilities	5.648.145	3.962.148	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, Akçansa and CSC BV.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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(*) 30 September 2021	Consolidated(**) 30 September 2021	Combined(*) 31 December 2020	Consolidated(**) 31 December 2020
Cash and cash equivalents	2.799.002	2.799.002	1.851.658	1.851.658
Financial investments	13.884.850	21.620	13.733.773	7.043
Trade receivables	130.200	129.963	102.381	101.105
Inventories	203.095	203.095	142.639	142.639
Property, plant and equipment	254.573	218.509	251.346	215.282
Right of use assets	17.821	17.821	18.470	18.470
Intangible assets	20.089	20.089	24.635	24.635
Investments accounted through equity method (Note 9)	218.227	218.227	83.636	83.636
Other receivables and other assets	312.837	316.153	282.473	282.028
Total segment assets	17.840.694	3.944.479	16.491.011	2.726.496
Financial liabilities	19.935	19.935	19.141	19.141
Trade payables	233.611	232.414	199.952	198.177
Other payables and other liabilities	257.792	247.829	255.479	246.095
Total segment liabilities	511.338	500.178	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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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- 30 September 2021			1 January- 30 September 2020		
	Total Consolidation of Segments Before Elimination	Elimination Consolidation Adjustments	Consolidated	Total Consolidation of Segments Before Elimination	Elimination Consolidation Adjustments	Consolidated
Total revenue	59.146.650	(175.928)	58.970.722	42.933.192	(217.610)	42.715.582
Cost of sales and interest, premiums, commissions and other expenses	(37.687.303)	476.027	(37.211.276)	(27.590.932)	681.191	(26.909.741)
General administration expenses	(7.938.605)	119.987	(7.818.618)	(6.614.646)	57.864	(6.556.782)
Sales, marketing and distribution expenses	(2.170.582)	-	(2.170.582)	(1.753.719)	-	(1.753.719)
Research and development expenses	(34.111)	-	(34.111)	(18.381)	-	(18.381)
Other operating income/(expense) - net	226.533	(9.269)	217.264	231.492	(790)	230.702
Interest in income of joint ventures	1.734.441	-	1.734.441	1.422.346	-	1.422.346
Operating profit	13.277.023	410.817	13.687.840	8.609.352	520.655	9.130.007
Income/(expense) from investing activities - net	2.123.924	(483.685)	1.640.239	674.025	(636.916)	37.109
Operating profit before financial expense	15.400.947	(72.868)	15.328.079	9.283.377	(116.261)	9.167.116
Financial income/(expense) – net	(836.942)	72.282	(764.660)	(869.620)	120.898	(748.722)
Income before tax	14.564.005	(586)	14.563.419	8.413.757	4.637	8.418.394
Tax	(2.880.495)	-	(2.880.495)	(1.609.659)	-	(1.609.659)
Profit/(loss) after tax from discontinued operations	(4.342)	-	(4.342)	408	-	408
Income for the period	11.679.168	(586)	11.678.582	6.804.506	4.637	6.809.143
Net income attributable to equity holders of the parent			6.856.708			3.840.886

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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(*) 30 September 2021	Consolidated(**) 30 September 2021	Combined(*) 30 September 2020	Consolidated(**) 30 September 2020
Interest, commission and other income	36.164.415	36.164.415	27.818.212	27.818.212
Interest, commission and other expenses	(19.740.345)	(19.740.345)	(15.585.885)	(15.585.885)
General administration expenses	(6.705.386)	(6.705.386)	(5.975.548)	(5.975.548)
Other operating income/(expense) - net	200.385	200.385	158.430	158.430
Operating profit	9.919.069	9.919.069	6.415.209	6.415.209
Income/(expense) from investing activities - net	9.970	9.970	3.827	3.827
Income before tax	9.929.039	9.929.039	6.419.036	6.419.036
Tax	(2.568.722)	(2.568.722)	(1.500.710)	(1.500.710)
Net income	7.360.317	7.360.317	4.918.326	4.918.326
Net income attributable to equity holders of the parent		2.999.320		2.004.212
EBITDA	10.492.199		6.904.273	

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

(**) Consolidated data reflects the total amounts of the Companies 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 TRY4.360.997 (30 September 2020: TRY2.914.114).

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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(*) 30 September 2021	Consolidated(**) 30 September 2021	Combined(*) 30 September 2020	Consolidated(**) 30 September 2020
Gross premiums	3.762.950	1.367.818	2.957.111	-
- Gross written premiums	5.869.664	2.009.032	4.518.913	-
- Unearned premiums reserves	(2.106.714)	(641.214)	(1.561.802)	-
Premiums, commission and other expenses	(3.704.213)	(1.280.817)	(2.706.774)	-
General administration expenses	(777.688)	(356.847)	(496.279)	-
Other operating income/(expense) - net	1.292.174	343.730	1.066.981	-
Interest in income of joint ventures (Note 9)	-	157.766	-	233.469
Operating profit	573.223	231.650	821.039	233.469
Income/(expense) from investing activities - net	134.141	54.204	12.117	-
Operating profit before financial expense	707.364	285.854	833.156	233.469
Financial income/(expense) - net	(58.897)	(18.649)	(51.304)	-
Profit before tax	648.467	267.205	781.852	233.469
Tax	(166.768)	(37.789)	(167.912)	-
Net income	481.699	229.416	613.940	233.469
Net income attributable to equity holders of the parent		187.313		233.469
EBITDA	765.026		825.692	

(*) 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.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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(*) 30 September 2021	Consolidated(**) 30 September 2021	Combined(*) 30 September 2020	Consolidated(**) 30 September 2020
Sales revenue (net)	30.355.397	-	23.580.439	-
Cost of sales	(22.978.077)	-	(17.136.424)	-
General administration expenses	(2.363.519)	-	(1.854.373)	-
Other operating income/(expense) - net	(54.389)	-	(299.629)	-
Interest in income of joint ventures (Note 9)	-	1.087.939	-	942.526
Operating profit/(loss)	4.959.412	1.087.939	4.290.013	942.526
Income from investment activities -net	529	-	12	-
Financial income/(expense) - net	(1.877.904)	-	(1.687.521)	-
Profit before tax	3.082.037	1.087.939	2.602.504	942.526
Tax	(605.348)	-	(448.074)	-
Net income	2.476.689	1.087.939	2.154.430	942.526
Net income attributable to equity holders of the parent		1.087.939		942.526
EBITDA	5.892.476		5.086.050	

(*) 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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(*) 30 September 2021	Consolidated(**) 30 September 2021	Combined(*) 30 September 2020	Consolidated(**) 30 September 2020
Sales revenue (net)	9.694.015	5.189.553	5.912.669	3.085.568
Cost of sales	(7.141.038)	(4.020.068)	(4.625.185)	(2.576.953)
General administration expenses	(394.845)	(265.116)	(288.912)	(202.040)
Marketing expenses	(631.419)	(257.548)	(349.543)	(133.049)
Research and development expenses	(31.190)	(29.664)	(17.311)	(15.764)
Other operating income/(expense) - net	43.652	171.470	(4.043)	105.652
Interest in income of joint ventures (Note 9)	164.782	457.077	80.684	217.114
Operating profit	1.703.957	1.245.704	708.359	480.528
Income/(expense) from investing activities - net	1.423	731	10.670	11.093
Operating profit before financial expense	1.705.380	1.246.435	719.029	491.621
Financial income/(expense) – net	(247.267)	(139.057)	(250.222)	(181.498)
Income before tax	1.458.113	1.107.378	468.807	310.123
Tax	(60.749)	(87.658)	17.916	332
Profit after tax from discontinued operations	(4.342)	(4.342)	408	408
Net income	1.393.022	1.015.378	487.131	310.863
Net income attributable to equity holders of the parent		811.371		283.618
EBITDA	2.171.846		1.106.844	

(*) 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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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(*) 30 September 2021	Consolidated(**) 30 September 2021	Combined(*) 31 December 2020	Consolidated(**) 31 December 2020
Sales revenue (net)	11.584.454	11.580.984	9.347.554	9.343.769
Cost of sales	(8.940.649)	(8.937.295)	(7.261.132)	(7.257.623)
General administration expenses	(204.894)	(204.538)	(178.147)	(177.340)
Marketing expenses	(1.863.343)	(1.863.343)	(1.584.823)	(1.584.823)
Other operating income/(expense) - net	(413.732)	(413.732)	(146.695)	(146.695)
Operating profit	161.836	162.076	176.757	177.288
Income/(expense) from investing activities – net	96.952	96.952	2.792	2.792
Operating profit before financial expense	258.788	259.028	179.549	180.080
Financial income/(expense) – net	(520.951)	(520.951)	(434.060)	(434.060)
Income before tax	(262.163)	(261.923)	(254.511)	(253.980)
Tax	73.986	73.986	43.275	43.275
Net income	(188.177)	(187.937)	(211.236)	(210.705)
Net income attributable to equity holders of the parent		(109.383)		(105.373)
EBITDA	901.393		686.257	

(*) 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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(*) 30 September 2021	Consolidated(**) 30 September 2021	Combined(*) 30 September 2020	Consolidated(**) 30 September 2020
Sales revenue (net)	5.181.551	3.008.201	3.009.298	1.631.928
Cost of sales	(4.221.194)	(2.376.188)	(2.446.308)	(1.293.380)
General administration expenses	(321.950)	(249.561)	(190.668)	(127.144)
Research and development expenses	(4.446)	(4.446)	(2.617)	(2.617)
Marketing expenses	(31.335)	(19.312)	(27.726)	(15.287)
Other operating income/(expense) - net	40.282	66.022	74.296	102.846
Interest in income of joint ventures (Note 9)	-	51.179	-	29.237
Operating profit	642.908	475.895	416.275	325.583
Income/(expense) from investing activities - net	122.596	121.812	27.032	23.868
Operating profit before financial expense	765.504	597.707	443.307	349.451
Financial income/(expense) - net	(184.252)	(139.852)	(264.324)	(236.042)
Profit before tax	581.252	457.855	178.983	113.409
Tax	(157.955)	(114.355)	(33.531)	(12.409)
Net income	423.297	343.500	145.452	101.000
Net income attributable to equity holders of the parent		198.966		69.091
EBITDA	816.839		520.986	

(*) 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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(*) 30 September 2021	Consolidated(**) 30 September 2021	Combined(*) 30 September 2020	Consolidated(**) 30 September 2020
Sales revenue (net)	2.765.076	1.194.465	1.552.032	1.053.715
Cost of sales	(918.605)	(916.698)	(878.739)	(877.091)
General administration expenses	(163.911)	(157.157)	(137.418)	(132.574)
Marketing expenses	(30.629)	(30.378)	(20.793)	(20.560)
Other operating income/(expense) - net	92.890	83.981	19.632	11.259
Shares in profits of joint ventures (Note 9)	(19.519)	(19.519)	-	-
Operating profit	1.725.302	154.694	534.714	34.749
Income/(expense) from investing activities - net	1.848.619	1.840.255	640.328	632.445
Operating profit before financial expense	3.573.921	1.994.949	1.175.042	667.194
Financial income/(expense) - net	(18.433)	(18.433)	(18.020)	(18.020)
Profit before tax	3.555.488	1.976.516	1.157.022	649.174
Tax	(145.958)	(145.958)	(140.147)	(140.147)
Net income	3.409.530	1.830.558	1.016.875	509.027
Net income attributable to equity holders of the parent		1.681.183		413.343
EBITDA	1.732.621		555.707	

(*) 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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:

	30 September 2021	30 September 2020
Banking	3.214.888	2.004.212
Financial services	241.541	215.986
Industry	779.126	281.248
Building materials	225.569	65.387
Energy	1.139.860	1.094.650
Retail	(151.680)	(104.857)
Other	323.848	419.828
Total	5.773.152	3.976.454

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

	30 September 2021	30 September 2020
Adjusted net income for reported operating segments (Equity holders of the Parent)	5.773.152	3.976.454
One off income/(expenses) related to Carrefoursa - net	41.277	(516)
One off income/(expenses) related to Enejisa - net	(51.921)	(152.124)
One off income/(expenses) related to Agesa - net	(36.002)	17.484
One off income/(expenses) related to Holding – net (*)	1.347.248	(1.193)
One off income/(expenses) related to Kordsa - net	47.219	6.478
One off income/(expenses) related to CSBV - net	(4.263)	-
One off income/(expenses) related to Çimsa - net	(19.139)	3.331
Other	(240.863)	(9.028)
Net income (Equity holders of the Parent)	6.856.708	3.840.886

(*) A material part of one-off income/expenses related to the Holding consist of the fair value difference that occurred Agesa and Aksigorta within the scope of the transition to full consolidation in 2021.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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

30 September 2021	Profit Before Tax	Depreciation Expenses	Income/ (expenses) from Investing Activities - net	Financial income/ (expense) - net	Operational Foreign Exchange Differences/ Interests	EBITDA
Banking	9.929.039	573.130	9.970	-	-	10.492.199
Industry	1.458.113	419.061	1.423	(247.267)	(48.828)	2.171.846
Building materials	581.252	214.016	122.596	(184.252)	40.085	816.839
Retail	(262.163)	382.876	96.952	(520.951)	(356.681)	901.393
Energy	3.082.037	744.064	529	(1.877.904)	(189.000)	5.892.476
Financial services	648.467	208.752	134.141	(58.897)	16.949	765.026
Other	3.555.488	36.736	1.848.619	(18.433)	29.417	1.732.621
30 September 2020	Profit Before Tax	Depreciation Expenses	Income/ (expenses) from Investing Activities - net	Financial income/ (expense) - net	Operational Foreign Exchange Differences/ Interests	EBITDA
Banking	6.419.036	489.064	3.827	-	-	6.904.273
Industry	468.807	374.357	10.670	(250.222)	(24.128)	1.106.844
Building materials	178.983	191.190	27.032	(264.324)	86.479	520.986
Retail	(254.511)	361.672	2.792	(434.060)	(147.828)	686.257
Energy	2.602.504	684.001	12	(1.687.521)	(112.036)	5.086.050
Financial services	781.852	67.169	12.117	(51.304)	62.516	825.692
Other	1.157.022	31.940	640.328	(18.020)	10.947	555.707

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 expenses (Consolidated):

1 January - 30 September 2021

	<u>Finance</u>							
	Banking	Financial services	Industry	Building materials	Energy	Retail	Other	Total
Depreciation and amortisation expenses	573.130	158.941	244.252	131.920	-	383.057	36.736	1.528.036
Capital expenditure	491.713	37.781	125.859	95.420	-	156.272	30.610	937.655

1 January - 30 September 2020

	<u>Finance</u>							
	Banking	Financial services	Industry	Building materials	Energy	Retail	Other	Total
Depreciation and amortisation expenses	489.064	-	205.754	118.134	-	361.672	31.940	1.206.564
Capital expenditure	880.987	-	276.026	30.310	-	142.055	36.699	1.366.077

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 - 30 September 2021

	Finance	Financial	Industry	Building	Energy	Retail	Other	Total
	Banking	services		materials				
Depreciation and amortisation expenses	573.130	208.752	419.061	214.016	744.064	382.876	36.736	2.578.635
Capital expenditure	491.713	152.112	375.447	178.692	2.445.917	156.272	30.610	3.830.763

1 January - 30 September 2020

	Finance	Financial	Industry	Building	Energy	Retail	Other	Total
	Banking	services		materials				
Depreciation and amortisation expenses	489.064	67.169	374.357	191.190	684.001	361.672	31.940	2.199.393
Capital expenditure	880.987	61.696	397.536	105.145	1.897.772	142.055	36.699	3.521.890

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 INVESTMENTS

a) Financial assets at fair value through profit or loss

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

	30 September 2021	31 December 2020
Share notes	523.275	464.346
Government bonds	171.737	45.063
Eurobonds	184.652	144.874
Other (*)	9.167.224	8.560.219
Total	10.046.888	9.214.502

(*) In the previous period, the syndication loans provided to Ojer Telekomünikasyon A.Ş. (OTAŞ) were restructured. Within this scope, a pledge was established in favor of lenders in order to establish collateral for these loans. LYY Telekomünikasyon A.Ş., which was established as a special-purpose company in which 192.500.000.000 Group A Shares, which constitute 55% of Türk Telekom’s issued capital, are all direct or indirect partners. The acquisition of the company (formerly Levent Yapılandırma Yönetimi A.Ş.) was completed on 21 December 2018. Akbank has participated in LYY Telekomünikasyon A.Ş. with a %35,56 share in the receivables from OTAŞ.

Later on, at the Ordinary General Assembly Meeting of LYY Telekomünikasyon A.Ş. which was held on 23 September 2019, it was decided to convert some of the loan into capital and add it to the capital of LYY Telekomünikasyon A.Ş. The nominal value of their shares in TRY increased from 18 TRY to 1.416.090 TRY. This amount is classified in the financial statements under the line “Assets for Sales and Discontinued Operations”. As of 30 September 2021, the value of the part pursued as loan is TRY10.958.637 (31 December 2020: TRY8.968.855) and it is classified under “Other Financial Assets” under “Financial Assets at Fair Value through Profit Loss”. The total fair value impairment accounted for the total amount turned into credit and capital is TRY5.031.817 (31 December 2020: TRY3.042.035) and the amount of TRY1.416.090 (31 December 2020: TRY1.416.090) of this amount is accounted under the “Assets Held for Sale and Discontinued Operations” and TRY3.615.727 (31 December 2020: TRY1.625.945) is accounted under “Other Financial Assets” which is the sub-item of “Financial Assets at Fair Value through Profit Loss”.

If the growth rate and risk-free return rate on investment used in the discounted cash flow method in the valuation report are increased or decreased by 0.25%, provided that all other variables are constant, the total value of assets recognized in the financial statements and profit before tax will increase by about TRY170 million or will decrease by TRY 150 million.

The main purpose of the creditor banks is to transfer the mentioned Türk Telekom shares to an expert investor by providing the necessary conditions as quickly as possible. An international investment bank has been assigned as consultant for the sale of LYY Telekomünikasyon A.Ş.’s 55% shares in Türk Telekomünikasyon A.Ş. on 19 September 2019. Within this context, necessary work and discussions with potential investors have been initiated.

TRY1.135.035 (31 December 2020: TRY1.094.617) of other financial assets consist Fourth Real Estate Investment Fund of Ak Portföy Yönetimi A.Ş. established by Ak Portföy Yönetimi A.Ş. and the fund is followed at its fair value and the related valuation differences are recognized in profit or loss.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 INVESTMENTS (Continued)

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

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

	30 September 2021	31 December 2020
TRY	%23,42	%14,92

The Group's activities in the finance sector as collateral for the purchase and sale of financial assets are none (31 December 2020: TRY9.995).

The maturity analysis of financial assets at fair value through profit and loss as of 30 September 2021 and 31 December 2020 are as follows:

	30 September 2021	31 December 2020
0 to 3 months	2.411.461	1.595.411
3 to 12 months	7.419.245	7.461.253
1 to 5 years	158.360	109.435
Over 5 years	57.822	48.403
Total	10.046.888	9.214.502

Period remaining to contractual repricing dates:

	30 September 2021	31 December 2020
No maturity	2.411.461	1.595.411
Up to 3 months	7.385.490	37.064
3 to 12 months	33.755	7.426.015
1 to 5 years	158.360	107.609
Over 5 years	57.822	48.403
Total	10.046.888	9.214.502

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 INVESTMENTS (Continued)

b) Financial assets at fair value through other comprehensive income

	30 September 2021	31 December 2020
Debt securities		
- Government bonds	30.842.455	23.067.782
- Eurobonds	29.742.560	21.352.442
- Investment funds	497.794	490.329
- Other bonds denominated in foreign currency	15.430.286	13.277.208
Sub-total	76.513.095	58.187.761
Share notes		
- Traded in organized markets	109.005	138
- Not traded in organized markets	36.177	31.527
Sub-total	145.182	31.665
Financial investments at fair value through other comprehensive income	76.658.277	58.219.426

Effective interest rates of USD, EUR, JPY and TRY denominated available-for-sale securities are 5,23% (31 December 2020: 5,20%), %3,50 (31 December 2020: 2,92%), %3,09 (31 December 2020: %3,09) and 17,66% respectively. (31 December 2020: 12,75%).

The Group's financial assets available for sale subject to funds provided from repo are TRY27.986.502 (31 December 2020: TRY16.984.050). Available for sale financial assets that are given as collateral because of the Group's financing activities are amounting to TRY9.647.271 (31 December 2020: TRY18.374.196).

Akbank has Consumer Price Index (“CPI”) linked government bonds under available-for-sale and held-to maturity portfolio. These securities are valued and accounted using the effective interest rate method based on the real coupon rates and the reference inflation index at the issue date and the estimated inflation rate. The reference indices used in calculating the actual coupon payment amounts of these assets are based on the Consumer Price Index (CPI) of prior two months. Akbank also sets the estimated the inflation rate accordingly. The estimated inflation rate used is updated as needed within the year.

The maturity analysis in accordance with expiring date as at 30 September 2021 and 31 December 2020 is as follows:

	30 September 2021			31 December 2020		
	Banking	Other Companies	Total	Banking	companies	Total
0 to 3 months	1.676.625	-	1.676.625	4.503.116	-	4.503.116
3 to 12 months	9.374.997	181.680	9.556.677	4.843.979	-	4.843.979
1 to 5 years	45.598.857	437.272	46.036.129	38.802.077	-	38.802.077
Over 5 years	17.368.397	150.851	17.519.248	9.579.925	-	9.579.925
No maturity	496.147	1.373.451	1.869.598	490.329	-	490.329
Total	74.515.023	2.143.254	76.658.277	58.219.426	-	58.219.426

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 INVESTMENTS (Continued)

b) Financial assets at fair value through other comprehensive income (Continued)

The maturity analysis in accordance with expiring date as at 30 September 2021 and 31 December 2020 is as follows:

	30 September 2021			31 December 2020		
	Banking	Other companies	Total	Banking	Other companies	Total
0 to 3 months	20.262.740	-	20.262.740	14.823.787	-	14.823.787
3 to 12 months	12.650.335	181.680	12.832.015	10.414.147	-	10.414.147
1 to 5 years	25.712.375	437.272	26.149.647	24.195.511	-	24.195.511
Over 5 years	15.393.426	150.851	15.544.277	8.295.652	-	8.295.652
No maturity	496.147	1.373.451	1.869.598	490.329	-	490.329
Total	74.515.023	2.143.254	76.658.277	58.219.426	-	58.219.426

c) Financial assets carried at amortized cost:

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

	30 September 2021	31 December 2020
Government bonds	51.149.715	41.873.322
Total	51.149.715	41.873.322

Details of financial investments accounted at amortized cost are presented below:

	30 September 2021	31 December 2020
Balance, 1 January	41.873.322	15.566.111
Additions	17.190.851	25.884.971
Business combinations (*)	2.720.608	-
Foreign exchange differences in monetary assets	1.145.845	4.715.654
Valuation effect	2.032.612	495.098
Disposals through sales and redemptions (**)	(13.771.354)	(4.774.521)
Allowance for impairment	(42.169)	(13.991)
Total	51.149.715	41.873.322

(*) Aksigorta A.Ş. and Agesa Hayat ve Emeklilik A.Ş. started to be reported in the Group's financial statements using the full consolidation method as of 30 September 2021.

(**) Including expected loss provision.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 INVESTMENTS (Continued)

c) Financial assets carried at amortized cost (Continued)

Effective interest rate of debt securities in USD, EUR and TRY are 5,93% 4,34% ve 17,28%. (31 December 2020: Effective interest rate of debt securities in USD, EUR and TRY are 5,86%, 1,70% and 12,18%).

For financial investments valued at amortized cost as of 30 September 2021 and 31 December 2020, the remaining time to maturity dates specified in the contract on the basis of banking and other sectors is as follows:

	30 September 2021			31 December 2020		
	Other		Total	Other		Total
	Banking	companies		Banking	companies	
3 to 12 months	10.104.344	2.417.054	12.521.398	16.731.294	-	16.731.294
1 to 5 years	16.042.556	276.650	16.319.206	18.779.765	644	18.780.409
Over 5 years	22.281.620	27.491	22.309.111	6.361.619	-	6.361.619
Total	48.428.520	2.721.195	51.149.715	41.872.678	644	41.873.322

The period remaining until the re-pricing date determined by the contract for financial investments accounted at amortized cost as of 30 September 2021 and 31 December 2020 is as follows:

	30 September 2021			31 December 2020		
	Other		Total	Other		Total
	Banking	companies		Banking	companies	
Up to 3 months	19.632.345	36.383	19.668.728	11.113.691	-	11.113.691
3 to 12 months	22.789.774	2.380.670	25.170.444	19.059.290	-	19.059.290
1 to 5 years	5.646.457	276.651	5.923.108	10.522.797	644	10.523.441
Over 5 years	359.944	27.491	387.435	1.176.900	-	1.176.900
Total	48.428.520	2.721.195	51.149.715	41.872.678	644	41.873.322

d) Time Deposit:

Details of time deposit with a maturity more than 3 months are presented below:

	30 September 2021	31 December 2020
3 to 12 months	356.785	16.348
Total	356.785	16.348

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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

Short term funds, bank loans and issued debt securities

	30 September 2021	31 December 2020
Short term	14.058.205	13.713.590
Short-term portion of long term	18.549.097	20.053.065
Total short term	32.607.302	33.766.655
Long-term funds borrowed, bank borrowings and debt securities:		
Long term	48.688.130	38.494.543
Total	81.295.432	72.261.198

Maturity analysis as of 30 September 2021 and 31 December 2020 is presented below:

	30 September 2021	31 December 2020
Up to 3 months	15.916.055	9.274.318
3 to 12 months	16.691.247	24.492.337
Short term financial liabilities and short term portion of long term financial liabilities	32.607.302	33.766.655
1 to 5 years	34.393.063	26.954.881
Over 5 years	14.295.067	11.539.662
Long term financial liabilities	48.688.130	38.494.543
Total financial liabilities	81.295.432	72.261.198

The repayment schedule of long term financial liabilities at 30 September 2021 and 31 December 2020 is summarized below:

	30 September 2021	31 December 2020
1-2 years	12.150.789	8.902.970
2-3 years	6.350.186	6.286.796
3-4 years	9.378.081	4.715.311
4-5 years	6.514.007	7.049.804
Over 5 years	14.295.067	11.539.662
Total	48.688.130	38.494.543

The repayment schedule of long term financial liabilities at 30 September 2021 and 31 December 2020 is summarized below:

	30 September 2021	31 December 2020
Up to 3 months	41.379.206	41.602.470
3 to 12 months	8.044.550	8.523.325
1 to 5 years	18.978.986	11.745.294
Over 5 years	12.892.690	10.390.109
Total	81.295.432	72.261.198

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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)

Financial liabilities movement as of 30 September 2021 and 2020 is as follows:

	2021	2020
1 January	72.261.198	58.084.781
Additions	13.631.482	25.475.007
Payments	(5.488.912)	(5.080.961)
Interest accruals	486.915	155.483
Foreign exchange effects	404.749	910.267
30 September	81.295.432	79.544.578

The transactions related with the funds and loans as of 30 September 2021 are as follows:

Akbank - Syndicated Loan

As of 30 September 2021, there are two syndicated loans. The syndication credit with a one-year (EUR279 million and USD344.5 million) maturity was signed on 9 April 2021. The cost of the credit is Euribor + 225 bps and Libor + 250 bps. The syndication credit with a one-year (EUR348.5 million and USD388 million) maturity was signed on 13 October 2020. The cost of the credit is Euribor + 225 bps and Libor + 250 bps.

Issued securities:

Securities issued consist of USD and TRY assets.

The repayment plan for USD securities issued is summarized below:

	30 September 2021		31 December 2020	
	USD	TRY	USD	TRY
2021	294.142	2.611.540	630.546	4.678.273
2022	1.121.384	9.956.211	1.068.575	7.928.186
2023	596.047	5.292.003	571.133	4.237.464
2024	623.306	5.534.022	599.240	4.446.001
2025	856.915	7.608.120	911.404	6.762.071
2026	474.197	4.210.158	428.422	3.178.634
2027	409.729	3.637.779	370.994	2.752.553
2028	289.605	2.571.258	257.937	1.913.738
2029	19.580	173.841	-	-
2030	18.290	162.388	-	-
2031	269.062	2.388.867	-	-
Total	4.972.257	44.146.187	4.838.251	35.896.920

Securitization deals and USD denominated securities issued by the Bank amounted by USD4.972.257.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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: (Continued)

	30 September 2021		31 December 2020	
	EUR	TRY	EUR	TRY
2021	-	-	23.131	210.872
2022	389	4.003	377	3.438
2023	373	3.838	362	3.301
2024	359	3.694	348	3.173
2025	345	3.551	335	3.055
2026	332	3.417	322	2.936
2027	319	3.284	309	2.818
2028	306	3.150	297	2.708
2029	7.591	78.136	7.370	67.179
Total	10.014	103.073	32.851	299.480

Securitization deals and EUR denominated securities issued by the Bank amounted by EUR10.014.

Additionally, as of 30 September 2021, there are bonds issued by the Bank amounting to TRY732.649 with 1-3 months maturity, TRY3.755.485 with 3-6 months maturity, TRY912.418 with 6-12 months maturity, TRY994.185 with 1-5 years maturity and TRY1.379.094 with 5 years over maturity. (31 December 2020: TRY 933.926 with 1-3 months maturity, TRY 123.854 with 3-6 months maturity TRY4.229.049 with 6-12 months maturity, TRY1.062.073 with 1-5 years maturity and TRY1.364.024 with 5 years and over maturity).

NOTE 7 - OBLIGATIONS FROM LEASING TRANSACTIONS

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

Liabilities arising from short term lease transactions as of 30 September 2021:

	Up to 3 months	Between 3-12 months	Total
TRY	159.089	189.179	348.268
USD	4.448	9.915	14.363
EUR	3.808	2.999	6.807
Other	331	1.422	1.753
Total	167.676	203.515	371.191

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

	Up to 3 months	Between 3-12 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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 - OBLIGATIONS FROM LEASING TRANSACTIONS (Continued)

Liabilities arising from long term lease transactions as of 30 September 2020:

	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	5 years and more	Total
TRY	193.047	184.082	307.451	376.261	409.861	1.470.702
USD	10.028	37.126	10.656	9.159	80.880	147.849
EUR	1.367	1.506	1.655	1.762	14.944	21.234
Other	2.954	81	-	-	-	3.035
Total	207.396	222.795	319.762	387.182	505.685	1.642.820

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

	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	5 years and more	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

Leasing liabilities movement as of 30 September 2021 and 2020 is as follows:

	2021	2020
1 January	1.934.206	1.984.835
Additions	356.076	153.315
Payments	(590.719)	(511.667)
Interest accruals	289.711	284.071
Foreign exchange effects	24.737	28.772
30 September	2.014.011	1.939.326

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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:	30 September 2021	31 December 2020
Receivables from credit card payments	51.836	51.697
Other receivables(*)	2.541.907	4.445.839
Total	2.593.743	4.497.536

Other long term receivables:	30 September 2021	31 December 2020
Deposits and guarantees given	57.367	49.628
Other receivables(*)	524.244	3.820.003
Total	581.611	3.869.631

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

Other short term payables:	30 September 2021	31 December 2020
Payables related to credit card transactions	6.338.295	4.984.275
Taxes and funds payable	815.642	618.891
Export deposits and transfer orders	63.502	68.699
Payment orders to correspondent banks	65.613	48.832
Other (*)	2.377.698	3.367.929
Total	9.660.750	9.088.626

Other long term payables:	30 September 2021	31 December 2020
Other (*)	5.646.244	4.431.151
Total	5.646.244	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:

	30 September 2021	Share (%)	31 December 2020	Share (%)
Brisa	818.277	43,63	627.568	43,63
Akçansa	407.413	39,72	397.334	39,72
Enerjisa Üretim Santralleri	3.461.922	50,00	3.296.513	50,00
Enerjisa Enerji	3.053.412	40,00	2.861.321	40,00
Philsa	164.089	25,00	130.474	25,00
Philip Morrissa	47.471	24,75	125.051	24,75
Temsa Ulaşım Araçları	218.227	50,00	83.636	50,00
Aksigorta (*)	-	36,00	337.002	36,00
Agesa (*)	-	40,00	439.473	40,00
Total	8.170.811		8.298.372	

(*) As of 1 July 2021, Agesa and Aksigorta accounted according to full consolidation method.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 - 30 September 2021	1 January - 30 September 2020
Brisa	292.295	136.430
Akçansa	51.179	29.237
Enerjisa Üretim Santralleri	486.316	403.771
Enerjisa Enerji	601.622	538.755
Philsa	103.020	50.613
Philip Morrissa	61.762	30.071
Temsa Ulaşım Araçları	(19.519)	-
Aksigorta(*)	54.669	108.965
Agesa(*)	103.097	124.504
Total	1.734.441	1.422.346

(*) 2021 figures of Agesa and Aksigorta include the figures before they were included in full consolidation as of July 1, 2021.

The financial statements of the associates and joint ventures are as follows:

	30 September 2021		31 December 2020	
	Total assets	Total liabilities	Total assets	Total liabilities
Brisa	8.106.455	6.230.962	6.387.170	4.948.783
Akçansa	2.426.937	1.388.309	2.255.730	1.242.475
Enerjisa Üretim Santralleri	15.186.051	8.262.206	14.573.769	7.980.742
Enerjisa Enerji	26.679.535	19.046.004	24.675.505	17.522.199
Philsa	5.564.709	4.908.355	3.986.358	3.464.463
Philip Morrissa	2.262.017	2.070.216	1.972.279	1.467.024
Temsa Ulaşım Araçları	2.414.231	1.772.999	2.124.755	1.758.264
Aksigorta(*)	-	-	9.131.387	8.195.271
Agesa(*)	-	-	4.256.009	3.180.864
Total	62.639.935	43.679.051	69.362.962	49.760.085

(*) As of 1 July 2021, Agesa and Aksigorta accounted for in full consolidation method.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 Income

	1 January - 30 September 2021	1 January- 30 September 2020
Brisa	4.504.462	2.827.100
Akçansa	1.976.890	1.377.370
Enerjisa Üretim Santralleri	9.995.738	6.693.122
Enerjisa Enerji	20.359.659	16.887.317
Philisa (**)	26.610.559	23.046.514
Philip Morrissa	26.650.914	22.770.160
Temsa Ulaşım Araçları	1.061.299	-
Aksigorta(*)	3.000.041	3.535.654
Agesa(*)	860.591	983.259

(*) 2021 figures of Agesa and Aksigorta represent six months net sales before they were included in full consolidation.

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

Net profit / (loss) for the period

	1 January - 30 September 2021	1 January- 30 September 2020
Brisa	669.940	312.697
Akçansa	130.344	73.690
Enerjisa Üretim Santralleri	972.632	807.541
Enerjisa Enerji	1.504.056	1.346.888
Philisa	412.081	202.453
Philip Morrissa	249.542	121.500
Temsa Ulaşım Araçları	(39.038)	-
Aksigorta (*)	151.858	302.680
Agesa (*)	257.742	311.260

(*) 2021 figures of Agesa and Aksigorta represent six months figures before they were included in full consolidation.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 30 September 2021 is as follows:

	1 January 2021	Currency translation differences	Additions	Disposals	Transfers (*)	Business combinations	Fixed assets held for sale	Impairment	30 September 2021
Cost:									
Land and land improvements	504.541	1.721	1.911	(83.881)	638	114.745	(25.759)	-	513.916
Buildings	3.808.279	176.809	16.843	(165.243)	20.598	118.563	(52.922)	-	3.922.927
Machinery and equipment	6.415.087	614.079	36.516	(170.686)	110.987	475.330	(359.071)	-	7.122.242
Motor vehicles	92.543	3.175	2.071	(1.544)	324	3.692	(13.486)	-	86.775
Furnitures and fixtures	4.064.338	33.878	329.259	(242.219)	12.925	86.177	(4.800)	(467)	4.279.091
Total	14.884.788	829.662	386.600	(663.573)	145.472	798.507	(456.038)	(467)	15.924.951
Construction in progress	242.522	14.236	235.182	(162)	(168.471)	4.100	(249)	-	327.158
Total	15.127.310	843.898	621.782	(663.735)	(22.999)	802.607	(456.287)	(467)	16.252.109
Accumulated depreciation:									
Land and land improvements	(243.402)	(337)	(7.767)	-	-	-	10.069	-	(241.437)
Buildings	(1.174.766)	(51.406)	(68.074)	35.237	-	-	28.520	-	(1.230.489)
Machinery and equipment	(3.352.999)	(321.799)	(243.813)	130.981	(71)	-	227.043	-	(3.560.658)
Motor vehicles	(92.543)	(95)	(6.714)	864	-	-	11.902	-	(86.586)
Furnitures and fixtures	(2.303.979)	(25.339)	(392.646)	222.714	71	-	3.618	565	(2.494.996)
Total	(7.167.689)	(398.976)	(719.014)	389.796	-	-	281.152	565	(7.614.166)
Net Book Value	7.959.621								8.637.943

(*) TRY23.000 of the transfers from construction in progress in the current period is recognized in intangible assets.

(**) As of 30 September 2021, Agesa and Aksigorta accounted for in full consolidation method.

(***) Fixed assets that Niğde Integrated Cement Factory, Kayseri Integrated Cement Factory, Ankara Cement Grinding Facility and Başakpınar, Ambar, Nevşehir, Cırgalan, Aksaray, Ereğli and Kahramanmaraş Ready Mixed Concrete Facilities are belong to Çimsa, classified into fixed assets held for sale.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 30 September 2020 is as follows:

	1 January 2020	Currency translation differences	Additions	Disposals	Transfers (*)	Impairment	30 September 2020
Cost:							
Land and land improvements	559.287	45.620	2.541	(101.307)	(8.844)	-	497.297
Buildings	3.459.621	229.798	158.548	(10.579)	(111)	-	3.837.277
Machinery and equipment	5.479.213	799.819	42.575	(28.063)	67.337	-	6.360.881
Motor vehicles	94.270	4.514	876	(7.902)	-	-	91.758
Furnitures and fixtures	3.461.421	20.378	660.363	(40.906)	6.696	5.132	4.113.084
Total	13.053.812	1.100.129	864.903	(188.757)	65.078	5.132	14.900.297
Construction in progress	246.441	(40.149)	133.101	(1.697)	(77.034)	-	260.662
Total	13.300.253	1.059.980	998.004	(190.454)	(11.956)	5.132	15.160.959
Accumulated depreciation:							
Land and land improvements	(231.036)	(4.807)	(7.332)	1.050	-	-	(242.125)
Buildings	(990.425)	(78.584)	(104.498)	8.360	-	-	(1.165.147)
Machinery and equipment	(2.683.713)	(386.926)	(213.200)	3.271	-	-	(3.280.568)
Motor vehicles	(92.218)	(1.506)	(5.784)	7.750	-	-	(91.758)
Furnitures and fixtures	(2.006.984)	(16.856)	(319.086)	35.017	-	(2.653)	(2.310.562)
Total	(6.004.376)	(488.679)	(649.900)	55.448	-	(2.653)	(7.090.160)
Net Book Value	7.295.877						8.070.799

(*) TRY2.978 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 30 SEPTEMBER 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 30 September 2021 and 2020 are as follows:

	1 January 2021	Currency translation differences	Additions	Business combinations(**)	Disposals	Transfers	30 September 2021
Cost (*)	3.632.922	219.793	315.873	5.650.154	(8.147)	23.000	9.833.595
Accumulated amortization (-)	(1.357.642)	(36.278)	(450.953)	-	5.965	-	(1.838.908)
Net book value	2.275.280						7.994.687

	1 January 2020	Currency translation differences	Additions	Impairment	Disposals	Transfers	30 September 2020
Cost (*)	2.874.743	141.224	462.942	24	(1.248)	2.978	3.480.663
Accumulated amortization (-)	(1.001.583)	(40.547)	(234.633)	(24)	136	-	(1.276.651)
Net book value	1.873.160						2.204.012

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

(**) As of 1 July 2021, Agesa and Aksigorta accounted for in full consolidation method.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 TO USE ASSETS

Movement of right-of-use assets for the year ended 30 September 2021 is as follows:

	1 January 2021	Addition	Business combinations (*)	Disposals	Currency translation differences	30 September 2021
Cost						
Buildings	2.317.656	422.228	27.113	(196.648)	71.303	2.641.652
Property	252	-	209	-	-	461
Vehicles	68.441	5.403	8.733	(4.401)	(11.885)	66.292
Other	19.470	2.041	-	-	2.743	24.254
Total	2.405.819	429.672	36.056	(201.049)	62.161	2.732.659
Accumulated depreciation						
Buildings	(630.543)	(339.931)	-	104.504	(11.026)	(876.996)
Property	(112)	(22)	-	-	-	(134)
Vehicles	(36.338)	(15.566)	-	4.207	7.041	(40.656)
Other	(7.249)	(1.474)	-	(0)	(364)	(9.087)
Total	(674.242)	(356.993)	-	108.711	(4.349)	(926.873)
Net book value	1.731.577	72.679	36.056	(92.338)	57.812	1.805.786

(*) As of 1 July 2021, Agesa and Aksigorta accounted for in full consolidation method.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 TO USE ASSETS (Continued)

Movement of right-of-use assets for the year ended 30 September 2020 is as follows:

	1 January 2020	Addition	Disposals	Currency translation differences	30 September 2020
Cost					
Buildings	2.187.816	227.898	(176.420)	50.010	2.289.304
Property	595	-	(442)	115	268
Vehicles	38.758	23.307	-	1.602	63.667
Other	16.521	-	(432)	1.734	17.823
Total	2.243.690	251.205	(177.294)	53.461	2.371.062
Accumulated depreciation					
Buildings	(338.619)	(304.125)	77.802	(11.754)	(576.696)
Property	(186)	(45)	253	(124)	(102)
Vehicles	(16.204)	(14.822)	101	(245)	(31.170)
Other	(3.218)	(2.459)	-	(133)	(5.810)
Total	(358.227)	(321.451)	78.156	(12.256)	(613.778)
Net book value	1.885.463	(70.246)	(99.138)	41.205	1.757.284

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 of goodwill for the three month period ended on 30 September 2021 and 2020 are as follows:

	2021	2020
1 January	1.600.690	1.475.337
Additions(*)	129.715	-
Currency translation differences	179.708	182.762
30 September	1.910.113	1.658.099

(*) Additions are the goodwill amount that show up due to Aksigorta and Agesa companies are included in the scope of full consolidation in accordance with TFRS 3. This calculation based on the provisional amounts and final figures will be completed within twelve months following the purchase date, and if necessary, adjustments will be made from the date of purchase.

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short term provisions	30 September 2021	31 December 2020
Insurance technical provisions	9.200.805	-
Provision for liabilities	675.610	682.435
<i>Credit bonus provision</i>	83.794	69.473
<i>Litigation</i>	82.670	90.769
<i>Uncompensated and not encashed non-cash loans</i>	509.146	492.437
<i>Other short term provisions</i>	-	29.756
Other debt provisions	260.406	4.926
Total	10.136.821	687.361
Other long term provisions	30 September 2021	31 December 2020
Insurance technical provisions	3.142.812	-
Provision for liabilities	433.042	241.504
<i>Litigation</i>	144.779	49.666
<i>Other long-term provisions</i>	288.263	191.838
Total	3.575.854	241.504
Commitments - Banking segment	30 September 2021	31 December 2020
Letters of guarantee given	45.103.817	36.466.405
Letters of credit	11.121.043	4.649.260
Foreign currency acceptance credits	124.378	47.814
Other guarantees	11.715.882	8.259.644
Total	68.065.120	49.423.123
Commitments – Other companies	30 September 2021	31 December 2020
Letters of guarantee given	1.242.294	880.540
Other guarantees given	377.483	1.583.897
Mortgages, guarantees and pledges for tangible assets	53.288	16.330
Total	1.673.065	2.480.767

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 30 September 2021 and 31 December 2020 are as follows:

	30 September 2021	31 December 2020
Repurchase commitments	58.141.164	19.855.361
Total	58.141.164	19.855.361
Transactions for held for trading:		
	30 September 2021	31 December 2020
Foreign currency purchases	10.406.509	6.658.885
Foreign currency sales	10.294.785	6.377.496
Total	20.701.294	13.036.381
	30 September 2021	31 December 2020
Currency swap purchases	137.035.722	121.885.178
Currency swap sales	154.504.324	138.390.998
Interest swap purchases	89.577.093	86.327.116
Interest swap sales	89.577.093	86.327.116
Total	470.694.232	432.930.408
	30 September 2021	31 December 2020
Spot purchases	3.121.256	3.053.071
Spot sales	3.119.867	3.054.727
Total	6.241.123	6.107.798
	30 September 2021	31 December 2020
Currency, interest and securities options purchases	19.857.152	13.271.378
Currency, interest and securities options sales	20.073.090	13.152.376
Total	39.930.242	26.423.754
	30 September 2021	31 December 2020
Other purchase transactions	31.155.615	26.581.999
Other sales transactions	9.932.200	7.978.827
Total	41.087.815	34.560.826
	30 September 2021	31 December 2020
Future purchase transactions	5.932.270	2.657.066
Future sales transactions	5.882.811	2.827.998
Total	11.815.081	5.485.064

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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:

	30 September 2021	31 December 2020
Interest swap purchases	43.525.847	23.672.399
Interest swap sales	43.525.847	23.672.399
Total	87.051.694	47.344.798

	30 September 2021	31 December 2020
Money swap purchases	15.998.362	22.678.665
Money swap sales	9.029.849	14.494.876
Total	25.028.211	37.173.541

The maturity analysis of the off-balance sheet assets of the Banking segment at 30 September 2021 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees given	22.828.602	22.275.215	45.103.817
Letters of credits	9.231.812	1.889.231	11.121.043
Acceptance credits	124.378	-	124.378
Other guarantees	5.860.697	5.855.185	11.715.882
Total	38.045.489	30.019.631	68.065.120

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

HACI ÖMER SABANCI HOLDİNG A.Ş.**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 30 September 2021 and 31 December 2020 are as follows:

	30 September 2021	31 December 2020
Wholesale	12.278.718	9.445.709
Construction	11.293.273	8.671.929
Other manufacturing	7.142.855	4.400.880
Financial institutions	7.046.327	5.261.526
Chemicals	5.202.400	1.855.060
Small-scale retailers	4.435.195	3.703.770
Steel and mining	4.014.380	3.549.328
Textile	2.839.866	1.679.855
Electricity, gas and water	2.523.427	2.676.043
Transportation	2.483.098	1.744.525
Automotive	1.499.116	977.967
Food and beverage	1.181.299	944.397
Tourism	608.882	361.201
Agriculture and forestry	554.980	385.570
Telecommunications	438.264	349.336
Electronics	410.761	250.609
Other	4.112.279	3.165.418
Total	68.065.120	49.423.123

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 (“CPM”) given by Subsidiaries at 30 September 2021 is as follows:

	30 September 2021				
	Total TL Equivalent	TL	USD	EUR	Other
A, Total amount of the Collaterals					
given for its own legal entity	1.234.641	1.141.677	5.272	4.289	-
B, Collaterals given on behalf of fully consolidated companies	2.328.237	690.055	69.629	98.769	3.529
C, Collaterals given on behalf of the third parties’ debt for continuation of their economic activities	68.065.120	29.467.449	2.465.113	1.538.362	883.739
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	71.627.998	31.299.181	2.540.014	1.641.420	887.268
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	-	-	-	-	-

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 (“CPM”) given by Joint Ventures at 30 September 2021 is as follows;

	30 September 2021				
	Total TL Equivalent	TL	USD	EUR	Other
A, Total amount of the Collaterals					
given for its own legal entity	1.219.292	1.165.607	2.891	2.723	-
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	5.982	5.982	-	-	-
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	1.225.274	1.171.589	2.891	2.723	-
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	-	-	-	-	-

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 (“CPM”) given by 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 Colleterals	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	-	-	-	-	-

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 (“CPM”) given by Joint Ventures 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	1.136.353	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	-	-	-	-	-

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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	30 September 2021	31 December 2020
Cheques in clearance	1.727.542	852.507
Deductible, deferred and other VAT	138.445	200.743
Other Current Assets	5.728.649	56.173
Total	7.594.636	1.109.423

Other Non-Current Assets	30 September 2021	31 December 2020
Long term tax claims and other legal receivables	10.475	17.725
Deductible, deferred and other VAT	1.864	1.050
<i>Other non-current assets</i>	121.278	90.731
Total	133.617	109.506

Other Short Term Liabilities	30 September 2021	31 December 2020
Cheques in clearance	3.245.199	1.683.800
Saving deposits insurance	117.230	119.637
Other short term liabilities	699.804	419.364
Total	4.062.233	2.222.801

Other Long Term Liabilities	30 September 2021	31 December 2020
Other long term liabilities	31.346	52.924
Total	31.346	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 30 September 2021 and 31 December 2020 is as follows:

Shareholders:	Share (%)	30 September 2021	Share (%)	31 December 2020
Sakıp Sabancı Holding A.Ş.	14,07	287.100	14,07	287.100
Serra Sabancı	7,22	147.371	7,22	147.371
Suzan Sabancı Dinçer	6,94	141.567	6,94	141.567
Çiğdem Sabancı Bilen	6,94	141.567	6,94	141.567
Other	64,83	1.322.799	64,83	1.322.799
Share capital	100,00	2.040.404	100,00	2.040.404
Repurchased shares (-)		(190.470)		(190.470)
Share premium		22.237		22.237

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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)

As a result of the Board of Directors decision dated 22 December 2015, EXSA Export Sanayi Mamulleri Satış ve Araştırma A.Ş. (Exsa) has started acquiring publicly traded shares of Sabancı Holding in Borsa İstanbul. With these transactions Exsa’s share in Sabancı Holding’s share capital has reached 1,17% as of 30 September 2021. These shares are classified as capital adjustments due to cross-ownership in equity.

Restricted Reserves

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Holding’s paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

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

The details of restricted reserves mentioned above are as follows:

	30 September 2021	31 December 2020
Legal reserves	1.025.782	879.056
Investments sales income	344.487	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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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	(601.541)	(760.100)	(586.249)	1.093.099
Gains transferred to income statement	388.710	510.554	-	-
Net gains & losses included in the ..income statement due to transfer of available for sale financial assets into held to maturity assets	(385.274)	-	-	-
Tax effect	131.583	54.900	128.975	-
Balance as of 30 September 2020	(410.083)	(959.808)	(905.402)	2.781.773

	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	(232.722)	301.657	(377.429)	887.807
Gains transferred to income statement	(155.289)	437.172	-	-
Net gains & losses included in the ..income statement due to transfer of available for sale financial assets into held to maturity assets	(175.740)	-	-	-
Tax effect	112.750	(147.766)	75.486	-
Balance as of 30 September 2021	(243.866)	(233.471)	(1.233.151)	3.572.358

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

1 January - 30 September 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 loss amounting to Total TRY (4.342.038) as of 30 September 2021. (30 September 2020: TRY407.752) In 30 September 2021 and 30 September 2020, operating results of this company reclassified as income/expense from the discontinued operations in consolidated financial statements.

About Nile Kordsa Company for Industrial Fabric, the amount recognised under “Assets Held For Sale” is Total TRY2.582.413 as of 30 September 2021 (31 December 2020: Total TRY2.925.808). The amount recognised under “Liabilities Held For Sale” is Total TRY3.849.357 as of 30 September 2021 (31 December 2020: Total TRY4.026.883).

The sale process of the lands which are not used actively of Çimsa is continue and the remaining part of fixed asset amounting to TRY344.295 has been classified as held for sale (31 December 2020: Total TRY8.522.648)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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)

Fixed assets and other related assets registered in Çimsa books at the locations which Niğde Integrated Cement Factory, Kayseri Integrated Cement Factory, Ankara Cement Grinding Facility and Başakpınar, Ambar, Nevşehir, Cırgalan, Aksaray, Ereğli and Kahramanmaraş Ready-Mixed Concrete Facilities are subject to the necessary legal approvals including the approval of the Competition Authority and subject to adjustments at the closing date to sell amounted by 127 million USD excluding VAT. The Sales Agreement has been signed with Çimko Çimento ve Beton Sanayi Ticaret A.Ş on September 24, 2021.

The asset transfers can be realized after providing the necessary legal approvals, including the approval of the Competition Authority are obtained. Tangible fixed assets and intangible assets classified from fixed assets to held for sale.

Information on other assets held for sale:

	30 September 2021	31 December 2020
Cost	302.610	250.782
Accumulated Depreciation (-)	-	4
Net Book Value	302.610	250.778

	30 September 2021	31 December 2020
Net book value at the beginning of the term	262.226	673.547
Acquisitions	178.024	265.721
Disposals (-), net	124.563	184.122
Impairment (-)	1.629	496.888
Other	166.617	3.968
Net Book Value	480.675	262.226

Other portion of other assets held for sale includes real estates acquired by the bank due to its receivables.

1 January - 30 September 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 loss amounting to Total TRY 407.752 as of 30 September 2020. In 30 September 2020, operating results of this company reclassified as income/expense from the discontinued operations in consolidated financial statements.

About Nile Kordsa Company for Industrial Fabric, the amount recognised under “Assets Held For Sale” is Total TRY10.501.096 as of 30 September 2020. The amount recognised under “Liabilities Held For Sale” is Total TRY3.579.276 as of 30 September 2020.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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

NOTE 19 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for the years ended 30 September 2021 and 2020 are as follows:

	1 January- 30 September 2021	1 January- 30 September 2020	1 April- 30 September 2021	1 April- 30 September 2020
Foreign currency gains resulting from operations	892.173	1.857.246	241.451	421.479
Due date income from trade receivables	75.905	34.720	21.901	10.939
Other income	668.865	271.955	286.508	69.060
Total	1.636.943	2.163.921	549.860	501.478

The details of other expenses from operating activities for the years ended 30 September 2021 and 2020 are as follows

	1 January- 30 September 2021	1 January- 30 September 2020	1 April- 30 September 2021	1 April- 30 September 2020
Foreign currency losses resulting from operations	(548.284)	(1.526.597)	(121.318)	(294.138)
Due date expense from trade receivables	(393.103)	(172.203)	(137.499)	(61.856)
Provision expense	(38.693)	(3.212)	(27.308)	(191)
Other expenses	(439.599)	(231.207)	(215.078)	(95.584)
Total	(1.419.679)	(1.933.219)	(501.203)	(451.769)

DİPNOT 20 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

The details of other income from investing activities for the years ended 30 September 2021 and 2020 are as follows:

	1 January- 30 September 2021	1 January- 30 September 2020	1 April- 30 September 2021	1 April- 30 September 2020
Fair value gain from business combinations	1.359.259	-	1.359.259	-
Profit from sales on property, plant and equipment	126.994	25.362	251	9.906
Income on disposals of subsidiary	92.345	-	92.345	-
Interest income on time deposits	50.365	7.285	47.736	1.996
Dividend income	19.793	4.864	9.063	17
Other income	-	2.946	-	2.946
Total	1.648.756	40.457	1.508.654	14.865

(*) It is the fair value gain arises from Agesa and Aksigorta full consolidation process.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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

DİPNOT 20 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES (Continued)

The details of other expenses from investing activities for the years ended 30 September 2021 and 2020 are as follows:

	1 January- 30 September 2021	1 January- 30 September 2020	1 April- 30 September 2021	1 April- 30 September 2020
Loss on sale of fixed assets	(8.517)	(2.905)	(6.738)	(935)
Other expenses	-	(443)	-	(443)
Total	(8.517)	(3.348)	(6.738)	(1.378)

NOTE 21 - FINANCIAL INCOME AND EXPENSE

	1 January- 30 September 2021	1 January- 30 September 2020	1 April- 30 September 2021	1 April- 30 September 2020
Financial income				
Foreign currency gains	78.088	65.533	17.672	14.107
Interest Income	9.047	3.073	116	578
Other financial income	26.068	-	26.068	-
Total	113.203	68.606	43.856	14.685
Financial expenses				
Foreign currency losses	(157.976)	(196.354)	(17.596)	(85.256)
Interest expense	(531.843)	(472.398)	(192.957)	(160.310)
Other financial expenses	(188.044)	(148.576)	(77.939)	(44.784)
Total	(877.863)	(817.328)	(288.492)	(290.350)

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

NOTE 22 - TAX ASSETS AND LIABILITIES

	30 September 2021	31 December 2020
Corporate and income taxes payable	2.663.892	2.837.819
Less: prepaid taxes	(877.464)	(1.672.762)
Total taxes payable	1.786.428	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 effective tax rate of the fiscal year 2021 is 25% (2020: %22). According to the Law No. 7316, published in the Official Gazette dated 22 April 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.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 - TAX ASSETS AND LIABILITIES (Continued)

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.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 - TAX ASSETS AND LIABILITIES (Continued)

Exemption for investment incentive

The corporate tax rate in Turkey is 25%. However, there is a reduced corporate tax application for investments related to incentive certificate. The two factors that are important in calculating the discounted corporate tax in the Investment Incentive System are the contribution rate to investment and the rate of tax reduction. The amount of contribution of the investments to be met by Government through the tax is defined as the amount of contribution to the investment and dividing this amount by the total amount invested is defined as the rate of contribution to the investment.

These rates are determined by the President according to the sectors and regions. Regulations on Reduced Corporate Tax are included in the Decree No: 2012/3305 of the Council of Ministers and 1 Serial Number of Corporate Tax.

The tax charges for comprehensive income statement items for the periods ended 30 September 2021 and 2020 are as follows:

	30 September 2021			30 September 2020		
	Before tax	Tax charge	After tax	Before tax	Tax charge	After tax
Fair value of financial assets transferred to the other comprehensive income	(1.308.923)	261.785	(1.047.138)	(1.416.825)	311.701	(1.105.124)
Cash flow hedges	1.744.325	(348.865)	1.395.460	(609)	134	(475)
Financial assets related to the hedging of net investment in a foreign operation, after tax	(926.206)	185.241	(740.965)	(1.438.647)	316.502	(1.122.145)
Change in currency translation differences	1.679.796	-	1.679.796	2.520.712	-	2.520.712
Actuarial loss/gain	(50.060)	10.012	(40.048)	(26.323)	5.791	(20.532)
Other Comprehensive Income	1.138.932	108.173	1.247.105	(361.692)	634.128	272.436

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 22 April 2021, corporate tax rate has increased to 25% for the taxation period of 2021 which will start beginning from 1 July 2021. The 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax (Continued)

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 30 September 2021, tax on the income generated for the three-month periods are paid at the rate of 25% (2020: 22%) according to tax legislation and the amounts paid in this manner are deducted from the tax calculated on the annual earnings.

There is no prior’s years losses that deferred tax assets has not calculated. At 30 September 2021, the amount of defered tax assets over carry forward tax losses is TRY1.311.274 which can be offset against future taxable profits for a period of five years (31 December 2020: TRY1.132.506). As of 30 September 2021 and 31 December 2020 carry forward tax losses and the latest annual periods are as follows:

	30 September 2021	31 December 2020
2022	336.323	428.185
2023	127.423	48.623
2024	345.260	469.619
2025	502.268	186.079
Total	1.311.274	1.132.506

Deferred tax assets/(liabilities) for the periods ended 30 September 2021 and 31 December 2020 are as follows:

	30 September 2021	31 December 2020
Deferred Tax Assets	684.136	719.275
Deferred Tax Liabilities	(1.173.974)	(318.277)
Net Deferred Tax Assets/(Liabilities)	(489.838)	400.998

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax (Continued)

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Property, plant and equipment and intangible assets	2.880.493	2.777.892	(576.099)	(682.878)
Inventories	(269.566)	(202.414)	63.273	41.417
Credit risk provision	(18.032.448)	(16.969.515)	3.606.490	3.393.903
Provision for employment termination benefits	(641.069)	(556.370)	128.439	111.280
Provisions for lawsuits	106.681	140.435	(21.336)	(28.087)
Deductible tax losses	(1.280.175)	(1.132.506)	280.565	239.953
Investment incentives	(230.339)	(162.911)	35.760	22.832
Deferred finance income	20.999	18.079	(5.218)	(3.616)
Provisions for bad debt	(52.025)	(12.769)	12.140	2.554
Fair value of derivative instruments	9.900.512	6.424.772	(1.980.102)	(1.284.955)
Financial leasing liabilities	(990.252)	(929.154)	206.052	185.831
Securities valuation	(223.061)	278.946	40.639	(46.848)
Fair value of financial assets and liabilities	25.042	19.756	(5.008)	(3.951)
Provisions for geographical region risk	412.060	399.730	(111.256)	(107.927)
Other	7.173.300	11.336.839	(2.164.177)	(1.438.510)
Deferred tax assets (net)			(489.838)	400.998

The movements in deferred income tax assets/(liabilities) for the periods ended 30 September 2021 and 2020 are as follows:

	2021	2020
1 January	400.998	(383.846)
Business combinations effect	(803.373)	-
Charged to equity	97.956	633.163
Change in foreign currency translation differences	(57.782)	23.100
Disposals of subsidiary	(4.601)	-
Charged to statement of profit or loss	(121.601)	(555.585)
Other	(1.435)	12.165
30 September	(489.838)	(271.003)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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

NOTE 23 - DERIVATIVE FINANCIAL INSTRUMENTS

30 September 2021	Fair Value	
	Asset	Liability
Derivative instruments held for trading:		
Foreign exchange derivative instruments:		
Currency and interest rate swaps purchases and sales transactions	10.519.826	9.628.518
Forward currency purchases and sales transactions	425.670	413.064
Currency purchases and sales options	143.312	240.848
Other purchases and sales transactions	3.215.664	23
Total derivative instruments held for trading	14.304.472	10.282.453
Derivative instruments held for hedging:		
Currency and interest rate swap purchases and sales transactions	8.142.813	854.220
Forward currency purchases and sales transactions	8.561	449
Currency purchases and sales options	-	1.350
Total derivative instruments held for hedging	8.151.374	856.019
Total derivative instruments	22.455.846	11.138.472
31 December 2020	Fair Value	
Derivative instruments held for trading:	Asset	Liability
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
Derivative instruments held for hedging:	Asset	Liability
Currency and interest rate swap purchases and sales transactions	7.969.203	1.439.838
Forward 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 cash flow risk by using interest rate swaps against cash flow risk arising from its financial debts.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS

Banking

Loans and advances to customers	30 September 2021	31 December 2020
Consumer loans and credit cards receivables	85.152.365	65.300.985
Project finance loans	60.468.116	53.711.159
Construction	26.011.094	26.515.968
Financial institutions	21.682.957	17.325.559
Other manufacturing industries	14.976.231	8.985.032
Small-scale enterprises	13.792.640	14.278.017
Chemicals	10.999.135	13.815.777
Mining	10.297.726	7.713.671
Food and beverage, wholesale and retail	8.460.329	7.046.798
Textile	8.025.959	7.102.241
Automotive	6.308.246	7.075.284
Telecommunication	620.049	1.380.550
Other	61.374.152	48.214.932
Total loans and advances to customers	328.168.999	278.465.973
Provision for loan losses	6.045.036	5.582.849
Credit risk provision	(18.138.553)	(16.969.515)
Receivables from insurance sector operations	1.209.670	-
Net loans and advances to customers	317.285.152	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.

Annual effective interest rates of loans and advances granted to clients in USD, EUR, TRY are as follows respectively 5,45% (31 December 2020: 5,15%), 4,15% (31 December 2020: 3,78%) and 16,60% (31 December 2020: 13,21%).

The movement of loan loss provision of banking segment as of 30 September 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	1.522.090	1.104.803	34.761	2.661.654
Collections	(966.938)	(336.242)	(27.920)	(1.331.100)
Written off	(58.220)	(29.373)	(73.923)	(161.516)
30 September 2021	14.270.641	3.540.541	327.371	18.138.553

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

Banking (continued)

The movement of loan loss provision of banking segment as of 30 September 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	4.561.827	884.548	144.303	5.590.678
Collections	(584.648)	(322.809)	(53.708)	(961.165)
Written off	(1.013)	(8.704)	(94.318)	(104.035)
30 September 2020	13.957.043	2.877.527	397.988	17.232.558

The maturity schedule of loans and advances to customers at 30 September 2021 and 31 December 2020 are summarized below:

	30 September 2021	31 December 2020
Up to 3 months	99.984.360	82.574.733
3 to 12 months	87.868.026	65.679.464
Current	187.852.386	148.254.197
1 to 5 years	94.543.404	90.581.839
Over 5 years	27.634.656	22.660.422
Non-current	122.178.060	113.242.261
Total	310.030.446	261.496.458

The repricing schedule of loans and advances to customers at 30 September 2021 and 31 December 2020 are summarized below:

	30 September 2021	31 December 2020
Up to 3 months	140.518.632	124.011.508
3 to 12 months	87.834.933	61.397.260
1 to 5 years	71.495.926	70.433.572
Over 5 years	10.180.955	5.654.118
Total	310.030.446	261.496.458

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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 - PAYABLES FROM FINANCE SECTOR OPERATIONS

Banking

	30 September 2021			31 December 2020		
	Demand	Time	Total	Demand	Time	Total
Saving deposits	61.188.294	153.334.844	214.523.138	53.209.481	129.356.513	182.565.994
Commercial deposits	46.055.045	68.189.230	114.244.275	36.839.963	53.537.708	90.377.671
Bank deposits	1.565.821	9.413.275	10.979.096	280.804	12.293.003	12.573.807
Funds provided from						
repo transactions	-	58.547.024	58.547.024	-	20.478.250	20.478.250
Other	2.684.929	4.867.204	7.552.133	1.394.100	3.051.410	4.445.510
Total	111.494.089	294.351.577	405.845.666	91.724.348	218.716.884	310.441.232

Annual effective interest rate of deposit accounts in USD, Euro and TRY are 0,50% (31 December 2020: 1,83%), 0,16% (31 December 2020: 0,72%) and 17,09% (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 30 September 2021 and 31 December 2020:

	30 September 2021	31 December 2020
No maturity	111.494.089	91.724.348
Up to 3 months	254.542.139	192.614.949
3 to 12 months	31.717.001	15.404.683
1 to 5 years	6.991.438	9.612.044
Over 5 years	1.100.999	1.085.208
Total	405.845.666	310.441.232

NOTE 26 - 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 30 September 2021 and 2020 are as follows:

	30 September 2021	30 September 2020
Short term benefits	53.703	36.522
Benefits resulted from discharge	1.015	798
Other long term benefits	436	377
Total	55.154	37.697

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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

NOTE 27 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS**27.1 Financial Instruments and Financial Risk Management****27.1.1 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.

27.1.1.1 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.

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

	30 September 2021	31 December 2020
Assets	263.958.512	216.553.239
Liabilities	(305.867.940)	(272.353.612)
Net foreign currency balance sheet position	(41.909.428)	(55.800.373)
Off-balance sheet derivative financial instruments position	52.543.952	63.151.207
Net foreign currency balance sheet and off-balance sheet position	10.634.524	7.350.834

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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

NOTE 27 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

27.1 Financial Instruments and Financial Risk Management (continued)

27.1.1 Financial Risk Management (continued)

27.1.1.1 Foreign Exchange Risk (continued)

30 September 2021	Total TRY Equivalent	USD TRY Equivalent	EUR TRY Equivalent	GBP TRY Equivalent	Other TRY Equivalent
Assets:					
Cash and Cash Equivalents	34.803.516	20.432.586	12.577.510	837.408	956.012
Financial Investments	61.132.312	55.281.768	4.213.941	-	1.636.603
Receivables from Financial Operations	114.361.903	42.218.067	72.103.107	2.707	38.022
Reserve Deposits at Central Bank	45.577.772	26.083.827	16.923.389	-	2.570.556
Trade Receivables	1.254.564	549.998	596.380	4.823	103.363
Other Current Assets	6.828.445	5.354.829	1.209.767	213	263.636
Total assets	263.958.512	149.921.075	107.624.094	845.151	5.568.192
Liabilities:					
Funds Borrowed and Debt					
Securities in Issue	68.336.930	56.514.828	11.783.581	-	38.521
Customer Deposits	223.615.158	128.068.558	72.050.106	4.193.951	19.302.543
Trade Payables	639.690	448.624	142.024	1.349	47.693
Other Payables and Provisions	13.276.162	12.028.477	1.154.431	9.263	83.991
Total liabilities	305.867.940	197.060.487	85.130.142	4.204.563	19.472.748
Net foreign currency asset/ (liability)					
position of off-balance sheet derivative	52.543.952	56.247.693	(21.541.317)	3.403.469	14.434.107
Net foreign currency asset/ (liability)					
position of off-balance sheet derivative	10.634.524	9.108.281	952.635	44.057	529.551

Net profit effect of the consolidated to the total net foreign currency position is TRY3.897.243 in the long term as of 30 September 2021 (Akbank and Philsa-Philip Morrissa excluded).

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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

NOTE 27 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

27.1 Financial Instruments and Financial Risk Management (continued)

27.1.1.1 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 Investments	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 of off-balance sheet derivative					
	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 TRY1.138.291 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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

NOTE 27 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

27.1 Financial Instruments and Financial Risk Management (continued)

27.1.1.1 Foreign Exchange Risk (continued)

The foreign exchange risk of Group companies other than that of the banking segment for the years ended 30 September 2021 and 31 December 2020 is summarized as follows:

30 September 2021	Profit/loss	
	Appreciation of foreign currency	Appreciation of foreign currency
Change in USD against TRY by 20%		
USD net assets/liabilities	635.469	(635.469)
Hedged items (-)	-	-
USD net effect	635.469	(635.469)
Change in EUR against TRY by 20%		
EUR net assets/liabilities	(4.582)	4.582
Hedged items (-)	-	-
EUR net effect	(4.582)	4.582
Change in GBP against TRY by 20%		
GBP net assets/liabilities	1.723	(1.723)
Hedged items (-)	-	-
GBP net effect	1.723	(1.723)
Change in other currency against TRY by 20%		
Other currency net assets/liabilities	(558)	558
Hedged items (-)	-	-
Other currency net effect	(558)	558
30 September 2020		
	Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TRY by 20%		
USD net assets/liabilities	349.896	(349.896)
Hedged items (-)	-	-
USD net effect	349.896	(349.896)
Change in EUR against TRY by 20%		
EUR net assets/liabilities	21.605	(21.605)
Hedged items (-)	-	-
EUR net effect	21.605	(21.605)
Change in GBP against TRY by 20%		
GBP net assets/liabilities	704	(704)
Hedged items (-)	-	-
GBP net effect	704	(704)
Change in other currency against TRY by 20%		
Other currency net assets/liabilities	(467)	467
Hedged items (-)	-	-
Other currency net effect	(467)	467

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021

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

NOTE 27 - EVENTS AFTER THE REPORTING PERIOD

Akçansa is one of the subsidiaries of the Group, has been decided to sell 51% of all shares of its subsidiary named Karçimsa Çimento ve Ticaret A.Ş to Beyçim Beton Industry and Trade Limited Company amounted by US\$ 5,000,000 (equivalent to TL 46,512,000 based on the CBRT's foreign exchange selling rate at the agreement signature date), and the sales and share transfer process was completed as of October 22, 2021.

Sabancı Holding and Philip Morris Products S.A. (PM) have decided to apply to the Competition Authority with regard to the contemplated acquisition of Sabancı Holding's entire shares in Philsa Philip Morris Sabancı Sigara ve Tütüncülük Sanayi ve Ticaret A.Ş. (PHILSA) with TRY 750,000 nominal value representing 25% of the share capital and in Philip Morris SA, Philip Morris Sabancı Pazarlama ve Satış A.Ş. (PMSA) with TRY 173,250 nominal value representing 24.75% of the share capital by PM and/or its affiliates for a contemplated consideration of TRY 2,887,000,000. A share sale and purchase agreement will be signed between Sabancı Holding and PM, and the closing procedures will be carried out subject to the Competition Board's approval as well as the satisfaction of other conditions. Under the contemplated closing procedures, PHILSA and PMSA shares owned by Sabancı Holding will be transferred to PM and/or its affiliates, and the acquisition price will be collected by Sabancı Holding on the same day post predetermined adjustments at closing. On the other hand, acquisition price remains subject to certain predetermined adjustments following the end of 2021 fiscal year, and the final acquisition price will be disclosed to public, once determined. In this context, the application before Competition Authority has been made on October 6, 2021 in order to obtain the necessary permits and approvals for the transaction. It is contemplated to sign the share sale and purchase agreement between Sabancı Holding and PM and to complete the share transfers in the last quarter of 2021, provided that the necessary conditions are satisfied, and the relevant permissions and approvals are obtained.

In accordance with the Competition Authority's decision dated 7 May 2020 and numbered 20-23/298-M about Carrefoursa was stated result of investigation on pricing behaviors of supermarket chains and their suppliers operating in the sectors of food retail and cleaning materials during COVID-19 pandemic. On 28 October 2021, It has been decided to impose an administrative fine of 142,469,772.07 TL, approximately 1.8% of Carrefoursa's annual gross income determined by the Competition Board at the end of the fiscal year 2020. None of the issues raised against the Company are accepted by the Company management, and the management will use its legal rights in due time and apply to the judiciary for the annulment of the decision.