

HACI ÖMER SABANCI HOLDİNG A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD 1 JANUARY - 30 SEPTEMBER 2016**

(ORIGINALLY ISSUED IN TURKISH)

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HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2016

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

		Unaudited	Unaudited	Audited
	Note	30 September	30 September	31 December
	References	2016	2016	2015
		USD (*)		
ASSETS				
Current Assets				
		48.585.060	145.555.985	123.206.744
Cash and Cash Equivalents		4.106.167	12.301.667	10.705.724
Financial Assets		1.278.219	3.829.416	1.702.308
- Held for Trading	4.a	13.636	40.852	40.513
- Available for Sale	4.b	1.056.151	3.164.122	1.540.670
- Held to Maturity	4.c	194.399	582.401	121.125
- Time Deposits	4.d	14.033	42.041	-
Trade Receivables		431.474	1.295.649	1.339.757
Receivables from Finance Sector Operations	19	28.627.962	85.766.512	78.541.392
Reserve Deposits with the Central Bank of the Republic of Turkey	6	11.001.576	32.959.623	24.007.327
Other Receivables	18	449.952	1.348.012	1.036.876
Derivative Financial Instruments		1.481.400	4.438.126	2.717.395
Inventories		645.619	1.934.210	2.021.777
Prepaid Expenses		169.293	507.185	338.199
Prepaid Taxes		863	2.585	4.478
Other Current Assets	13	361.955	1.084.382	677.290
		48.555.480	145.467.367	123.092.523
Assets Classified As Held for Sale	15	29.580	88.618	114.221
Non-current Assets				
		48.403.114	145.010.886	142.313.323
Financial Assets		15.389.264	46.104.694	52.415.563
- Available for Sale	4.b	11.934.038	35.753.185	41.848.155
- Held to Maturity	4.c	3.455.032	10.350.929	10.567.408
- Time Deposits	4.d	194	580	-
Trade Receivables		49.718	148.951	46.561
Receivables From Finance Sector Operations	19	28.237.382	84.596.372	75.896.951
Other Receivables	6	246.356	738.058	379.138
Derivative Financial Instruments	18	50.350	150.845	651.367
Investments Accounted Through Equity Method	7	2.033.589	6.092.430	5.970.431
Investment Property		90.051	269.784	292.103
Property, Plant and Equipment	8	1.530.585	4.585.481	4.282.958
Intangible Assets		512.467	1.535.299	1.544.798
- Goodwill	10	338.735	1.014.815	1.014.355
- Other Non-Current Assets	9	173.732	520.484	530.443
Prepaid Expenses		23.262	69.692	55.557
Deferred Tax Assets	17	217.791	652.480	714.698
Other Non-Current Assets	13	22.299	66.800	63.198
Total Assets		96.988.174	290.566.871	265.520.067

These consolidated interim financial statements have been approved for issue by the Board of Directors on 3 November 2016 and signed on its behalf by Zafer Kurtul, Member of Board of Directors and CEO and Barış Oran, Head of Finance.

(*) USD amounts presented above are translated from TL for convenience purposes only, at the official TL exchange rate announced by CBRT at 30 September 2016, and therefore do not form part of these 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 2016

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

	Note	Unaudited 30 September 2016 USD(*)	Unaudited 30 September 2016	Audited 31 December 2015
	References			
LIABILITIES				
Short Term Liabilities		67.282.229	201.570.831	189.599.353
Financial Liabilities	5	2.464.474	7.383.317	8.678.744
Current Portion of Long-term Financial Liabilities	5	4.085.742	12.240.474	12.862.826
Trade Payables		670.812	2.009.685	2.386.775
Payables from Finance Sector Operations	20	56.756.433	170.036.597	156.890.448
Payables related with Employee Benefits	6	18.316	54.873	56.405
Other Payables	18	1.613.287	4.833.246	4.441.032
Derivative Financial Instruments		537.938	1.611.607	1.772.169
Deferred Income		45.645	136.749	164.578
Income Taxes Payable	17	103.014	308.620	402.774
Short Term Provisions		218.939	655.920	606.545
- Short Term Provisions for Employee Benefits		82.433	246.962	238.249
- Other Short Term Provisions	11	136.506	408.958	368.296
Other Short Term Liabilities	13	752.975	2.255.837	1.291.129
		67.267.575	201.526.925	189.553.425
Liabilities Classified as Held for Sale		14.654	43.906	45.928
Long Term Liabilities		15.179.299	45.475.660	35.949.276
Financial Liabilities	5	8.301.961	24.871.845	19.137.143
Trade Payables		72	216	216
Payables from Finance Sector Operations	20	6.325.100	18.949.368	15.532.084
Other Payables	6	262.558	786.597	595.931
Derivative Financial Instruments	18	108.969	326.459	158.960
Deferred Income		39.316	117.787	114.297
Long Term Provisions		100.680	301.630	289.523
- Long Term Provisions for Employee Benefits		98.881	296.239	284.829
- Other Long Term Provisions	11	1.799	5.391	4.694
Deferred Tax Liabilities	17	39.703	118.946	118.323
Other Long Term Liabilities	13	940	2.812	2.799
EQUITY		14.526.646	43.520.380	39.971.438
Equity Attributable To The Parent	14	7.519.980	22.529.108	20.942.594
Share Capital	14	681.065	2.040.404	2.040.404
Adjustments to Share Capital		1.143.817	3.426.761	3.426.761
Share Premium	14	7.422	22.237	22.237
Capital adjustments due to cross-ownership(-)	14	(63.577)	(190.470)	-
Accumulated Other Comprehensive Income or Loss That Will Not Be Reclassified to Profit or Loss		(17.156)	(51.398)	(51.102)
- Actuarial Gain / Loss		(17.156)	(51.398)	(51.102)
Accumulated Other Comprehensive Income or Loss That Will Be Reclassified to Profit or Loss		(56.014)	(125.872)	(332.327)
- Currency Translation Reserve	14	99.676	340.558	283.604
- Hedge Reserve	14	(68.109)	(204.047)	(175.630)
- Revaluation Reserve	14	(87.581)	(262.383)	(440.301)
Restricted Reserves	14	310.520	930.286	892.819
Retained Earnings		4.869.075	14.587.261	12.707.474
Net Income for the Period		644.828	1.889.899	2.236.328
Non-controlling Interests		7.006.666	20.991.272	19.028.844
TOTAL EQUITY AND LIABILITIES		96.988.174	290.566.871	265.520.067

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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 1 JANUARY - 30 SEPTEMBER 2016

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

	Note	Unaudited 1 January - 30 September 2016 USD(*)	Unaudited 1 January - 30 September 2016	Unaudited 1 January - 30 September 2015	Unaudited 1 July - 30 September 2016	Unaudited 1 July - 30 September 2015
	References					
CONTINUING OPERATIONS						
Sales (net)	3	3.136.876	9.193.737	8.281.765	2.882.904	3.068.143
Cost of Sales (-)	3	(2.490.538)	(7.299.413)	(6.417.583)	(2.325.436)	(2.359.320)
Gross Profit from Non-Financial Operations		646.338	1.894.324	1.864.182	557.468	708.823
Interest, Premium, Commission and Other Income	3	5.580.897	16.356.816	13.626.883	5.501.804	4.741.876
Interest, Premium, Commission and Other Expense(-)	3	(3.029.414)	(8.878.781)	(7.516.581)	(3.028.023)	(2.751.941)
Gross Profit from Financial Operations		2.551.483	7.478.035	6.110.302	2.473.781	1.989.935
GROSS PROFIT		3.197.821	9.372.359	7.974.484	3.031.249	2.698.758
General and Administrative Expenses (-)		(1.219.792)	(3.575.036)	(3.702.396)	(1.072.006)	(1.201.763)
Marketing, Selling and Distribution Expenses (-)		(452.584)	(1.326.459)	(1.101.884)	(421.546)	(424.514)
Research and Development Expenses (-)		(1.380)	(4.046)	(2.318)	(1.014)	(920)
Other Income from Operating Activities		292.817	858.206	654.745	186.619	283.617
Other Expense from Operating Activities (-)		(222.238)	(651.349)	(342.020)	(286.830)	(142.386)
Interest in Income of Investments						
Accounted Through Equity Method	7	160.085	469.185	391.513	128.395	63.661
OPERATING PROFIT		1.754.729	5.142.860	3.872.124	1.564.867	1.276.453
Income from Investing Activities		3.674	10.769	163.053	910	3.431
Expense from Investing Activities (-)		(2.733)	(2.149)	(1.583)	(359)	(399)
OPERATING PROFIT BEFORE FINANCIAL EXPENSES		1.757.670	5.151.480	4.033.594	1.565.418	1.279.485
Financial Income	16	15.408	45.159	21.778	4.075	782
Financial Expenses (-)	16	(84.678)	(248.179)	(226.685)	(88.339)	(106.532)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS		1.688.400	4.948.460	3.828.687	1.481.154	1.173.735
Tax Income / (Expense) from Continuing Operations						
Current Income Tax Expense		(338.373)	(991.723)	(668.294)	(266.389)	(199.353)
Deferred Income Tax Benefit	17	25.841	75.737	(20.902)	(33.771)	(21.222)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		1.375.868	4.032.474	3.139.491	1.180.994	953.160
DISCONTINUED OPERATIONS						
Profit After Tax						
From Discontinued Operations	15	(3.760)	(11.020)	117.300	806	1.023
PROFIT FOR THE PERIOD		1.372.108	4.021.454	3.256.791	1.181.800	954.183
ALLOCATION OF PROFIT						
- Non-controlling Interests		727.280	2.131.555	1.570.973	644.547	486.630
- Equity Holders of the Parent		644.828	1.889.899	1.685.818	537.254	467.552
Earnings per share						
- thousands of ordinary shares (TL)		3,16	9,26	5,97	2,63	2,79
Earnings per share from continuing operations						
- thousands of ordinary shares (TL)		3,18	9,32	5,44	2,63	2,33

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 1 JANUARY - 30 SEPTEMBER 2016

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

	Note References	Unaudited 1 January - 30 September 2016	Unaudited 1 January - 30 September 2015	Unaudited 1 July - 30 September 2016	Unaudited 1 July - 30 September 2015
NET INCOME FOR THE PERIOD		4.021.454	3.256.791	1.181.800	954.183
Other Comprehensive Income / (Loss) :					
Items That Will Not Be Reclassified Subsequently To Profit or Loss					
Actuarial gains / (losses)	17	(346)	(999)	(1.103)	1.496
Items That Will Be Reclassified Subsequently To Profit or Loss					
Net unrealized fair value gains/(losses) from available for sale financial assets, after tax	17	617.423	(1.433.857)	(238.447)	(986.456)
Gains/(losses) on available for sale financial assets transferred to the income statement, after tax	17	(242.501)	(136.331)	28.763	(44.006)
Net gains/(losses) included in the income statement due to transfer of available for sale financial assets into held to maturity assets, after tax	17	41.320	22.358	(8.280)	7.118
Currency translation differences	17	134.078	383.058	131.985	248.813
Cash flow hedges, after tax	17	6.110	23.257	15.445	(21.370)
Income / (loss) from the derivative financial assets related to the hedging of net investment in a foreign operation, after tax	17	(54.427)	(119.845)	(45.826)	(98.401)
OTHER COMPREHENSIVE INCOME / (LOSS) (AFTER TAX)		501.657	(1.262.359)	(117.463)	(892.806)
TOTAL COMPREHENSIVE INCOME		4.523.111	1.994.432	1.064.337	61.377
ALLOCATION OF TOTAL COMPREHENSIVE INCOME					
- Non-controlling Interests		2.427.053	813.447	577.117	(33.171)
- Equity Holders of the Parent		2.096.058	1.180.985	487.220	94.548

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 1 JANUARY - 30 SEPTEMBER 2016

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

	Accumulated Other Comprehensive Income or Loss That Will													Total			
	Share Capital	Adjustment to share capital	Capital adjustments due to cross-ownership (-)	Share premium	Not Be Reclassified		Be Reclassified					Equity attributable to the parent	Non-controlling interests				
					to Profit or Loss												
					Actuarial gains/losses	Currency translation reserve	Hedge reserve	Revaluation funds	Restricted reserves	Retained earnings	Net income for the year						
Balances at 1 January 2015	2.040.404	3.426.761		21.670	(10.526)	183.938	(188.975)	(95.908)		855.707	10.865.495	2.079.114	19.177.680	17.680.200	36.857.880		
Transfers	-	-	-	-	-	-	-	-	-	37.713	2.041.401	(2.079.114)	-	-	-		
Increase in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	49.480	49.480		
Change in shareholding structure																	
by the effect of share purchases	-	-	-	-	-	-	-	-	-	-	(3.604)	-	(3.604)	2.702	(902)		
Effect of public offer of joint ventures	-	-	-	-	-	-	-	-	-	-	696	-	696	-	696		
Effect of change in the																	
effective ownership of subsidiaries (*)	-	-	-	-	-	-	-	-	-	-	15.039	-	15.039	179.861	194.900		
Effect of disposal of subsidiaries' shares (**)	-	-	-	-	-	-	-	-	-	-	18.710	-	18.710	(156.965)	(138.255)		
Effect of acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	545	545		
Dividends paid (***)	-	-	-	-	-	-	-	-	-	-	(221.034)	-	(221.034)	(485.554)	(706.488)		
Total comprehensive income	-	-	-	-	(999)	161.320	(34.835)	(630.319)	-	-	1.685.818	1.180.985	1.180.985	813.447	1.994.432		
Balances at 30 September 2015	2.040.404	3.426.761		21.670	(11.525)	345.258	(223.810)	(726.227)		893.420	12.716.703	1.685.818	20.168.472	18.083.816	38.252.288		
Balances at 1 January 2016	2.040.404	3.426.761		22.237	(51.102)	283.604	(175.630)	(440.301)		892.819	12.707.474	2.236.328	20.942.594	19.028.844	39.971.438		
Transfers	-	-	-	-	-	-	-	-	-	37.467	2.198.861	(2.236.328)	-	-	-		
Calling of shares in subsidiaries holding(Note:14)(****)	-	-	(190.470)	-	-	-	-	-	-	-	-	-	(190.470)	-	(190.470)		
The effect of shares sales(*****)	-	-	-	-	-	-	-	-	-	-	6.909	-	6.909	2.945	9.854		
Dividends paid (****)	-	-	-	-	-	-	-	-	-	-	(325.983)	-	(325.983)	(467.569)	(793.553)		
Total comprehensive income	-	-	-	-	(296)	56.954	(28.417)	177.918	-	-	1.889.899	2.096.058	2.096.058	2.427.053	4.523.111		
Balances at 30 September 2016	2.040.404	3.426.761	(190.470)	22.237	(51.398)	340.558	(204.047)	(262.383)		930.286	14.587.261	1.889.899	22.529.108	20.991.272	43.520.380		

- (*) The share transfer agreement was signed on 13 January 2015 regarding the sale of all shares in Group's subsidiary SASA Polyester Sanayi A.Ş, corresponding to 51% of the share capital of the Company, to Erdemoğlu Holding A.Ş. As of 30 April 2015 share transfer has been completed.
- (**) The selling operation of shares in Group's subsidiary Kordsa Global with a nominal value of TL 38.905.814, corresponding to 20%, to domestic and foreign institutional investors on the Wholesale Market of Istanbul Stock Exchange has been completed during the May. As a result of this transaction, Group's share in the capital of Kordsa Global has been decreased from 91, 11% to 71, 11%.
- (***) Dividends paid by the Holding per share with a TL 1 nominal value is TL 0,15 (30 September 2015: TL 0, 10).
- (****) Represents the share of Sabancı Holding of Exsa A.Ş. According to Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. (Exsa)'s Board of Director decision on December 22, 2015, company has started to make repurchasing agreement at BIST (Istanbul Stock Market). Hence; with these transactions Exsa's share at Sabancı Holding reached at 1,17 % as of 30 September 2016. These shares in consolidated equity as capital adjustments due to cross-ownership.
- (*****) Represents call option, which is in Equity of Group's subsidiaries Carrefoursa A.Ş. capital with a rate of 0,14% and nominal value of TL 946 986 was decided to sell the Istanbul Stock Exchange, within a year. In accordance with this decision as of 26, 27, 29 April and 2, 3, 4 and 10 May, 2016 dates regarding the share of Carrefoursa A.Ş. with range of price 6,85-7,88 amount of 946.986 nominal value per share sale was realized. With this transaction, the Group's share in Carrefoursa A.Ş. became 50.61%.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 1 JANUARY - 30 SEPTEMBER 2016

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

	Note References	Unaudited Current Period 1 January- 30 September 2016	Unaudited Prior Period 1 January- 30 September 2015
Net income before tax from continuing operations		4.948.460	3.828.687
Net income before tax from discontinued operations		(11.020)	117.300
Adjustments to reconcile income before taxation to net cash provided by operating activities:			
Depreciation and amortisation expenses	3	421.650	410.577
Provision for loan losses	19	1.676.202	1.911.049
Changes in the fair value of derivative instruments		(1.205.634)	(1.015.474)
Interest income and foreign currency gains		(472.037)	(1.188.761)
Interest expense		155.540	50.115
Provision for employment termination benefits		88.871	114.772
Impairments charge on property, plant and equipment, intangible assets and investment property		82.123	(132)
Income from associates and joint ventures	7	(469.185)	(391.513)
Income from sale of subsidiary		-	(108.409)
Provision for / (reversal of) inventory impairment		(65.774)	6.397
Provision for doubtful receivables		21.171	3.991
Other		6.184	5.780
Net cash provided by operating activities before changes in operating assets and liabilities		5.176.551	3.744.379
Changes in trade receivables		(79.453)	(308.391)
Changes in inventories		153.663	(197.017)
Changes in other receivables and other current assets		(1.261.978)	(1.487.532)
Changes in trade payables		(377.090)	230.719
Changes in other liabilities and other payables		1.573.937	1.836.625
Net cash provided in operating activities of assets classified as held for sale		23.581	-
Currency translation differences		89.743	185.233
Changes in assets and liabilities in finance segment:			
Changes in securities held for trading		(191.144)	(2.306)
Changes in receivables from financial operations		(17.493.788)	(18.934.272)
Changes in payables from financial operations		16.417.400	22.921.457
Central Bank of the Republic of Turkey account		(9.135.622)	(9.777.363)
Income taxes paid		(1.036.914)	(733.826)
Employment termination benefits paid		(79.831)	(96.016)
Net cash provided by / (used) in operating activities		(6.220.945)	(2.618.310)
Cash flows from investing activities:			
Capital expenditures	3	(822.076)	(621.036)
Sale of available for sale and held to maturity financial assets		4.900.158	(4.382.435)
Inflow of property, plant on acquisition of subsidiary		-	(16.586)
Proceeds from sale of non-current assets held for sale, property, plant		88.978	105.925
Dividends received		343.339	409.174
Cash outflow on acquisition of subsidiary	3	-	(447.085)
Effect on acquisition of subsidiary	3	-	(96.467)
Cash provided from the share sale of subsidiary		7.670	194.900
Cash provided from the sale of joint venture		-	277.602
Net cash provided by investing activities		4.518.069	(4.576.008)
Cash flows from financing activities:			
Changes in financial liabilities		3.739.382	8.909.261
Dividends paid		(325.982)	(221.034)
Dividends paid to non-controlling interests		(467.569)	(485.542)
Capital increase in joint venture		-	49.480
Net cash provided by financing activities		2.945.831	8.252.165
Effect of change in foreign currency rates on cash and cash		158.109	850.723
Net increase/(decrease) in cash and cash equivalents		1.401.064	1.908.570
Cash and cash equivalents at the beginning of the period (*)		7.560.688	4.845.065
Cash and cash equivalents at the end of the period		8.961.752	6.753.635

(*) Cash and cash equivalents at the beginning of the period comprise interest accruals of TL 1.973 and cash and cash equivalents at the end of the period comprise interest accruals of TL 802 (Current Period: None). Restricted cash in the banks is not included in the cash and cash equivalents. At the beginning and at the end of the current period, restricted deposit is TL 3.144.450 and TL 3.327.776, respectively (30 September 2015: TL 2.673.688 and TL 4.019.178, respectively). Cash and cash equivalents at the end of the period comprise interest accruals of TL 12.139.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 1 - ORGANISATION AND OPERATIONS OF THE GROUP

Hacı Ömer Sabancı Holding A.Ş. (the "Holding") was established in 1967 to coordinate and perform liaison services regarding the activities of companies operating in various fields including mainly finance, manufacturing and trade. The Holding is registered in Turkey and is owned by the members of the Sabancı family. The number of employees as at 30 September 2016 is 58.251 (31 December 2015: 63.281). Holding's registered address is as follows:

Sabancı Center, 4. Levent, İstanbul, Türkiye.

The Holding is registered with the Capital Markets Board ("CMB") and its shares have been quoted on Borsa İstanbul ("BİST") (previously known as the İstanbul Stock Exchange ("ISE") since 1997. As of 30 September 2016, the principal shareholders and their respective shareholding rates in the Holding are as follows (Note 14):

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

Subsidiaries

As of 30 September 2016, the nature of the business of the Subsidiaries consolidated in these consolidated financial statements and, their respective business segments are as follows:

Subsidiaries	Name of Exchange Traded	Nature of business	Business segment	Number of employees
Akbank T.A.Ş. ("Akbank")	BİST	Banking	Banking	14.086
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. ("Carrefoursa") (*)	BİST	Consumer Goods	Trade of Retailing	11.983
Teknosa İç ve Dış Ticaret A.Ş. ("Teknosa")	BİST	Trade	Retailing	2.775
Çimsa Çimento Sanayi ve Ticaret A.Ş. ("Çimsa")	BİST	Cement and clinker	Cement	2.245
Kordsa Global Endüstriyel İplik ve ve Kord Bezi Sanayi ve Ticaret A.Ş. ("Kordsa Global")	BİST	Tire reinforcement	Industry	3.906
Temsa Global Sanayi ve Ticaret A.Ş. ("Temsa")	-	Automotive	Industry	1.766
Yünsa Yünlü Sanayi ve Ticaret A.Ş. ("Yünsa")	BİST	Textile	Industry	1.232
Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. ("Exsa")	-	Trade	Other	9
Ankara Enternasyonel Otelcilik A.Ş. ("AEO")	-	Tourism	Other	3
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. ("Tursa")	-	Tourism	Other	6
Bimsa Uluslararası İş, Bilgi ve Yönetim Sistemleri A.Ş. ("Bimsa")	-	Trade of data and processing systems	Other	218

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

For the purposes of segment information, Holding's stand-alone financial statements have been included within the "Other" business segment in Note 3.

Joint Ventures

As of 30 September 2016, the nature of business and operating segments of the Joint Ventures which are accounted through equity method in the consolidated financial statements are as follows:

Joint Ventures	Name of exchange traded	Nature of business	Segment	Ventures	Number of employees
Aksigorta A.Ş. ("Aksigorta")	BİST	Insurance	Insurance	Ageas	603
Avivasa Emeklilik ve Hayat A.Ş. ("Avivasa")	BİST	Pension	Insurance	Aviva	1.644
Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. ("Brisa")	BİST	Tire	Industry	Bridgestone	2.166
Akçansa Çimento Sanayi ve Ticaret A.Ş. ("Akçansa")	BİST	Cement and clinker	Cement	Heidelberg	2.723
Enerjisa Enerji A.Ş. ("Enerjisa Enerji")	-	Energy	Energy	E.ON SE	9.314
Temsa İş Makinaları	-	Automotive	Industry	Marubeni	165
Temsa Mısır	-	Automotive	Industry	Lasheen	-

All joint ventures except Temsa Mısır are registered in Turkey. Temsa Mısır is registered in Egypt.

Affiliates

As of 30 September 2016, the nature of business and operating segments of the Affiliates which are accounted through equity method in the consolidated financial statements are as follows:

Associates	Name of Exchange traded	Nature of business	Segment	Ventures	Number of employees(*)
Philsa Philip Morris Sabancı Sigara ve Tütün San. Ve Tic. A.Ş (Philsa)	-	Tobacco products production	Industry	Philip Morris	2.961
Philip Morris Sabancı Pazarlama Satış A.Ş. ("Philip Morrissa")	-	Tobacco products marketing and sales	Industry	Philip Morris	

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 *Basis of Presentation*

2.1.1 Statement of Compliance to TAS

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

The attached consolidated financial statements are prepared in accordance with the decree Series II No: 14.1 "Principals Relating to the Financial Reporting Standards in Capital Markets" ("Decree") issued by Capital Markets Board ("CMB") on 13 June 2013 and published in the Official Gazette numbered 28676 and are based on the Turkish Accounting Standards ("TAS") and relating interpretations which became effective with the 5th Article of the Decree in consideration by Public Oversight Accounting and Auditing Standards Authority.

Additionally, the consolidated financial statements and disclosures are presented in accordance with the formats published by CMB on 7 June 2013. 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.

The Group issued the condensed financial statements as of 30 September 2016 in accordance with Turkish Accounting Standard No: 34 "Interim Financial Reporting".

Based on this Communique, explanations and disclosures which are required in the annual consolidated financial statements prepared in accordance with TAS have been summarized or not presented to comply with TAS 34. The accompanying condensed interim consolidated financial statements should be read in conjunction with the consolidated statements for the year ended 31 December 2015. Interim financial results are not solely indicators of the results for the year end.

Preparation of Financial Statements in Hyperinflationary Periods

Based on CMB's resolution No: 11/367 issued on 17 March 2005, companies operating in Turkey and preparing their financial statements in accordance with the POA Accounting Standards are not subject to inflation accounting effective from 1 January 2005. Therefore, starting from January 2005, TAS 29 "Financial Reporting in Hyperinflationary Economies" is not applied in the accompanying consolidated financial statements.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

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

2.1 Basis of Presentation (continued)

Functional and Presentation Currency

Items included in the financial statements of each Group entity are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (functional currency). The financial position and operation results of each entity are presented in Turkish Lira, which is the functional currency of the consolidated financial statements of the Group.

2.1.2 New and Revised Turkish Accounting Standards

(a) Amendments to TAS affecting amounts reported in the consolidated financial statements

None.

(b) New and revised TAS applied with no material effect on the consolidated financial statements

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

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

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

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

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016**

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

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

2.1 Basis of Presentation (continued)

2.1.2 New and Revised Turkish Accounting Standards (continued)

(b) New and revised TAS applied with no material effect on the consolidated financial statements (continued)

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

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

- apply all of the business combinations accounting principles in TFRS 3 and other TAS, except for those principles that conflict with the guidance in TFRS 11,
- disclose the information required by TFRS 3 and other TAS for business combinations.

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

Annual Improvements 2011-2013 Cycle

TFRS 1: Clarify which versions of TAS can be used on initial adoption (amends basis for conclusions only).

Amendments to TAS 1 Disclosure Initiative

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

Annual Improvements 2012-2014 Cycle

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

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

Annual Improvements 2012-2014 Cycle (continued)

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

Annual Improvements to 2012-2014 Cycle also led to amendments in related provisions of TAS 19

Amendments to TAS 27 Equity Method in Separate Financial Statements

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016**

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

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

2.1 Basis of Presentation (continued)

2.1.2 New and Revised Turkish Accounting Standards (continued)

(b) New and revised TAS applied with no material effect on the consolidated financial statements (continued)

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

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

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

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

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

TFRS 14 Regulatory Deferral Accounts

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

TFRS 14 also led to amendments in related provisions of TFRS 1.

c) New and revised standards in issue but not yet effective

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

TFRS 9	<i>Financial Instruments</i>
Amendments to TFRS 9 and TFRS 7	<i>Mandatory Effective Date of TFRS 9 and Transition Disclosures</i>
TFRS 15	<i>Revenue from Contracts with Customers</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2018.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016**

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

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

2.1 Basis of Presentation (continued)

2.1.2 New and Revised Turkish Accounting Standards (continued)

c) New and revised standards in issue but not yet effective (continued)

TFRS 9 Financial Instruments

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

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

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

TFRS 15 Revenue from Contracts with Customers

TFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contracts,
- Recognise revenue when the entity satisfies a performance obligation.

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

2.1.3 Basis of Consolidation

- a) The consolidated financial statements include the accounts of the parent company, Hacı Ömer Sabancı Holding A.Ş., its Subsidiaries and Joint Ventures (collectively referred to as the "Group") on the basis set out in sections (b) to (f) below. The financial statements of the companies included in the scope of consolidation have been prepared at the date of the consolidated financial statements, and are prepared in accordance with 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 in which the Holding has the power to control the financial and operating policies for the benefit of the Holding either through the power to exercise more than 50% of the voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and/or certain Sabancı family members and companies whereby the Holding exercises control over the voting rights of the shares held by them.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

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

2.1 Basis of Presentation (continued)

2.1.3 Basis of Consolidation (continued)

- 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 TAS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The table below sets out all consolidated Subsidiaries and shows the proportion of ownership interest and the effective interest of the Holding in these subsidiaries at 30 September 2016 and 31 December 2015:

Subsidiaries	30 September 2016		31 December 2015	
	Direct and indirect ownership interest by the Holding and its Subsidiaries %	Proportion of ownership interest %	Direct and indirect ownership interest by the Holding and its Subsidiaries %	Proportion of ownership interest %
AEO	76,85	76,85	76,85	76,85
Akbank	40,75	40,75	40,75	40,75
Bimsa	100,00	100,00	100,00	100,00
Çimsa	58,41	53,00	58,41	53,00
Exsa	61,68	46,23	61,68	46,23
Kordsa Global	71,11	71,11	71,11	71,11
Teknosa	60,29	60,29	60,29	60,29
Temsa	48,71	48,71	48,71	48,71
Tursa	100,00	100,00	100,00	100,00
Yünsa	57,88	57,88	57,88	57,88
Carrefoursa(*)	50,61	50,61	50,74	50,74

(*) Represents call option, which is in Equity of Group's subsidiaries Carrefoursa capital with a rate of 0.14% and nominal value of TL 946.986 was decided to sell the Istanbul Stock Exchange within a year. In accordance with this decision, 26, 27, 29 April and 2, 3, 4 and May 10, 2016 date regarding the share of Carrefoursa Inc. with range of price 6,85-7,88 amount of 946.986 nominal value per share sale was realized. Carrefoursa With this transaction the Group's share in Carrefoursa A.Ş. became 50.61%.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

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

2.1 Basis of Presentation (continued)

2.1.3 Basis of Consolidation (continued)

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

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.

Financial statements of Subsidiaries whose financial position at 30 September 2016 and result of operations for period ended 30 September 2016 are insignificant to the overall consolidated financial statements, are not consolidated on the grounds of materiality. Such Subsidiaries are classified as available for sale equity securities in these consolidated financial statements.

- 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 2016 and 31 December 2015:

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

Investments regarding to joint ventures are consolidated by equity interest purchase method. Sabancı Family members do not have any interest in the share capital of the Joint Ventures.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

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

2.1 Basis of Presentation (continued)

2.1.3 Basis of Consolidation (continued)

- f) Investments in Associates are accounted for by the equity method. These are companies where the Group has significant influence rather than control over the business operations. Unrealized gains that result from intercompany transactions between the Holding and its Associates are eliminated on consolidation considering the Group share, whereas unrealized losses are eliminated unless they do not address any impairment. Equity accounting is not applied for Investments in Associates if the carrying amount of the investment in an Associate reaches zero, unless the Holding has incurred obligations or guaranteed obligations in respect of the Associates.

The table below sets out all Associates and shows the total interest of the Holding in these associates at 30 September 2016 and 31 December 2015:

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

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

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

2.1.4 Offsetting

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

2.1.5 Comparatives and Restatement of Prior Year Financial Statements

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

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

2.1 *Basis of Presentation (continued)*

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

The consolidated financial statements of the Group are prepared comparatively to evaluate financial position and performance trends. The Group presented the consolidated balance sheet as of 30 September 2016 comparatively with the consolidated balance sheet as of 31 December 2015 and presented the consolidated statement of profit or loss, statement of other comprehensive income, statement of cash flows and statement of changes in equity for the period 1 January-30 September 2016 comparatively with the year 1 January-30 September 2015.

According to The Group's Board of Management decision numbered 2015/29 dated 31 December 2015, shares belonging to company partners, Nile Kordsa Company for Industrial Fabrics S.A.E. and Interkordsa GmbH with %51 and %100 of rates respectively, would be classified as "Assets Held for Sale" in the balance sheet as of 31 December 2015. Hence, these companies were classified as "Assets Held for Sale" in preparation for financial tables in 30 September 2016.

As of 30 September 2016; the operating loss of Kordsa Global's subsidiary Nile Kordsa Company for Industrial Fabrics S.A.E. is Full TL 6.503.673 (30 September 2015: Full TL 8.538.648 Profit).In the consolidated financial statements; operating results of the company (Nile Kordsa) reclassified as discontinued operations income/expenditure.

As of 30 September 2016; the operating loss of Kordsa Global's subsidiary InterKordsa GmbH is Full TL 4.516.472 (30 September 2015: Full TL 352.164 Profit).In the consolidated financial statements as of 30 September 2016 and 30 September 2015; operating results of the company (InterKordsa) reclassified as discontinued operations income/expenditure.

2.2 *Changes in Accounting Policies and Estimates and Errors*

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

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

When a significant accounting error is identified, it is corrected retrospectively and the prior year financial statements are restated. The Group did not detect any significant accounting error in the current period.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016**

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.3 Summary of Significant Accounting Policies**

The condensed consolidated interim financial statements for the period ended 30 September 2016 have been prepared in accordance with TAS 34, the standard on the preparation and presentation of interim period financial statements. The accounting policies used in the preparation of the condensed Interim consolidated financial statements for the period ended 30 September 2016 are consistent with those used in the preparation of consolidated financial statements for the year ended 31 December 2015. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the consolidated statements for the year ended 31 December 2015.

2.4 Critical Accounting Estimates and Assumptions

The preparation of consolidated financial statements in conformity with CMB 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.

NOTE 3 - SEGMENT REPORTING

Holding key management reviews the results and performance of its reportable operating segments based on EBITDA (earnings before interest, foreign currency gains and losses and due date income and expenses as part of other operating income and expenses and depreciation and 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 2016	1 January - 30 September 2015
Finance / Banking	16.356.815	13.626.883
Industry	2.530.653	2.383.509
Retail	5.646.726	4.945.163
Cement	880.846	865.167
Other	135.513	87.926
Total (*)	25.550.553	21.908.648

(*) 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 2016

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

NOTE 3 - SEGMENT REPORTING (Continued)

b) Segment assets (Consolidated):

	30 September 2016	31 December 2015
Finance / Banking	274.637.265	249.810.125
Industry	3.687.177	3.398.365
Retail	3.446.492	4.141.514
Cement	2.122.138	1.834.129
Other	1.931.900	1.680.947
Segment assets (*)	285.824.972	260.865.080
Assets classified as held for sale	88.618	114.221
Investments accounted through equity method (Note 7)	6.092.430	5.970.431
Unallocated assets	595.083	659.011
Less: intersegment eliminations	(2.034.232)	(2.088.679)
Total assets as per consolidated financial statements	290.566.871	265.520.067

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

c) Segment Liabilities (Consolidated):

	30 September 2016	31 December 2015
Banking	242.399.502	221.272.563
Industry	1.882.601	1.749.732
Retail	3.204.857	3.175.204
Cement	946.822	655.160
Other	162.003	213.034
Segment liabilities (*)	248.595.785	227.065.693
Assets classified as held for sale	43.906	45.928
Unallocated Liabilities	427.566	521.097
Less: intersegment eliminations	(2.020.766)	(2.084.088)
Total liabilities as per consolidated financial statements	247.046.491	225.548.629

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 3 - SEGMENT REPORTING (Continued)

d) The balance sheet items by segment:

i) Banking:

	Combined(*) 30 September 2016	Consolidated(**) 30 September 2016	Combined(*) 31 December 2015	Consolidated(**) 31 December 2015
Cash and cash equivalents	12.062.430	12.062.430	10.281.373	10.281.373
Financial assets	49.923.395	49.923.395	54.117.316	54.117.316
Derivative financial instruments	4.572.964	4.572.964	3.348.524	3.348.524
Reserve deposits with the Central Bank of Republic of Turkey	32.959.623	32.959.623	24.007.327	24.007.327
Receivables from finance sector operations	170.820.019	170.820.019	154.949.086	154.949.086
Property, plant and equipment	736.909	736.909	794.420	794.420
Intangible assets	226.197	226.197	224.105	224.105
Other receivables and other assets (***)	3.335.728	3.335.728	2.087.974	2.087.974
Total segment assets	274.637.265	274.637.265	249.810.125	249.810.125
Financial liabilities	41.713.919	41.713.919	38.667.696	38.667.696
Payables from finance sector operations	190.545.494	190.545.494	173.974.782	173.974.782
Derivative financial instruments	1.936.162	1.936.162	1.926.811	1.926.811
Other payables and other liabilities (***)	8.203.927	8.203.927	6.703.274	6.703.274
Total segment liabilities	242.399.502	242.399.502	221.272.563	221.272.563

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

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

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

Banking segment consists of Akbank. Akbank's accumulated non-controlling interests calculated from its financial statements amount to TL 19.179.058 as of 30 September 2016 (31 December 2015: TL 17.042.439).

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

ii) Insurance:

	Combined(*) 30 September 2016	Consolidated(**) 30 September 2016	Combined(*) 31 December 2015	Consolidated(**) 31 December 2015
Cash and cash equivalents	1.437.289	-	1.006.854	-
Financial assets	778.203	-	1.020.931	-
Receivables from finance sector operations	355.174	-	550.954	-
Investments accounted through equity method (Note 7)	-	318.332	-	285.821
Property, plant and equipment	32.585	-	30.316	-
Intangible assets	51.361	-	47.788	-
Other receivables and other assets (***)	1.095.340	-	904.056	-
Total segment assets	3.749.952	318.332	3.560.899	285.821
Payables from finance sector operations	2.715.872	-	2.572.188	-
Other payables and other liabilities (***)	204.099	-	270.915	-
Total segment liabilities	2.919.971	-	2.843.103	-

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

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

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

Insurance segment consist of Aksigorta and Avivasa.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

iii) Energy:

	Combined(*)	Consolidated(**)	Combined(*)	Consolidated(**)
	30 September 2016	30 September 2016	31 December 2015	31 December 2015
Cash and cash equivalents	211.256	-	257.870	-
Financial assets	836	-	836	-
Trade receivables	2.068.220	-	1.987.498	-
Inventories	181.672	-	141.679	-
Investments accounted through equity method (Note 7)	-	4.829.000	-	4.719.888
Property, plant and equipment	10.303.372	-	10.023.084	-
Intangible assets	5.964.905	-	6.116.884	-
Other receivables and other assets (***)	8.442.142	-	7.760.894	-
Total segment assets	27.172.403	4.829.000	26.288.745	4.719.888
Financial liabilities	13.065.196	-	11.414.179	-
Payables to Privatization Administration	-	-	1.188.456	-
Trade payables	1.292.015	-	1.242.519	-
Other payables and other liabilities (***)	2.563.883	-	2.472.887	-
Total segment liabilities	16.921.094	-	16.318.041	-

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

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

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

Energy segment consists of Enerjisa and its subsidiaries.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

iv) Industry:

	Combined(*)	Consolidated(**)	Combined(*)	Consolidated(**)
	30 September 2016	30 September 2016	31 December 2015	31 December 2015
Cash and cash equivalents	110.200	43.542	89.391	28.841
Financial assets	116	116	104	104
Trade receivables	1.845.008	991.985	1.722.989	930.694
Inventories	1.313.492	957.789	1.186.737	829.104
Investments accounted through equity method (Note 7)	329.575	548.433	275.573	558.031
Property, plant and equipment	2.246.859	1.276.362	1.879.884	1.188.731
Intangible assets	227.429	180.023	223.508	175.156
Other receivables and other assets (***)	548.033	325.978	542.650	359.958
Total segment assets	6.620.712	4.324.228	5.920.836	4.070.619
Financial liabilities	2.776.000	1.227.164	2.252.221	1.151.147
Trade payables	702.388	408.535	625.739	355.601
Other payables and other liabilities (***)	460.429	290.809	393.909	288.911
Total segment liabilities	3.938.817	1.926.508	3.271.869	1.795.659

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

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

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

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

v) Retail:

	Combined(*) 30 September 2016	Consolidated(**) 30 September 2016	Combined(*) 31 December 2015	Consolidated(**) 31 December 2015
Cash and cash equivalents	241.963	241.963	579.374	579.374
Trade receivables	97.396	97.396	81.557	81.557
Inventories	876.113	876.113	1.094.659	1.094.659
Investment property	190.690	190.690	193.873	193.873
Property, plant and equipment	970.345	970.345	1.107.403	1.107.403
Intangible assets	84.875	84.875	100.122	100.122
Other receivables and other assets (***)	924.272	985.109	923.690	984.526
Total segment assets	3.385.654	3.446.491	4.080.678	4.141.514
Financial liabilities	1.268.793	1.268.793	990.803	990.803
Trade payables	1.450.917	1.450.917	1.780.732	1.780.732
Other payables and other liabilities (***)	485.145	485.145	403.668	403.668
Total segment liabilities	3.204.855	3.204.855	3.175.203	3.175.203

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

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

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

Retailing segment consists of Teknosa and Carrefoursa.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

vi) Cement:

	Combined(*) 30 September 2016	Consolidated(**) 30 September 2016	Combined(*) 31 December 2015	Consolidated(**) 31 December 2015
Cash and cash equivalents	70.472	48.551	249.187	234.263
Financial assets	162.783	64	162.783	64
Trade receivables	792.730	343.961	731.605	324.649
Inventories	229.203	99.853	231.269	96.065
Investments accounted through equity method (Note 7)	-	396.666	-	406.691
Property, plant and equipment	2.122.799	1.360.382	1.685.449	944.201
Intangible assets	56.209	17.634	61.733	19.363
Other receivables and other assets (***)	394.305	251.692	363.203	215.523
Total segment assets	3.828.501	2.518.803	3.485.229	2.240.819
Financial liabilities	994.635	734.824	490.602	377.658
Trade payables	340.553	144.433	475.337	204.388
Other payables and other liabilities (***)	133.738	67.565	132.335	73.114
Total segment liabilities	1.468.926	946.822	1.098.274	655.160

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

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

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

Cement segment consists of Akçansa and Çimsa.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

vii) Other:

	Combined(*) 30 September 2016	Consolidated(**) 30 September 2016	Combined(*) 31 December 2015	Consolidated(**) 31 December 2015
Cash and cash equivalents	1.461.805	1.461.805	1.128.910	1.128.910
Financial assets	11.786.005	10.535	11.588.882	388
Trade receivables	20.930	19.966	65.838	64.321
Inventories	455	455	1.949	1.949
Property, plant and equipment	258.966	222.898	265.685	229.618
Intangible assets	11.790	11.790	11.733	11.733
Other receivables and other assets (***)	145.130	204.451	184.153	244.028
Total segment assets	13.685.081	1.931.900	13.247.150	1.680.947
Financial liabilities	7.951	7.951	-	-
Trade payables	14.807	14.808	65.231	65.231
Other payables and other liabilities (***)	132.996	151.025	147.802	147.802
Total segment liabilities	155.754	173.784	213.033	213.033

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

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

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

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

	1 January - 30 September 2016			1 January - 30 September 2015		
	Total Consolidation of Segments Before Elimination	Elimination and Consolidation Adjustments	Consolidated	Total Consolidation of Segments Before Elimination	Elimination and Consolidation Adjustments	Consolidated
Total revenue	25.612.939	(62.385)	25.550.554	21.957.961	(49.315)	21.908.646
Cost of sales and interest, premiums, commissions and other expenses	(16.313.521)	135.327	(16.178.194)	(14.077.120)	142.956	(13.934.164)
General administration expenses	(3.622.181)	47.145	(3.575.036)	(3.729.274)	26.879	(3.702.395)
Sales, marketing and distribution expenses	(1.327.627)	1.168	(1.326.459)	(1.103.201)	1.317	(1.101.884)
Research and development expenses	(4.046)	-	(4.046)	(2.318)	-	(2.318)
Other operating income/(expense) - net	250.864	(44.009)	206.855	340.737	(28.012)	312.725
Interest in income of joint ventures	469.184	1	469.185	391.513	-	391.513
Operating profit	5.065.612	77.247	5.142.859	3.778.298	93.824	3.872.123
Income/(expense) from investing activities - net	113.289	(104.670)	8.619	286.956	(125.486)	161.470
Operating profit before financial expense	5.178.901	(27.423)	5.151.478	4.065.254	(31.662)	4.033.593
Financial income/(expense) - net	(226.953)	23.935	(203.018)	(229.428)	24.523	(204.905)
Income before tax	4.951.948	(3.488)	4.948.460	3.835.826	(7.139)	3.828.688
Tax	(915.986)	-	(915.986)	(689.196)	-	(689.196)
Profit/(loss) after tax from discontinued operations	(11.020)	-	(11.020)	117.300	-	117.299
Income for the period	4.024.942	(3.488)	4.021.454	3.263.930	(7.139)	3.256.791
Net income attributable to equity holders of the parent			1.889.899			1.685.818

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 3 - SEGMENT REPORTING (Continued)

f) The income statement items by segment:

i) Banking:

	Combined(*) 30 September 2016	Consolidated(**) 30 September 2016	Combined(*) 30 September 2015	Consolidated(**) 30 September 2015
Interest, commission and other income	16.388.260	16.388.260	13.649.022	13.649.022
Interest, commission and other expenses	(8.992.841)	(8.992.841)	(7.647.899)	(7.647.899)
General administration expenses	(3.275.284)	(3.275.284)	(3.395.108)	(3.395.108)
Other operating income/(expense) - net	557.455	557.455	289.400	289.400
Operating profit	4.677.590	4.677.590	2.895.415	2.895.415
Income/(expense) from investing activities - net	2.599	2.599	2.264	2.264
Operating profit before financial expense	4.680.189	4.680.189	2.897.679	2.897.679
Income before tax	4.680.189	4.680.189	2.897.679	2.897.679
Tax	(953.753)	(953.753)	(598.187)	(598.187)
Net income	3.726.436	3.726.436	2.299.492	2.299.492
Net income attributable to equity holders of the parent		1.518.519		937.041
EBITDA	4.834.551	4.834.551	3.064.000	3.064.000

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

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

Akbank's net income attributable to non-controlling interest is TL 2.207.917 as of 30 September 2016 (30 September 2015: TL 1.362.451).

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

ii) Insurance:

	Combined(*) 30 September 2016	Consolidated(**) 30 September 2016	Combined(*) 30 September 2015	Consolidated(**) 30 September 2015
Gross premiums	1.598.010	-	1.429.079	-
Premiums, commission and other expenses	(1.417.896)	-	(1.353.811)	-
General administration expenses	(260.650)	-	(230.821)	-
Other operating income/(expense) -net	204.584	-	307.292	-
Interest in income of joint ventures	-	44.019	-	49.194
Operating profit	124.048	44.019	151.739	49.194
Income/(expense) from investing activities – net	20.744	-	17.022	-
Operating profit before financial expense	144.792	44.019	168.761	49.194
Financial income/(expense) – net	395	-	(8.742)	-
Profit before tax	145.187	44.019	160.019	49.194
Tax	(29.688)	-	(35.532)	-
Net income	115.499	44.019	124.487	49.194
Net income attributable to equity holders of the parent		44.019		49.194
EBITDA	126.388		127.152	

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

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

iii) Energy:

	Combined(*) 30 September 2016	Consolidated(**) 30 September 2016	Combined(*) 30 September 2015	Consolidated(**) 30 September 2015
Sales revenue (net)	9.265.271	-	8.603.086	-
Cost of sales	(6.990.669)	-	(6.901.884)	-
General administration expenses	(945.927)	-	(782.915)	-
Other operating income/(expense) -net	20.846	-	205.089	-
Interest in income of joint ventures (Footnote 7)	-	104.417	-	75.693
Operating profit	1.349.521	104.417	1.123.376	75.693
Operating profit before financial expense	1.349.521	104.417	1.123.376	75.693
Financial income/(expense) - net	(968.404)	-	(844.955)	-
Profit before tax	381.117	104.417	278.421	75.693
Tax	(172.283)	-	(127.035)	-
Net income	208.834	104.417	151.386	75.693
Net income attributable to equity holders of the parent		104.417		75.693
EBITDA	1.665.579		1.386.218	

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

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

iv) Industry:

	Combined(*)	Consolidated(**)	Combined(*)	Consolidated(**)
	30 September 2016	30 September 2016	30 September 2015	30 September 2015
Sales revenue (net)	3.803.266	2.530.875	3.665.971	2.383.522
Cost of sales	(2.932.774)	(2.037.474)	(2.839.433)	(1.931.277)
General administration expenses	(175.609)	(101.676)	(151.267)	(88.594)
Sales, marketing and distribution expenses	(320.853)	(139.328)	(280.101)	(124.073)
Research and development expenses	(16.430)	(4.046)	(15.538)	(2.318)
Other operating income/(expense) -net	71.177	39.302	119.755	79.927
Shares of profit of joint ventures	215.154	235.275	136.177	186.753
Operating profit	643.931	522.928	635.564	503.940
Income/(expense) from investing activities - net	3.743	3.585	16.656	16.770
Operating profit before financial expense	647.674	526.513	652.220	520.710
Financial income/(expense) - net	(158.887)	(65.006)	(206.590)	(134.513)
Profit before tax	488.787	461.507	445.630	386.197
Tax	(37.076)	(34.982)	(29.062)	(34.193)
Profit/(loss) after tax from discontinued operations	(11.020)	(11.020)	117.300	117.300
Net income	440.691	415.505	533.868	469.304
Net income attributable to equity holders of the parent		332.352		388.743
EBITDA	705.493	559.803	696.807	514.594

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

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

v) Retail:

	Combined(*) 30 September 2016	Consolidated(**) 30 September 2016	Combined(*) 30 September 2015	Consolidated(**) 30 September 2015
Sales revenue (net)	5.655.418	5.650.906	4.953.295	4.949.052
Cost of sales	(4.596.584)	(4.592.348)	(3.830.300)	(3.826.057)
General administration expenses	(126.835)	(126.559)	(132.973)	(132.973)
Sales, marketing and distribution expenses	(1.176.454)	(1.176.454)	(969.801)	(969.801)
Other operating income/(expense) - net	(370.940)	(370.940)	(62.345)	(62.345)
Operating profit	(615.395)	(615.395)	(42.124)	(42.124)
Income/(expense) from investing activities - net	828	828	140.401	140.401
Operating profit before financial expense	(614.567)	(614.567)	98.277	98.277
Financial income/(expense) - net	(131.414)	(131.414)	(58.407)	(58.407)
Profit before tax	(745.981)	(745.981)	39.870	39.870
Tax	144.544	144.544	(1.000)	(1.000)
Net income	(601.437)	(601.437)	38.870	38.870
Net income attributable to equity holders of the parent		(320.929)		18.053
EBITDA	(427.832)	(427.832)	99.884	99.884

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

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

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

vi) Cement:

	Combined(*) 30 September 2016	Consolidated(**) 30 September 2016	Combined(*) 30 September 2015	Consolidated(**) 30 September 2015
Sales revenue (net)	1.969.069	880.879	1.935.809	865.245
Cost of sales	(1.349.990)	(579.842)	(1.332.458)	(580.363)
General administration expenses	(91.154)	(47.403)	(79.779)	(42.478)
Sales, marketing and distribution expenses	(20.150)	(7.061)	(17.576)	(5.441)
Other operating income/(expense) - net	13.614	18.305	27.045	27.679
Interest in income of joint ventures	-	85.473	-	79.872
Operating profit	521.389	350.351	533.041	344.514
Income/(expense) from investing activities - net	34.796	1.893	7.238	2.275
Operating profit before financial expense	556.185	352.244	540.279	346.789
Financial income/(expense) - net	(56.233)	(30.088)	(51.121)	(29.998)
Profit before tax	499.952	322.156	489.158	316.791
Tax	(94.691)	(47.286)	(96.747)	(47.324)
Net income	405.261	274.870	392.411	269.467
Net income attributable to equity holders of the parent		182.245		178.456
EBITDA	596.463	372.337	601.122	362.344

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

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

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

vii) Other:

	Combined(*) 30 September 2016	Consolidated(**) 30 September 2016	Combined(*) 30 September 2015	Consolidated(**) 30 September 2015
Sales revenue (net)	920.577	162.019	938.022	111.120
Cost of sales	(111.226)	(111.016)	(91.629)	(91.524)
General administration expenses	(75.377)	(71.259)	(74.775)	(70.121)
Sales, marketing and distribution expenses	(4.784)	(4.784)	(3.886)	(3.886)
Other operating income/(expense) - net	10.692	6.742	6.299	6.076
Operating profit	739.882	(18.298)	774.031	(48.335)
Income/(expense) from investing activities - net	104.384	104.384	125.246	125.246
Operating profit before financial expense	844.266	86.086	899.277	76.911
Financial income/(expense) – net	(445)	(445)	(6.511)	(6.511)
Profit before tax	843.821	85.641	892.766	70.400
Tax	(24.509)	(24.509)	(8.492)	(8.492)
Net income	819.312	61.132	884.274	61.908
Net income attributable to equity holders of the parent		29.276		38.638
EBITDA	758.109	3	790.239	(32.538)

(*) 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 2016**

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

NOTE 3 - SEGMENT REPORTING (Continued)

f) Net profit attributable to equity holders of the parent

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

	30 September 2016	30 September 2015
Banking	1.487.671	937.041
Insurance	51.066	49.194
Industry	342.198	271.904
Cement	173.506	178.136
Energy	89.207	9.243
Retail	(151.435)	(37.334)
Other	14.134	47.765
Total	2.006.347	1.455.949

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

	30 September 2016	30 September 2015
Adjusted net income for reported operating segments (Equity holders of the Parent)	2.006.347	1.455.949
Carrefoursa one-off income / expenses	(103.962)	55.389
One off expenses related to Teknosa	(65.530)	-
Akbank visa sales revenue	66.300	-
Akbank penalty expense of Ministry of Customs and Trade	(35.453)	-
EEDAS one-off income / expenses, net off	13.131	14.200
Enerjisa Üretim - Gazipaşa Birkapılı sales	-	52.250
Avivasa repayment life insurance premium calculation method change	(7.047)	-
Exsa gain from the sale of real estate	15.740	-
KordSA one-off income / expenses, net off	(4.087)	2.985
Yünsa restructuring costs	(3.444)	-
Temsa gain from sale of Adana real estate	-	5.358
Gain on sale of Akçansa	9.886	-
Gain on sale of SASA	-	108.409
Gain on sale of Avivasa shares	-	1.373
Other	(1.982)	(10.095)
Net income (Equity holders of the Parent)	1.889.899	1.685.818

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

NOTE 3 - SEGMENT REPORTING (Continued)

g) Depreciation and amortization charges, impairment and capital expenditures (Consolidated):

1 January - 30 September 2016

	<u>Finance</u> <u>Banking</u>	<u>Industry</u>	<u>Cement</u>	<u>Retail</u>	<u>Other</u>	<u>Total</u>
Depreciation and amortisation	156.961	83.360	46.123	116.428	18.778	421.650
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	-	(82.123)	-	(82.123)
Capital expenditure	102.212	143.685	461.764	97.502	16.913	822.076

1 January - 30 September 2015

	<u>Finance</u> <u>Banking</u>	<u>Industry</u>	<u>Cement</u>	<u>Retail</u>	<u>Other</u>	<u>Total</u>
Depreciation and amortisation	168.585	85.050	46.989	94.087	15.866	410.577
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	(397)	-	1.113	-	716
Capital expenditure	91.654	115.541	77.085	315.430	21.326	621.036

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

1 January – 30 September 2016

	<u>Finance</u> Banking	Insurance	Industry	Cement	Energy	Retail	Other	Total
Depreciation and amortisation	156.961	12.775	144.591	101.398	366.770	116.428	18.705	917.628
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	-	-	-	(82.123)	-	(82.123)
Capital expenditure	102.212	19.108	489.627	535.865	1.580.284	97.502	16.913	2.841.511

1 January – 30 September 2015

	<u>Finance</u> Banking	Insurance	Industry	Cement	Energy	Retail	Other	Total
Depreciation and amortisation	168.585	11.460	165.927	99.802	330.045	94.087	16.278	886.184
Impairment / (reversal of impairment) of property, plant and equipment and investment properties	-	-	(397)	-	-	1.113	-	716
Capital expenditure	91.654	31.176	258.332	143.101	2.459.514	315.430	21.326	3.320.533

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 4 - FINANCIAL ASSETS

a) Held for trading securities:

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

	30 September 2016	31 December 2015
Share certificates	10.257	6.532
Government bonds	9.184	9.996
Eurobonds	-	107
Other	21.411	23.878
Total	40.852	40.513

The maturity analysis of financial assets at fair value through profit based on the remaining period to the contractual maturity date as of 30 September 2016 and 31 December 2015 is as follows:

	30 September 2016	31 December 2015
3 to 12 months	11.847	13.069
1 to 5 years	2.501	10.954
No maturity	26.504	16.490
Total	40.852	40.513

Period remaining to contractual repricing dates:

	30 September 2016	31 December 2015
Up to 3 months	13.831	14.334
3 to 12 months	517	9.668
1 to 5 years	-	21
No maturity	26.504	16.490
Total	40.852	40.513

None of the Group companies has held for trading financial instruments except the Banking sector.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 4 - FINANCIAL ASSETS (Continued)

b) Available for sale securities:

	30 September 2016	31 December 2015
Debt securities		
- Government bonds	17.273.599	19.376.723
- Eurobonds	14.043.777	15.929.477
- Investment funds	200.824	270.628
- Other bonds denominated in foreign currency	7.332.328	7.678.819
Sub-total	38.850.528	43.255.647
Equity securities		
- Listed	116	90
- Unlisted	66.663	133.088
Sub-total	66.779	133.178
Total financial assets available for sale	38.917.307	43.388.825

Effective interest rates of USD, EUR and TL denominated available-for-sale securities are 3,72% (31 December 2015: 3,80%), 2,50% (31 December 2015: 2,46%) and 9,97% (31 December 2015: 9,94%), respectively. The Group's financial assets available for sale subject to funds provided from repo are TL 21.039.367 (31 December 2015: TL 20.185.224). Available for sale financial assets that are given as collateral because of the Group's financing activities are amounting to TL 1.631.557 (31 December 2015: TL 1.939.145). No available for sale financial assets exist whose risk is undertaken by insurance policy holders (31 December 2015: None).

Akbank has Consumer Price Index ("CPI") linked government bonds under available-for-sale and held-to-maturity portfolios with nine-month fixed real coupon rates and a maturity of 5 to 10 years. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates and reference inflation index at the issue date together with the index calculated by considering the estimated inflation rate. As disclosed in inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two month before. The estimated inflation rate used is updated during the year when necessary. As of 30 September 2016, these securities have been valued 8,00% annual inflation forecast. If the valuation of these CPI indexed securities was made with reference to inflation indexed as of 30 September 2016, valuation differences under shareholders equity would have increased by TL 13 million (exact TL amount) and net income would have decreased by TL 20 million (exact TL amount), accordingly net income would have been TL 3.662 million (exact TL amount).

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

NOTE 4 - FINANCIAL ASSETS (Continued)

b) Available for sale securities (continued):

The maturity analysis at 30 September 2016 and 31 December 2015 is as follows:

	30 September 2016			31 December 2015		
	Banking	Other companies	Total	Banking	Other companies	Total
3 to 12 months	2.852.158	-	2.852.158	908.428	-	908.428
1 to 5 years	23.187.428	66.779	23.254.207	25.555.099	462	25.555.562
Over 5 years	12.498.978	-	12.498.978	16.292.593	-	16.292.593
No maturity	311.964	-	311.964	632.243	-	632.242
Total	38.850.528	66.779	38.917.307	43.388.363	462	43.388.825

Period remaining to contractual repricing dates for available-for-sale securities:

	30 September 2016			31 December 2015		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	8.417.823	-	8.417.823	6.800.295	-	6.800.295
3 to 12 months	8.705.128	-	8.705.128	8.434.421	-	8.434.421
1 to 5 years	16.096.659	-	16.096.659	20.027.889	-	20.027.889
Over 5 years	5.367.715	-	5.367.715	7.722.413	-	7.722.413
No maturity	263.203	66.779	329.982	403.345	462	403.807
Total	38.850.528	66.779	38.917.307	43.388.363	462	43.388.825

c) Financial assets held to maturity:

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

	30 September 2016	31 December 2015
Government bonds	10.993.330	10.688.533
Total	10.993.330	10.688.533

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

NOTE 4 - FINANCIAL ASSETS (Continued)

c) Financial assets held to maturity (continued):

Period remaining to contractual maturity dates for financial assets held for trading, held to maturity and available-for-sale as at 30 September 2016 and 31 December 2015 is as follows:

	30 September 2016			31 December 2015		
	Banking	Other companies	Total	Banking	Other companies	Total
3 to 12 months	582.305	96	582.401	121.031	94	121.125
1 to 5 years	9.209.598	-	9.209.598	7.364.090	-	7.364.090
Over 5 years	1.141.331	-	1.141.331	3.203.318	-	3.203.318
Total	10.933.234	96	10.933.330	10.688.439	94	10.688.533

Period remaining to contractual repricing dates for investment security, available for sale and held to maturity at 30 September 2016 and 31 December 2015 is as follows:

	30 September 2016			31 December 2015		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	1.096.918	-	1.096.918	2.668.683	-	2.668.683
3 to 12 months	3.387.773	97	3.387.870	1.146.641	94	1.146.735
1 to 5 years	6.448.542	-	6.448.542	6.873.115	-	6.873.115
Total	10.933.233	97	10.933.330	10.688.439	94	10.688.533

d) Time deposits:

	30 September 2016	31 December 2015
3 to 12 months	42.041	-
1 to 5 years	580	
Total	42.621	

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

NOTE 5 - FINANCIAL LIABILITIES

Short term funds borrowed, bank borrowings and debt securities:

	30 September 2016	31 December 2015
Short term	7.383.317	8.678.744
Short-term portion of long term	12.240.474	12.862.826
Total short term	19.623.791	21.541.570

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

Long term	24.871.845	19.137.143
Total	44.495.636	40.678.713

The maturity schedule of financial liabilities at 30 September 2016 and 31 December 2015 is summarized below:

	30 September 2016	31 December 2015
Up to 3 months	5.952.452	8.782.744
3 to 12 months	13.671.339	12.758.826
Short term borrowings and short term portion of long term borrowings	19.623.791	21.541.570
1 to 5 years	17.378.261	13.571.788
Over 5 years	7.493.584	5.565.355
Long term borrowings	24.871.845	19.137.143
Total	44.495.636	40.678.713

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

NOTE 5 - FINANCIAL LIABILITIES (Continued)

The repayment schedule of long term financial liabilities at 30 September 2016 and 31 December 2015 is summarized below:

	30 September 2016	31 December 2015
2016	-	5.065.465
2017	9.576.433	4.695.704
2018	2.484.983	1.106.934
2019	3.711.643	2.703.684
2020	1.605.204	5.565.356
2021 and after	7.493.582	-
Total	24.871.845	19.137.143

The repricing schedule of borrowings at 30 September 2016 and 31 December 2015 is summarized below:

	30 September 2016	31 December 2015
Up to 3 months	28.870.352	23.186.344
3 to 12 months	4.526.120	6.510.319
1 to 5 years	8.063.948	8.009.643
Over 5 years	3.035.216	2.972.407
Total	44.495.636	40.678.713

The transactions related with the funds and loans as of 30 September 2016 are as follows:

Akbank - Funds borrowed via syndicated credit facilities

As of 30 September 2016, Akbank has three outstanding syndicated loan facilities. On 18 August 2016, the first syndicated loan facility signed and raised EUR 787,8 million and USD 327 million. The loan's maturity is 1 year with a cost of Euribor/Libor+0,75%. The second syndicated loan facility signed on 18 March 2016 and raised totally EUR 783,5 million and USD 370,4 million, the loan's maturity are 1 years. The cost of portions of the loan with 1 year maturity is Euribor/Libor+0,75%, and the cost of portions of the other loan with 1 year maturity is Euroibor/Libor+0,85%. On 9 July 2015, the third syndicated loan facility signed and raised USD 335 million. The loan's maturity is 3 year with a cost of Euribor/Libor+1,85%.

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

NOTE 5 - FINANCIAL LIABILITIES (Continued)

Issued securities:

Securities issued consist of USD, EUR, RON, CZK, HUF, JPY and TL assets.

The repayment plan for USD securities issued is summarized below.

	30 September 2016		31 December 2015	
	USD	TL	USD	TL
2016	90.651	271.990	620.933	1.788.288
2017	816.400	2.449.526	751.749	2.165.036
2018	993.899	2.982.095	995.023	2.865.667
2019	752.971	2.259.214	301.974	869.684
2020	970.367	2.911.489	747.277	2.152.158
2021	432.526	1.297.751	53.713	154.693
2022	754.204	2.262.914	404.224	1.164.165
2023	431.116	1.293.520	28.490	82.051
2024	369.792	1.109.524	735.720	2.118.874
2025	374.832	1.124.646	325.773	938.226
2026	39.512	118.552	11.000	31.680
2027	20.524	61.580	11.000	31.680
2028	4.762	14.288	-	-
Total	6.051.556	18.157.089	4.986.876	14.362.202

The balance amounting to USD 6.051.556 consists of securitization deals and USD denominated securities issued by the Bank.

	30 September 2016		31 December 2015	
	EUR	TL	EUR	TL
2016	16.062	53.883	50.520	158.747
2017	63.719	213.765	63.708	200.183
2018	75.068	251.838	63.693	200.136
2019	93.311	313.040	47.846	150.342
2020	45.797	153.640	332	1.043
2021	23.056	77.348	319	1.002
2022	316	1.060	307	965
2023	304	1.020	295	927
2024	292	980	283	889
2025	280	939	272	855
2026	269	902	261	820
2027	259	869	251	789
2028	249	835	241	757
2029	6.225	20.884	6.043	18.988
Total	325.207	1.091.003	234.371	736.443

The balance amounting to EUR 325.207 consists of securitization deals and EUR denominated securities issued by the Bank.

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

NOTE 5 - FINANCIAL LIABILITIES (Continued)

Issued securities: (Continued)

	30 September 2016		31 December 2015	
	RON	TL	RON	TL
2016	-	-	4.805	3.321
2017	4.649	3.481	4.564	3.154
2018	77.383	57.947	75.413	52.110
2019	51.397	38.488	49.905	34.484
Total	133.429	99.916	134.687	93.069

The balance amounting to RON 133.429 consists of securization deals and RON denominated securities issued by the Bank.

	30 September 2016		31 December 2015	
	CZK	TL	CZK	TL
2016	-	-	350.610	41.253
2017	274.909	34.254	275.040	32.361
Total	274.909	34.254	625.650	73.614

The balance amounting to CZK 274.909 consists of securization deals and CZK denominated securities issued by the Bank.

	30 September 2016		31 December 2015	
	HUF	TL	HUF	TL
2019	783.311	8.538	786.358	7.989
Total	783.311	8.538	786.358	7.989

The balance amounting to HUF 783.311 consists of securization deals and HUF denominated securities issued by the Bank.

	30 September 2016		31 December 2015	
	JPY	TL	JPY	TL
2017	19.041	564	-	-
2018	18.612	551	-	-
2019	959.505	28.418	-	-
Toplam	997.158	29.533	-	-

The balance amounting to JPY 997.158 consists of securization deals and JPY denominated securities issued by the Bank.

Additionally, as of 30 September 2016, there are bonds issued by the Bank amounting to TL 1.842.394 with 3 months maturity, TL 292.273 with 4 months maturity, TL 49.161 with 6 months maturity, TL 251.452 with 2 years maturity and TL 989.562 with over 5 years maturity. (31 December 2015: TL 568.089 with 3 months maturity, TL 917.737 with a 4 months maturity, TL 62.858 with 6 months maturity, TL 765.023 with 1 years maturity and TL 1.060.114 with over 5 years maturity.).

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NOTE 6 - OTHER RECEIVABLES AND PAYABLES

Other short term receivables:	30 September 2016	31 December 2015
Receivables from credit card payments	22.077	16.902
Other receivables	1.325.935	1.019.974
Total	1.348.012	1.036.876

Other long term receivables:	30 September 2016	31 December 2015
Deposits and guarantees given	37.148	34.951
Other receivables	700.910	344.187
Total	738.058	379.138

Other short term payables:	30 September 2016	31 December 2015
Payables related to credit card transactions	3.406.111	3.154.070
Taxes and funds payable	304.883	283.883
Export deposits and transfer orders	64.325	39.292
Payment orders to correspondent banks	291.483	206.384
Other	766.444	757.403
Total	4.833.246	4.441.032

Other long term payables:		
Financial lease payables	73.522	91.977
Other	713.075	503.954
Total	786.597	595.931

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NOTE 7 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Book value of Associates and Joint Ventures is as follows:

	30 September 2016	Share (%)	31 December 2015	Share (%)
Aksigorta	147.164	36,00	126.198	36,00
Avivasa	171.168	40,00	159.623	40,00
Brisa	218.858	43,63	282.457	43,63
Akçansa	396.665	39,72	406.691	39,72
Enerjisa	4.829.000	50,00	4.719.888	50,00
Philsa	191.127	25,00	178.863	25,00
Philip Morrissa	63.792	24,75	24.434	24,75
Temsa Mısır	(15.561)	73,75	(15.535)	73,75
Temsa İş Makineleri	90.217	51,00	87.812	51,00
Total	6.092.430		5.970.431	

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

	1 January 30 September 2016	1 January 31 September 2015
Aksigorta	19.628	13.295
Avivasa	24.390	35.899
Brisa	20.121	50.576
Akçansa	85.473	79.872
Enerjisa	104.417	75.693
Philsa	122.345	99.729
Philip Morrissa	88.931	35.394
Temsa Mısır	(1.275)	(1.143)
Temsa İş Makineleri	5.155	2.198
Total	469.185	391.513

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

	30 September 2016		31 December 2015	
	Total assets	Total Liabilities	Total assets	Total liabilities
Aksigorta	2.577.771	2.168.982	2.354.754	2.004.204
Avivasa	1.223.768	819.388	1.260.122	887.042
Brisa	2.540.424	2.038.802	2.338.617	1.691.225
Akçansa	1.599.503	587.933	1.544.135	507.325
Enerjisa	27.624.042	17.966.042	26.829.659	17.389.883
Philsa	2.679.546	1.915.039	3.518.240	2.802.787
Philip Morrissa	1.264.020	1.004.249	1.965.174	1.864.373
Temsa Mısır	23.178	44.278	27.294	48.358
Temsa İş Makineleri	412.663	238.822	344.729	215.869
Total	39.944.915	26.783.535	40.182.724	27.411.066

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NOTE 7 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (Continued)

Sales

	1 January - 30 September 2016	1 January - 30 September 2015
Aksigorta	1.377.672	1.235.548
Avivasa	220.338	193.530
Brisa	1.272.392	1.282.441
Akçansa	1.088.191	1.070.565
Enerjisa	9.265.271	8.603.086
Philsa(*)	13.736.791	11.858.730
Philip Morrissa	14.509.327	11.981.218
Temsa İş Makineleri	248.507	356.840

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

Net profit/loss

	1 January - 30 September 2016	1 January - 30 September 2015
Aksigorta	54.523	36.929
Avivasa	60.976	87.559
Brisa	46.118	115.919
Akçansa	233.939	218.490
Enerjisa	208.834	151.386
Philsa	489.378	398.915
Philip Morrissa	359.319	143.005
Temsa Mısır	(1.729)	(1.550)
Temsa İş Makineleri	10.104	4.310

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NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment for six month period ended 30 September 2016 is as follows:

	1 January 2016	Currency translation differences	Additions	Disposals	Transfers (*)	Impairment	Count Differences	30 September 2016
Cost:								
Land and land improvements	586.172	1.751	39.517	(149)	405	-	48	627.744
Buildings	2.352.264	13.436	5.130	(5.868)	(7.274)	-	5.408	2.363.096
Machinery and equipment	2.887.108	74.051	29.681	(9.445)	22.316	-	-	3.003.711
Motor vehicles	111.801	561	2.984	(6.521)	432	-	-	109.257
Furniture and fixtures	2.711.864	4.240	76.358	(93.029)	26.140	4.340	1.902	2.731.815
Total	8.649.209	94.039	153.670	(115.012)	42.019	4.340	7.358	8.835.623
Construction in progress	346.690	1.617	571.940	(7.929)	(64.128)	(26)	-	848.164
Total	8.995.899	95.056	725.610	(122.941)	(22.109)	4.314	7.358	9.683.767
Accumulated depreciation:								
Land and land improvements	(224.464)	(1.000)	(4.671)	-	13	-	(48)	(230.170)
Buildings	(893.849)	(7.998)	(40.875)	1.967	-	(10.198)	(5.408)	(956.361)
Machinery and equipment	(1.678.897)	(40.035)	(87.457)	5.744	-	-	-	(1.800.645)
Motor vehicles	(86.671)	(441)	(7.538)	4.788	-	-	-	(89.862)
Furniture and fixtures	(1.829.060)	(2.828)	(167.581)	47.791	(13)	(67.675)	(1.902)	(2.021.268)
Total	(4.712.941)	(52.302)	(308.122)	60.290	-	(77.873)	(7.358)	(5.098.306)
Net book value	4.282.958							4.585.481

(*) Transfers that have been realized from Construction in progress during the period amounting of TL 22.108 recognized to intangible assets.

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NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The movement in property, plant and equipment for nine month period ended 30 September 2015 is as follows:

	1 January 2015	Currency translation differences	Additions	Disposals	Transfers (*)	Impairment	Assets acquired by business combination of subsidiary	Transfers to non-current assets held for sale	30 September 2015
Cost:									
Land and land improvements	601.530	6.616	1.380	(22.055)	-	-	-	-	587.471
Buildings	2.293.440	56.803	5.497	(30.342)	16.973	-	-	-	2.342.371
Machinery and equipment	2.710.167	208.812	23.167	(61.943)	57.073	(382)	-	-	2.936.894
Motor vehicles	108.230	2.655	6.174	(11.332)	119	-	-	-	105.846
Furniture and fixtures	2.444.467	6.261	211.863	(77.486)	66.741	6.930	16.586	1.796	2.677.158
Total	8.157.834	281.147	248.081	(203.158)	140.906	6.548	16.586	1.796	8.649.740
Construction in progress	197.800	9.902	241.326	(3.179)	(160.024)	-	-	-	285.825
Total	8.355.634	291.049	489.407	(206.337)	(19.118)	6.548	16.586	1796	8.935.565
Accumulated depreciation:									
Land and land improvements	(214.975)	(4.124)	(4.687)	-	-	-	-	-	(223.786)
Buildings	(847.050)	(16.840)	(44.796)	18.277	-	-	-	-	(890.409)
Machinery and equipment	(1.580.469)	(80.505)	(93.302)	48.152	-	(15)	-	-	(1.706.139)
Motor vehicles	(492.255)	(2.131)	(7.195)	8.299	-	-	-	-	(493.282)
Furniture and fixtures	(1.322.311)	(4.794)	(162.177)	69.628	-	(5.817)	-	(1.688)	(1.427.141)
Total	(4.457.062)	(108.394)	(312.157)	144.356	-	5.832	-	(1.688)	(4.740.757)
Net book value	3.898.572								4.194.808

(*) Transfers that have been realized from Construction in progress during the period amounting of TL 19.117 recognized in intangible assets.

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NOTE 9 - INTANGIBLE ASSETS

The movements in intangible assets for nine month periods ended 30 September 2016 and 2015 are as follows:

	1 January 2016	Currency translation differences	Additions	Impairment	Disposals	Transfers	Count Differences	30 September 2016
Cost	1.167.409	3.906	92.649	(9)	(11.251)	22.108	(2.506)	1.272.306
Accumulated amortisation (-)	(636.966)	(2.081)	(112.635)	(4.535)	4.395	-	-	(751.822)
Net book value	530.443							520.484

	1 January 2015	Currency translation differences	Additions	Impairment	Disposals	Transfers		30 September 2015
Cost	921.948	18.650	131.252	-	(7.353)	19.117		1.083.614
Accumulated amortisation (-)	(485.649)	(9.261)	(98.982)	-	200	-		(593.692)
Net book value	436.299							489.922

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NOTE 10 - GOODWILL

The movements of goodwill for the nine month period ended on 30 September 2016 and 2015 are as follows:

	2016	2015
1 January	1.014.355	478.935
Additions	460	543.552
Disposals (*)	-	(10.056)
30 September	1.014.815	1.012.431

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

NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short term provisions	30 September 2016	31 December 2015
Provision for liabilities	357.730	334.659
<i>Credit bonus provision</i>	97.245	141.262
<i>Litigation</i>	140.263	68.664
<i>Uncompensated and not encashed non-cash loans</i>	90.102	83.688
<i>Onerous contracts</i>	30.091	34.000
<i>Other short-term provisions</i>	29	7.045
Other	51.228	33.637
Total	408.958	368.296

Other long term provisions	30 September 2016	31 December 2015
Provision for liabilities	5.391	4.694
<i>Other long-term provisions</i>	5.391	4.694
Total	5.391	4.694

Commitments – Banking segment	30 September 2016	31 December 2015
Letters of guarantee given	24.039.305	22.551.263
Letters of credit	4.074.859	5.359.136
Foreign currency acceptance	1.186.789	933.230
Other guarantees given	3.109.928	3.513.090
Total	32.410.881	32.356.719

Commitments – Non-banking segment	30 September 2016	31 December 2015
Letters of guarantee given	604.426	477.230
Other guarantees given	213.170	289.631
Mortgages, guarantees and pledges for tangible assets	83.325	74.780
Total	900.911	841.731

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

Commitments for resale and repurchase of debt securities:

Commitments for the resale and repurchase of debt securities (government bonds, treasury bills and Eurobonds) at 30 September 2016 and 31 December 2015 are as follows:

	30 September 2016	31 December 2015
Repurchase commitments	25.877.459	23.885.500
Transactions for held for trading		
	30 September 2016	31 December 2015
Foreign currency purchases	7.975.164	6.686.807
Foreign currency sales	8.044.569	6.782.859
Total	16.019.733	13.469.666
	30 September 2016	31 December 2015
Currency swap purchases	76.232.211	42.647.513
Currency swap sales	71.714.925	39.246.203
Interest swap purchases	36.284.795	29.350.383
Interest swap sales	36.284.795	29.350.383
Total	220.516.726	140.594.482
	30 September 2016	31 December 2015
Spot purchases	4.652.423	2.169.146
Spot sales	4.658.189	2.155.390
Total	9.310.612	4.324.536
	30 September 2016	31 December 2015
Currency, interest and securities options purchases	37.286.387	34.647.992
Currency, interest and securities options sales	37.481.022	34.776.488
Total	74.767.409	69.424.480
	30 September 2016	31 December 2015
Future purchases	-	1.856
Future sales	55.249	83.775
Total	55.249	85.631
	30 September 2016	31 December 2015
Other purchase transactions	6.359.147	4.594.069
Other sales transactions	7.784.477	6.436.738
Total	14.143.624	11.030.807

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

Derivative transactions for hedging:

	30 September 2016	31 December 2015
Interest swap purchases	7.835.726	4.791.937
Interest swap sales	7.835.726	4.791.937
Total	15.671.452	9.583.874

	30 September 2016	31 December 2015
Foreign currency purchases	-	115.886
Foreign currency sales	112.329	246.300
Total	112.329	362.186

	30 September 2016	31 December 2015
Currency swap purchases	2.793.264	1.871.978
Currency swap sales	2.504.780	1.348.580
Total	5.298.044	3.220.558

The maturity analysis of the off-balance sheet assets of the Banking segment at 30 September 2016 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees given	2.921.707	21.117.598	24.039.305
Letters of credits	1.557.877	2.516.982	4.074.859
Acceptance credits	1.173.105	13.684	1.186.789
Other guarantees	894.622	2.215.306	3.109.928
Total	6.547.311	25.863.570	32.410.881

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

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

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

On 22 January 2013, Exsa, a subsidiary of the Group, is subjected to a tax penalty statement due to the corporate tax calculation in 2010 with an additional tax amounting to TL 39 million and its penalty amounting to TL 58 million. The main comment at the tax investigation report in accordance with the penalty is related to the spin-off transaction that took part in 2010 which was previously subjected to another investigation report in 2011. Regarding to that report in 2011, the Company has already reached a reconciliation with the Ministry of Finance. On 22 January 2013, the Company applied to the Ministry of Finance to reach a reconciliation settlement according to the same issue and the same year but no reconciliation was provided. The Company filed a lawsuit related to this matter. The lawsuit has been resolved in favor of the entity on 9 May 2014 and the decision has been appealed by the internal revenue service. Exsa management did not allow any provision in the financial statements for period ended on 30 September 2016 taking into account. On 19 August 2016, Law No 6736 enabling restructuring of public receivables which also referred to as "Tax Amnesty" or "Asset Pease" Act was approved and announced on Official Gazette. Entity has decided to benefit from the provisions of law and complete the application process.

Aksigorta, one of the Group's joint ventures, has been subjected to tax investigation by the T.C. Ministry of Finance Tax Audit Board with starting 24 June 2014. Through the this limited tax investigation, with subject to BITT covers years 2009, 2010, 2011 and 2012; 1,8 Million tax and 2,8 Million tax penalty for year 2009, 2 Million tax and 3 Million tax penalty for year 2010, 3 Million tax and 4,6 Million tax penalty for year 2011, 4,3 Million tax and 6,4 Million tax penalty for year 2012, and totally 27,9 Million tax and tax penalty has been charged to the company the claim recovery and salvage operations of the banking and insurance transactions were not subject to tax and has not booked any provision on financial statements. The company has requested reconciliation for the year 2009 tax penalty on 16 January 2015 and for the year 2010, 2011 and 2012 tax penalty on 20 February 2015 to the Ministry of Finance Central Reconciliation Commission.

Respecting the Aksigorta's, (one of the Group's joint ventures) additional corporate tax amount full TL 60.908.125,96 and tax loss penalty amount full TL 91.362.188,94 related to 2010 tax period, as it defined in Entity's Material Event Disclosure in 5 February 2013, 24 October 2013 and 11 July 2014 and has been resolved in favor of the entity, Entity has decided to benefit from the provisions of Law No 6736 enabling restructuring of public receivables which also referred to as "Tax Amnesty" or "Asset Pease", and complete the application process. Entity's decision has declared in Material Event Disclosure at the date of 21 October 2016.

In 2010, because of the liquidation of the subsidiary of the Group's subsidiary Yünsa SKT Giyim San. ve Tic. A.Ş., deduction of book value of shares from profit of Company has been criticized because of non-existing of judgement allowing related deduction, and tax principal amounted at full TL 7.083.889 and tax loss fine amounted at full TL 19.067.234 is respectively requested related to the year 2010, 2011, 2012 and 2013 by Large Taxpayer Office. No payment shall be made since the subject tax assessment is considered to be against tax laws, and all legal rights of Yünsa including right of litigation will be utilized. However Board of directors has decided to benefit from the provisions of Law No 6736 enabling restructuring of public receivables which also referred to as "Tax Amnesty" or "Asset Pease", and complete the application process. Within the scope of Law No 6736, original tax amount, tax loss penalty and all related interest are covered. Entity allow provision on financial statements as the amount of full TL 3.956. 670 which includes tax amount and interest with UFE ratio. Penalty will be paid until the end of November 2016.

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

The economic sector risk concentrations of the commitments of the Banking segment at 30 September 2016 and 31 December 2015 are as follows:

	30 September 2016	31 December 2015
Financial institutions	5.537.973	4.680.024
Construction	4.161.185	3.753.902
Chemicals	2.800.827	3.157.227
Wholesale	5.669.597	6.141.969
Small-scale retailers	3.531.241	3.461.873
Steel and mining	1.653.358	1.771.624
Food and beverage	522.012	455.109
Electricity, gas and water	1.786.511	1.807.922
Automotive	642.908	767.684
Other manufacturing	1.178.879	1.599.379
Electronics	455.781	420.290
Textile	795.139	711.655
Transportation	679.104	318.507
Telecommunications	119.567	61.115
Tourism	221.814	187.396
Agriculture and forestry	44.370	53.886
Other	2.610.615	1.681.961
Total	32.410.881	31.031.523

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NOTE 12 - COMMITMENTS

Collaterals, pledges and mortgages ("CPM") given by the Subsidiaries at 30 September 2016 is as follows;

	30 September 2016				
	Total TL Equivalent	TL	USD	TL Equivalent EUR	Other
A. Total amount of the Collaterals given for its own legal entity	816.628	207.369	133.329	61.974	1.535
B. Collaterals given on behalf of fully consolidated companies	1.112.085	641.182	90.464	59.475	-
C. Collaterals given on behalf of the third parties' debt for continuation of their economic activities	32.849.375	14.717.150	4.170.160	1.588.973	274.815
D. Total amount of other Collaterals	-	-	-	-	-
i, Given on behalf of majority shareholder	-	-	-	-	-
ii, Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii, Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Collaterals	34.778.088	15.565.701	4.393.953	1.710.422	276.350
A. Total amount of the mortgages given for its own legal entity	66.585	-	-	19.812	-
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	66.585	-	-	19.812	-
A. Total amount of the pledges given for its own legal entity	-	-	-	-	-
B. Pledges given on behalf of fully consolidated companies	-	-	-	-	-
C. Pledges given on behalf of third parties' debt for continuation of their economic activities	-	-	-	-	-
D. Total amount of other Pledges	-	-	-	-	-
i, Given on behalf of majority shareholder	-	-	-	-	-
ii, Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii, Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Pledges	-	-	-	-	-

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NOTE 12 - COMMITMENTS (Continued)

Collaterals, pledges and mortgages ("CPM") given by Joint ventures at 30 September 2016 is as follows:

	30 September 2016				
	Total TL Equivalent	TL	TL Equivalent		Other
	USD	EUR			
A. Total amount of the Collaterals given for its own legal entity	1.727.467	1.540.746	60.164	1.926	-
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	699	699	-	-	-
D. Total amount of other Collaterals					
i. Given on behalf of majority shareholder	-	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C	-	-	-	-	-
iii. Given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total Collaterals	1.728.166	1.541.445	60.164	1.926	-
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	-	-	-	-	-

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

NOTE 12 - COMMITMENTS (Continued)

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

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

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

NOTE 12 - COMMITMENTS (Continued)

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

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

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

NOTE 13 - OTHER ASSETS AND LIABILITIES

Other Current Assets	30 September 2016	31 December 2015
Cheques in clearance	935.213	513.180
Deductible, deferred and other VAT	90.821	100.018
Other	58.348	64.092
Total	1.084.382	677.290

Other Non-Current Assets	30 September 2016	31 December 2015
Long term tax claims and other legal receivables	20.250	5.157
Deductible, deferred and other VAT	2.650	17.778
Other non-current assets	43.900	40.263
Total	66.800	63.198

Other Short Term Liabilities	30 September 2016	31 December 2015
Cheques in clearance	1.808.767	1.028.687
Saving deposits insurance	44.139	35.641
Other short term liabilities	402.931	226.801
Total	2.255.837	1.291.129

Other Long Term Liabilities	30 September 2016	31 December 2015
Other long term liabilities	2.812	2.799
Total	2.812	2.799

NOTE 14 - EQUITY

The Holding's authorized and issued capital consists of 204.040.393.100 (31 December 2015: 204.040.393.100) shares of Kr 1 each.

The Holding's authorized and paid-in share capital and shareholding structure at 30 September 2016 and 31 December 2015 is as follows:

Shareholders:	Share (%)	30 September 2016	Share (%)	31 December 2015
Sakıp Sabancı Holding A.Ş.	14,07	287.100	14,07	287.100
Serra Sabancı	7,21	147.160	7,21	147.160
Suzan Sabancı Dinçer	6,94	141.567	6,94	141.567
Çiğdem Sabancı Bilen	6,94	141.567	6,94	141.567
Other	64,84	1.323.010	64,84	1.323.010
Share capital	100,00	2.040.404	100	2.040.404
Capital adjustments due to cross-ownership (-)		(190.470)		-
Share premium		22.237		22.237

According to Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. (Exsa)'s Board of Director decision on December 22, 2015, company has started to make repurchasing agreement at BİST (İstanbul Stock Market). Hence; with these transactions Exsa's share at Sabancı Holding reached at 1,17 % as of 30 September 2016. These shares in consolidated equity as capital adjustments due to cross-ownership.

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NOTE 14 - EQUITY (Continued)

Restricted Reserves

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

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

The details of restricted reserves mentioned above are as follows:

	30 September 2016	31 December 2015
Legal reserves	596.917	559.450
Gain on sales of association	333.369	333.369
Total	930.286	892.819

Dividend Distribution

Public companies distribute profit in accordance with Profit Share Communique no II-19.1 issued by CMB effective from 1 February 2014.

Furthermore, Group companies that are obliged to prepare consolidated financial statements based on the related decision of General Assembly, are permitted to calculate net distributable profits based upon the net income for the period presented on consolidated financial statements that have been prepared within the framework of TAS/IFRS.

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NOTE 14 – EQUITY (Continued)

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

	Fair Value Revaluation Fund	Cash Flow Hedge Fund	Net Investment Hedge Fund	Currency translation differences
Balance as of 1 January 2015	(95.908)	(127.903)	(61.072)	183.938
Increases/ (decreases) during the period	(730.101)	5.497	(61.046)	161.320
Gains transferred to income statement	(69.444)	12.501		
Net gains & losses included in the income statement due to transfer of available for sale financial assets into held to maturity assets	11.389	-	-	-
Tax effect	157.837	(3.996)	12.909	-
Balance as of 30 September 2015	(726.227)	(113.901)	(109.909)	345.258
Balance as of 1 January 2016	(440.301)	(86.721)	(88.909)	283.604
Increases/ (decreases) during the period	324.117	(25.354)	(27.723)	56.954
Gains transferred to income statement	(123.524)	18.287	-	-
Net gains & losses included in the income statement due to transfer of available for sale financial assets into held to maturity assets	21.047	-	-	-
Tax effect	(43.772)	828	5.545	-
Balance as of 30 September 2016	(262.383)	(92.960)	(111.087)	340.558

NOTE 15 - ASSETS CLASSIFIED AS HELD FOR SALE

1 January - 30 September 2016

According to Group's subsidiary Kordsa Global's Board of Management decision numbered 2015/29 dated 31 December 2015; shares belonging to Nile Kordsa Company for Industrial Fabrics S.A.E. and Interkordsa GmbH which Kordsa Global has 51% and 100% ownership rates respectively, would be classified as "Assets Held for Sale" in the balance sheet as of 31 December 2015. Hence, these companies were classified as "Assets Held for Sale" in preparation for financial tables in 30 September 2016.

As of 30 September 2016; the operating loss of Kordsa Global's subsidiary Nile Kordsa Company for Industrial Fabrics S.A.E. is Full TL 6.503.673 (30 September 2015: Full TL 8.538.648 Profit). In the consolidated financial statements; operating results of the company (Nile Kordsa) reclassified as discontinued operations income/expenditure

As of 30 September 2016; the operating loss of Kordsa Global's subsidiary InterKordsa GmbH is Full TL 4.516.472 (30 September 2015: Full TL 352.164 Profit). In the consolidated financial statements; operating results of the company (InterKordsa) reclassified as discontinued operations income/expenditure.

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

1 January - 30 September 2015

Group, signed the Share Transfer Agreement on 13 January 2015 corresponding to %51 of its subsidiary SASA Polyester Sanayi A.Ş.'s shared capital to Erdemoğlu Holding A.Ş. by amount of TL 277.602.495 (USD 104 Million). As of 30 September 2015; profit or loss items amounted TL 108.409.485 of Sasa have been reclassified to "Discontinued Operations" on the consolidated statement of profit or loss.

NOTE 16 - FINANCE INCOME/EXPENSES

	1 January- 30 September 2016	1 January- 30 September 2015	1 July- 30 September 2016	1 July- 30 September 2015
Financial income				
Foreign currency gains	45.159	21.778	4.075	782
Total	45.159	21.778	4.075	782
Financial expenses				
Foreign currency loss	(51.503)	(123.653)	(23.362)	(60.212)
Interest expense	(176.514)	(82.794)	(59.948)	(39.298)
Other financial expenses	(20.162)	(20.238)	(5.029)	(7.022)
Total	(248.179)	(226.685)	(88.339)	(106.532)

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

NOTE 17 - TAX ASSETS AND LIABILITIES

	30 September 2016	31 December 2015
Corporate and income taxes payable	942.760	953.826
Less: prepaid taxes	(634.140)	(551.052)
Total taxes payable	308.620	402.774

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

The Corporate Tax Law was amended as of 13 June 2006 with Law No 5520. The majority of the clauses of Law No 5520 are effective as of 1 January 2006. The corporate tax rate of the fiscal year 2016 is 20% (2015: 20%). Corporation tax is payable at a rate of 20% on the total income of the Holding after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, and investment allowance, etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed.

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

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

NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

Corporations calculate corporate tax quarterly at the rate of 20% on their corporate income and declare it until the 10th day and pay it on the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

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

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

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

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

Exemption for participation in subsidiaries

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

Preferential right certificate sales and issued premiums exemption

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

Exemption for participation into foreign subsidiaries

The participation income of corporations participating in 10% or more of the capital of a limited liability or joint stock company which does not have its legal or business center in Turkey (except for corporations whose principal activity is financial leasing or by investment of marketable securities) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike, in their country of legal residence or business center at the rate of at least 15% (the corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

Exemption for sale of participation shares and property

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which have remained in assets for more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The proceed related to the sale transaction has to be collected up until the end of the second calendar year following the year the sale was realized.

Brokerage houses and real estate companies who are dealing with the trading and the leasing of the real estate cannot benefit from this exemption.

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NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

Exemption for Investment Incentive

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

The additional paragraph to Provisional Article 69 included in accordance with Law No: 6009, which is related to the 25% threshold and requires the incentive amount that will be subject to investment incentive exemption in determining tax base cannot exceed 25% of the respective income, has been revoked based on the ground that it is contrary to the Constitution upon the Constitutional Court’s resolution No: E. 2010/93 K. 2012/20 (“stay of execution”) issued on 9 February 2012 and published in the Official Gazette No: 28208 on 18 February 2012. The related Constitutional Court’s Decision was published in the official Gazette No: 28719 as at 26 July 2013.

The tax charges for comprehensive income statement items for the periods ended 30 September 2016 and 2015 are as follows:

	30 September 2016			30 September 2015		
	Before Tax	Tax Charge	After Tax	Before Tax	Tax Charge	After Tax
Net unrealized fair value from available for sale financial assets	771.779	(154.356)	617.423	(1.792.321)	358.464	(1.433.857)
Net gain on available for sale financial assets transferred to the income statement	(303.126)	60.625	(242.501)	(170.414)	34.083	(136.331)
Net gain included in the income statement due to transfer of available for sale financial assets into held to maturity assets	51.650	(10.330)	41.320	27.948	(5.590)	22.358
Cash flow hedges	7.638	(1.528)	6.610	29.071	(5.814)	23.257
Income/ (loss) from the derivative financial assets related to the hedging of net investment in a foreign operations	(68.034)	13.607	(54.427)	(149.806)	29.961	(119.845)
Currency translation differences	134.078	-	134.078	383.058	-	383.058
Actuarial gain/loss	(433)	87	(346)	(1.249)	250	(999)
Other comprehensive income	593.552	(91.895)	501.657	(1.673.713)	411.354	(1.262.359)

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NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax

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

Since the subsidiaries and joint ventures which are separately taxpayers presented their deferred tax assets and liabilities as net values in their financial statements, the effect of the presentation of the net amounts has been reflected to the Group's consolidated balance sheet. Temporary differences and deferred tax assets and liabilities presented in the table below are based on the gross values.

At 30 September 2016, the Group has not recognized deferred income tax assets over carry forward tax losses in the amount of TL 554.447 which can offset against future taxable profits for a period of five years (31 December 2015: TL 105.255). As of 30 September 2016 and 31 December 2015, carried forward tax losses and the latest annual periods are as follows:

	30 September 2016	31 December 2015
2016	-	11.196
2017	-	8.405
2018	303	11.899
2019	64.181	29.736
2020	489.963	44.019
Total	554.447	105.255

The movements in deferred income tax assets/ (liabilities) for the years ended at 30 September 2016 and 31 December 2015 are as follows:

	30 September 2016	31 December 2015
Deferred tax assets	652.480	714.698
Deferred tax liabilities	(118.946)	(118.323)
Net Deferred Tax Assets	533.534	596.375

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NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax (continued)

The movements in deferred income tax assets/ (liabilities) for the six-month periods ended 30 September 2016 and 2015 are as follows:

	2016	2015
1 January	596.375	362.437
Effect of a subsidiary merger	-	25.400
Charged to equity	(137.482)	243.021
Currency translation differences	(689)	(15.985)
Charged to statement of profit or loss	75.737	(20.902)
Other	(407)	-
30 September	533.534	593.971

NOTE 18 - DERIVATIVE FINANCIAL INSTRUMENTS

30 September 2016

	Fair Value	
	Asset	Liability
Derivative instruments held for trading:		
Foreign exchange derivative instruments		
Currency and interest rate swaps purchases and sales	2.721.856	1.304.406
Forward currency purchases and sales	69.829	87.792
Currency options purchases and sales	164.311	190.959
Other	1.470.416	28.444
Total derivative instruments held for trading	4.426.432	1.611.601
Derivative instruments held for hedging:		
Currency and interest rate swap purchases and sales	150.845	326.459
Forward currency purchases and sales	4.291	6
Currency options purchases and sales	7.403	-
Total derivative instruments held for hedging	162.539	326.465
Total derivative instruments	4.588.971	1.938.066

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NOTE 18 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

31 December 2015

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

Akbank, Brisa, Yünsa, Carrefoursa and Enerjisa hedge cash flow risk arising from the financial liabilities through the use of interest rate swaps. Within the scope of cash flow hedge accounting, effective portion of the fair value changes of the hedging instrument is recognized under hedge reserves within equity. Akbank also hedges its TL denominated fixed rate financial assets and foreign currency denominated financial liabilities with cross currency swaps. Brisa, in order to mitigate the foreign currency risks arising from the Euro exports and US Dollar raw material purchases, the Company enters into Euro selling/ US buying, TL selling/Euro buying and TL selling/ Dollar buying forward contracts.

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NOTE 19 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS

Banking

Loans and advances to customers	30 September 2016	31 December 2015
Consumer loans and credit cards receivables	41.835.136	39.226.044
Project finance loans	26.836.997	23.426.197
Small-scale enterprises	13.809.542	12.937.790
Health care and social services	2.071.761	1.594.398
Other manufacturing industries	6.393.460	8.836.325
Construction	21.739.134	13.772.265
Financial institutions	17.751.506	12.366.155
Telecommunication	4.905.853	4.579.290
Mining	4.720.004	3.718.392
Chemicals	3.340.488	1.458.066
Textile	4.017.593	3.579.486
Food and beverage, wholesale and retail	4.496.970	2.632.605
Automotive	2.015.677	1.724.711
Tourism	1.690.250	2.702.900
Agriculture and forestry	1.146.912	1.578.102
Electronics	860.451	340.375
Other	10.883.812	18.335.340
Non-performing loans	3.851.463	3.373.323
Total loans and advances to customers	172.367.009	156.181.764
Allowance for loan losses	(6.401.833)	(5.701.872)
Leasing receivables	4.397.708	3.958.451
Net loans and advances to customers	170.362.884	154.438.343

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

NOTE 19 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

The movement of loan loss provision of banking segment as of 30 September 2016 by class is as follows:

	Corporate	Consumer	Total
1 January 2016	2.679.248	3.022.624	5.701.872
Gross provisions	774.488	901.714	1.676.202
Recoveries	(133.222)	(376.808)	(510.030)
Written-off (*)	(106.021)	(360.190)	(466.211)
30 September 2016	3.214.493	3.187.340	6.401.833

(*) TL 450,1 million (Full TL amount) part of Bank's non-performing loan portfolio which has provided %100 provision in prior periods, were sold to Güven Varlık Yönetimi A.Ş. at a price of TL 49,1 million (Full TL amount).

The movement of loan loss provision of banking segment as of 30 September 2015 by class is as follows:

	Corporate	Consumer	Total
1 January 2015	2.016.841	2.254.267	4.271.108
Gross provisions	819.062	1.091.987	1.911.049
Recoveries	(126.132)	(318.748)	(444.880)
Written-off	(129.605)	(201.278)	(330.883)
Currency translation differences	6.228	-	6.228
30 September 2015	2.586.394	2.826.228	5.412.622

The maturity schedule of loans and advances to customers at 30 September 2016 and 31 December 2015 are summarized below:

	30 September 2016	31 December 2015
Up to 3 months	49.771.273	42.616.346
3 to 12 months	34.472.515	34.802.687
Current	84.243.788	77.419.033
1 to 5 years	60.695.038	53.425.747
Over 5 years	21.026.350	19.635.112
Non-current	81.721.388	73.060.859
Total	165.965.176	150.479.892

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

NOTE 19 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

The repricing schedule of loans and advances to customers at 30 September 2016 and 31 December 2015 are summarized below:

	30 September 2016	31 December 2015
Up to 3 months	71.138.480	60.788.870
3 to 12 months	39.709.609	44.549.095
1 to 5 years	44.968.948	39.025.020
Over 5 years	10.148.139	6.116.907
Total	165.965.176	150.479.892

NOTE 20 - PAYABLES FROM FINANCE SECTOR OPERATIONS

Banking

	30 September 2016			31 December 2015		
	Demand	Time	Total	Demand	Time	Total
Saving deposits	12.537.975	70.120.053	82.658.028	11.275.748	67.455.714	78.731.462
Commercial deposits	14.297.419	49.667.496	63.964.915	10.134.810	42.515.523	52.650.333
Bank deposits	293.697	9.768.786	10.062.483	256.697	12.661.189	12.917.886
Funds provided from repo transactions	-	26.147.586	26.147.586	-	24.169.207	24.169.207
Other	1.325.735	4.827.218	6.152.953	1.028.245	2.925.399	3.953.644
Total	28.454.826	160.531.139	188.985.965	22.695.500	149.727.032	172.422.532

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

NOTE 21 - RELATED PARTY DISCLOSURES

Key management personnel compensation:

The Group defined its key management as board of directors, general manager, general secretary, group chiefs, head of departments and group director's belonging to a group and over. Short term benefits include wages, bonuses, social security, health insurance, unused vacation, premium bonuses and incentive premiums. Other long term benefits include private pension system payments. Benefits resulted from discharge include severance pay and unused vacation payments for executive management who is discharged as a result of transfer or retirement.

The detailed schedule of compensation paid or payable to key management for the periods ended 30 September 2016 and 2015 are as follows:

	30 September 2016	30 September 2015
Short term benefits	18.234	17.236
Benefits resulted from termination	677	883
Other long term benefits	205	204
Total	19.116	18.323

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

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by individual Subsidiaries and Joint Ventures under policies, approved by their Board of Directors.

Foreign Exchange Risk

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency assets and liabilities to local currency. These risks are monitored and limited by analyzing foreign currency position. The Group aims to lower foreign exchange risk arising from assets and liabilities by using swap and forward derivative instruments.

The difference between the assets and liabilities of Akbank both denominated in foreign currency is defined as the "Net Foreign Currency ("FC") position" and is the exposure to foreign currency risk. Another dimension of the foreign exchange risk is the change in the value of the foreign currencies themselves within the net FC position (cross rate risk). The Bank keeps the amount exposed to foreign exchange risk within the limits determined by the Risk Management Committee. The Risk Management Committee monitors the general economic conditions and developments in the markets and sets new limits when necessary. These limits are set and monitored separately for the net FC position and for the cross rate risk. When necessary swap and forward contracts are used as a tool to hedge the foreign exchange risk.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016

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

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

Foreign Exchange Risk (continued)

The Group is exposed to foreign exchange risk arising primarily from the EUR, USD and GBP.

Foreign currency denominated assets and liabilities held by the Group before consolidation eliminations as at 30 September 2016 and 31 December 2015 in terms of TL are as follows:

	30 September 2016	31 December 2015			
Assets	136.517.369	128.626.065			
Liabilities	(137.089.022)	(136.166.574)			
Net foreign currency balance sheet position	(571.653)	(7.540.509)			
Net foreign currency position of off-balance sheet derivative financial instruments	1.959.669	8.402.706			
Net foreign currency balance sheet and off-balance sheet position	1.388.016	862.197			
30 September 2016	Total TL Equivalent	USD	TL Equivalent EUR	GBP	Other
Assets:					
Cash and cash equivalents	7.460.878	5.037.143	2.241.617	41.999	140.119
Financial assets	26.895.924	21.327.265	5.051.535	-	517.124
Receivables from financial operations	71.171.463	37.638.853	33.457.074	12.956	62.580
Reserve deposits at Central Bank	28.915.318	13.998.470	11.177.658	-	3.739.190
Trade receivables	885.964	286.767	503.853	2.806	92.538
Other current assets	1.187.820	717.841	412.568	92	57.319
Total Assets	136.517.367	79.006.339	52.844.305	57.853	4.608.870
Liabilities:					
Funds borrowed and debt securities in issue	38.720.068	28.563.188	9.998.356	2.938	155.586
Customer deposits	96.449.970	61.215.697	32.937.945	865.899	1.430.429
Trade payables	309.475	194.360	87.585	1.685	25.845
Other payables and provisions	1.609.508	784.440	761.989	1.620	61.459
Total Liabilities	137.089.021	90.757.685	43.785.875	872.142	1.673.319
Net foreign currency position of off-balance sheet derivative financial instruments	1.959.670	11.108.116	(7.679.053)	1.251.461	(2.720.854)
Net foreign currency position	1.388.016	(643.230)	1.379.377	437.172	214.697
Net foreign currency monetary position	1.388.016	(643.230)	1.379.377	437.172	214.697

Net profit effect of the consolidated to the total net foreign currency position is TL 1.293.004 as of 30 September 2016 (Akbank and Philsa - Philip Morrissa excluded).

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

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

Foreign Exchange Risk (continued)

31 December 2015	Total TL Equivalent	USD	TL Equivalent		Other
			EUR	GBP	
Assets:					
Cash and cash equivalents	8.229.608	5.864.491	2.213.366	34.705	117.046
Financial assets	29.204.701	23.367.054	5.837.647	-	-
Receivables from financial operations	66.913.937	40.103.231	26.747.536	12.698	50.472
Reserve deposits at Central Bank	22.776.999	15.304.344	3.865.549	-	3.607.106
Trade receivables	764.041	286.725	365.522	26.084	85.710
Other current assets	736.780	475.138	182.051	2.140	77.451
Total Assets	128.626.066	85.400.983	39.211.671	75.627	3.937.785
Liabilities:					
Funds borrowed and debt securities in issue	36.031.708	26.354.414	9.468.915	5.273	203.106
Customer deposits	98.496.275	68.859.632	26.690.548	1.523.676	1.422.419
Trade payables	274.414	165.358	84.117	1.077	23.862
Other payables and provisions	1.364.178	623.653	692.714	2.582	45.229
Total Liabilities	136.166.575	96.003.057	36.936.294	1.532.608	1.694.616
Net foreign currency position of off-balance sheet derivative financial instruments	8.402.706	10.025.671	(908.680)	1.459.007	(2.173.292)
Net foreign currency position	862.197	(576.403)	1.366.697	2.026	69.877
Net foreign currency monetary position	862.197	(576.403)	1.366.697	2.026	69.877

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

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

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

Foreign Exchange Risk (continued)

Bank is exposed to a negligible foreign exchange risk so effect of exchange rates changes on financial statements is not significant.

The foreign exchange risk of Group companies other than that the banking segment ended 30 September 2016 and 30 September 2015 is summarized as follows:

30 September 2016	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%		
USD net assets/liabilities	26.518	(26.518)
Hedged items (-)		
USD net effect	26.518	(26.518)
Change in EUR against TL by 10%		
EUR net assets/liabilities	17.758	(17.758)
Hedged items (-)		
EUR net effect	17.758	(17.758)
Change in GBP against TL by 10%		
GBP net assets/liabilities	(45)	45
Hedged items (-)		
GBP net effect	(45)	45
Change in other currency against TL by 10%		
Other currency net assets/liabilities	(1.433)	1.433
Hedged items (-)		
Other currency net effect	(1.433)	1.433
30 September 2015		
Change in USD against TL by 10%		
USD net assets/liabilities	17.166	(17.166)
Hedged items (-)	-	-
USD net effect	17.166	(17.166)
Change in EUR against TL by 10%		
EUR net assets/liabilities	14.710	(14.710)
Hedged items (-)	-	-
EUR net effect	14.710	(14.710)
Change in GBP against TL by 10%		
GBP net assets/liabilities	(97)	97
Hedged items (-)	-	-
GBP net effect	(97)	97
Change in other currency against TL by 10%		
Other currency net assets/liabilities	(649)	649
Hedged items (-)	-	-
Other currency net effect	(649)	649

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THE INTERIM PERIOD ENDED 30 SEPTEMBER 2016**

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

NOTE 23 - EVENTS AFTER THE REPORTING PERIOD

None.