

HACI ÖMER SABANCI HOLDİNG A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2021**

(ORIGINALLY ISSUED IN TURKISH)

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HACI ÖMER SABANCI HOLDİNG A.Ş.**CONDENSED CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2021 AND 31 DECEMBER 2020**

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

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

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

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

HACI ÖMER SABANCI HOLDİNG A.Ş.**CONDENSED CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2021 AND 31 DECEMBER 2020**

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

| | Note References | Not audited 30 June 2021 | Audited 31 December 2020 |
|---|----------------------------|---|---|
| LIABILITIES | | | |
| Short Term Liabilities | | 462.146.157 | 351.320.596 |
| Short Term Borrowings | 6 | 14.058.205 | 13.713.590 |
| Current Portion of Long Term Borrowings | 6 | 18.549.097 | 20.053.065 |
| Liabilities From Leasing Transactions | 7 | 371.191 | 334.423 |
| Trade Payables | | 5.737.203 | 5.023.674 |
| Payables From Finance Sector Operations | 25 | 393.778.498 | 292.375.186 |
| Payables Related with Employee Benefits | | 152.013 | 119.126 |
| Other Payables | 8 | 9.660.750 | 9.088.626 |
| Derivative Financial Instruments | 23 | 2.996.917 | 5.795.534 |
| Deferred Income | | 225.354 | 209.063 |
| Income Taxes Payable | 22 | 1.791.770 | 1.171.845 |
| Short Term Provisions | | 10.759.077 | 1.209.636 |
| - Short Term Provisions for Employee Benefits | | 622.256 | 522.275 |
| - Insurance Technical Provisions | 14 | 9.200.805 | - |
| - Other Short Term Provisions | 14 | 936.016 | 687.361 |
| Other Short Term Liabilities | 16 | 4.062.233 | 2.222.801 |
| | | 462.142.308 | 351.316.569 |
| Liabilities Classified as Held for Sale | 18 | 3.849 | 4.027 |
| Long Term Liabilities | | 81.953.272 | 73.154.884 |
| Long Term Borrowings | 6 | 48.688.130 | 38.494.543 |
| Liabilities From Leasing Transactions | 7 | 1.642.820 | 1.599.783 |
| Payables from Finance Sector Operations | 25 | 12.067.168 | 18.066.046 |
| Other Payables | 8 | 5.646.244 | 4.431.151 |
| Derivative Financial Instruments | 23 | 8.141.555 | 9.108.320 |
| Deferred Income | | 156.824 | 137.410 |
| Long Term Provisions | | 4.405.211 | 946.430 |
| - Long Term Provisions for Employee Benefits | | 829.357 | 704.926 |
| - Insurance Technical Provisions | 14 | 3.142.812 | - |
| - Other Long Term Provisions | 14 | 433.042 | 241.504 |
| Deferred Tax Liabilities | 22 | 1.173.974 | 318.277 |
| Other Long Term Liabilities | 16 | 31.346 | 52.924 |
| EQUITY | | 91.878.690 | 76.782.894 |
| Equity Attributable To The Parent | 17 | 44.814.968 | 37.996.499 |
| Share Capital | 17 | 2.040.404 | 2.040.404 |
| Adjustments to Share Capital | | 3.426.761 | 3.426.761 |
| Share Premium | 17 | 22.237 | 22.237 |
| Treasury shares (-) | 17 | (190.470) | (190.470) |
| Accumulated Profits or Losses | | | |
| Will Not Be Reclassified to Profit or Loss | | (169.379) | (150.921) |
| - Actuarial Gain/(Loss) | | (169.379) | (150.921) |
| Accumulated Profits or Losses | | | |
| Will Be Reclassified to Profit or Loss | | 1.861.870 | 1.135.944 |
| - Currency Translation Reserve | 17 | 3.572.358 | 2.684.551 |
| - Gains/Losses on Hedge | 17 | (1.466.622) | (1.755.742) |
| - Revaluation Reserve | 17 | (243.866) | 207.135 |
| Restricted Reserves | 17 | 1.370.269 | 1.223.543 |
| Retained Earnings | | 29.596.568 | 25.721.428 |
| Net Income for the Period | | 6.856.708 | 4.767.573 |
| Non-controlling Interests | | 47.063.722 | 38.786.395 |
| TOTAL EQUITY AND LIABILITIES | | 635.978.119 | 501.258.374 |

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 30 SEPTEMBER 2021 AND 2020

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

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

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

HACI ÖMER SABANCI HOLDİNG A.Ş.**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2021 AND 2020**

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

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

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2021 AND 2020

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

| | Accumulated Other Comprehensive Income or Loss That Will | | | | | | | | | | | | | |
|---|--|-----------------------------|------------------|---------------|-------------------------|------------------------------|--------------------|-------------------|--------------------|-------------------|-------------------------|-----------------------------------|--------------------------|-------------------|
| | Not be reclassified | | | | Be reclassified | | | | | | | | | |
| | Profit or Loss | | | | | | | | | | | | | |
| | Share capital | Adjustment to share capital | Treasury shares | Share premium | Acturial gains / losses | Currency translation reserve | Hedge reserve | Revaluation funds | Restricted reserve | Retained earnings | Net income for the year | Equity attributable to the parent | Non-controlling interest | Total |
| Balance at 1 January 2020 | 2.040.404 | 3.426.761 | (190.470) | 22.237 | (116.253) | 1.688.674 | (1.213.290) | 56.439 | 1.173.886 | 22.590.193 | 3.779.736 | 33.258.317 | 33.219.126 | 66.477.443 |
| Transfers | - | - | - | - | - | - | - | - | 38.162 | 3.741.574 | (3.779.736) | - | - | - |
| Dividends | - | - | - | - | - | - | - | - | - | (684.346) | - | (684.346) | (14.424) | (698.770) |
| Capital increase | - | - | - | - | - | - | - | - | - | - | - | - | 147.000 | 147.000 |
| Total comprehensive income | - | - | - | - | (9.691) | 1.093.099 | (651.920) | (466.522) | - | - | 3.840.886 | 3.805.852 | 3.275.727 | 7.081.579 |
| Balances at 30 September 2020 | 2.040.404 | 3.426.761 | (190.470) | 22.237 | (125.944) | 2.781.773 | (1.865.210) | (410.083) | 1.212.048 | 25.647.421 | 3.840.886 | 36.379.823 | 36.627.429 | 73.007.252 |
| Balance at 1 January 2021 | 2.040.404 | 3.426.761 | (190.470) | 22.237 | (150.921) | 2.684.551 | (1.755.742) | 207.135 | 1.223.543 | 25.721.428 | 4.767.573 | 37.996.499 | 38.786.395 | 76.782.894 |
| Transfers | - | - | - | - | - | - | - | - | 146.726 | 4.620.847 | (4.767.573) | - | - | - |
| Dividends(*) | - | - | - | - | - | - | - | - | - | (733.591) | - | (733.591) | (414.157) | (1.147.748) |
| Capital increase (**) | - | - | - | - | - | - | - | - | - | - | - | - | 139.339 | 139.339 |
| Subsidiary acquisition (***) | - | - | - | - | - | - | - | - | - | - | - | - | 3.178.518 | 3.178.518 |
| Changes in ownership interests in subsidiaries that do not result in a loss of control (****) | - | - | - | - | - | 29.335 | - | - | - | (12.116) | - | 17.219 | (17.219) | - |
| Total comprehensive income | - | - | - | - | (18.458) | 858.472 | 289.120 | (451.001) | - | - | 6.856.708 | 7.534.841 | 5.390.846 | 12.925.687 |
| Balances at 30 September 2021 | 2.040.404 | 3.426.761 | (190.470) | 22.237 | (169.379) | 3.572.358 | (1.466.622) | (243.866) | 1.370.269 | 29.596.568 | 6.856.708 | 44.814.968 | 47.063.722 | 91.878.690 |

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

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

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

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

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2021 AND 2020

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

| | Note references | Not audited 30 September 2021 | Not audited 30 September 2020 |
|--|-----------------|-------------------------------|-------------------------------|
| Net income from continuing operations | | 11.682.924 | 6.808.735 |
| Net income from discontinued operations | | (4.342) | 408 |
| Adjustments to reconcile income before taxation to net cash provided by operation activities: | | | |
| Tax expense/income | | 2.880.495 | 1.609.659 |
| Depreciation and amortization expenses | 4 | 1.528.036 | 1.206.564 |
| Provision for loan losses | | 2.661.654 | 5.590.676 |
| Changes in the fair value of derivative instruments | | (5.046.671) | (5.738.973) |
| Interest income/expense and foreign currency gains | | (4.246.202) | (5.330.819) |
| Provision for employment termination benefits | | 150.915 | 95.518 |
| Impairment charge on property, plant and equipment,intangible assets and investment property | | (98) | 1.272 |
| Impairment an assets held for sale | | 1.629 | 490.160 |
| Income from sale of property, plant and equipment,intangible assets and investment property | | (126.994) | (22.458) |
| Income from associates and joint ventures | 9 | (1.734.441) | (1.422.346) |
| Provision for /(reversal of) inventory impairment | | 23.895 | 17.126 |
| Provision for /(reversal of) doubtful receivables | | 7.687 | 587 |
| Unrealized foreign currency translation differences | | (1.128.367) | 528.737 |
| Other adjustments related to reconciliation of profit/(loss) | | (1.359.258) | - |
| Net cash provided by operation activities before changes in operating assets and liabilities | | 5.290.862 | 3.834.846 |
| Changes in trade receivables | | (1.119.527) | (200.958) |
| Changes in inventories | | (1.320.051) | (528.539) |
| Changes in other receivables | | 5.191.813 | (1.251.533) |
| Changes in prepaid expenses | | (820.887) | (449.427) |
| Changes in derivative financial instruments | | 2.367.168 | (810.827) |
| Changes in other assets | | (6.541.172) | (1.064.319) |
| Changes in trade payables | | 455.091 | 233.945 |
| Changes in other liabilities and other payables | | 15.981.279 | 4.795.246 |
| Net cash provided in operating activities of assets classified as held for sale | | (45.121) | 62.766 |
| Changes in assets and liabilities in finance segment: | | | |
| Changes in financial investments | | (2.074.402) | (957.103) |
| Changes in receivables from finance sector operations | | (45.642.026) | (48.845.652) |
| Changes in payables from finance sector operations | | 83.564.423 | 64.340.075 |
| Changes in Central Bank of the Republic of Turkey account | | (23.256.352) | (13.517.148) |
| Income taxes paid | 20 | (2.137.523) | (1.291.395) |
| Employment termination benefits paid | | (101.975) | (46.260) |
| Net cash provided from operating activities | | 29.791.600 | 4.303.717 |
| Sale / (Proceed) of fair value through other comprehensive income or amortized cost at financial asset | | (26.051.338) | (18.108.699) |
| Capital expenditures | | (937.655) | (1.366.077) |
| Proceeds from sales of property, plant, equipment and intangible assets | | 403.115 | 257.714 |
| Proceeds from related to purchases to gain control of subsidiaries | | 3.499.068 | - |
| Cash outflows from acquisitions or capital increase in associates and/or joint | | (150.000) | - |
| Dividends received | | 1.186.775 | 428.922 |
| Other cash inflows/outflows | | (1.339.487) | - |
| Net cash provided from / (used in) investing activities | | (23.389.522) | (18.788.140) |
| Proceeds from changes in ownership interests in subsidiaries that do not result in loss of control | | 139.339 | 147.000 |
| Cash inflows from financial liabilities | | 13.631.482 | 25.051.540 |
| Cash outflows from repayments of borrowings | | (5.488.912) | (5.080.960) |
| Cash outflows from payments of lease liabilities | | (590.719) | (511.667) |
| Dividends paid | | (1.147.748) | (698.770) |
| Net cash provided from / (used in) financing activities | | 6.543.442 | 18.907.143 |
| Effect of change in foreign currency rates on cash and cash equivalents | | 2.300.683 | 4.142.771 |
| Net increase / (decrease) in cash and cash equivalents | | 15.246.203 | 8.565.491 |
| Cash and cash equivalents in the beginning of the period | | 15.485.011 | 18.525.274 |
| Cash and cash equivalents at the end of the period | | 30.731.214 | 27.090.765 |

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

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

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

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

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

Hacı Ömer Sabancı Holding A.Ş. (the "Holding") was established in 1967 to coordinate and perform liaison services regarding the activities of companies operating in various fields including mainly finance, manufacturing and trade. The Holding is registered in Turkey. The number of employees in 2021 is 64.053 (31 December 2020: 63.412). Holding's registered address is as follows:

Sabancı Center, 4. Levent, İstanbul, Türkiye

The Holding is registered with the Capital Markets Board ("CMB") and its shares have been quoted on Borsa İstanbul ("BİST") (previously known as the Istanbul Stock Exchange ("ISE")) since 1997. As of 30 September 2021, the principal shareholders and their respective shareholding rates in the Holding are as follows (Note 17):

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

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

Subsidiaries

As of 30 September 2021, the type of activity of subsidiaries and their respective business segments in these condensed consolidated financial statements for the interim period are as follows:

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

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

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

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

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

In addition, A.R.T.S., which was established as a "Structured Entity" in November 1999 to provide long-term financing from abroad, which the Bank has 100% controlling power even though it is not a subsidiary, has been included in the consolidation by full consolidation method.

For the purposes of segment information, Holding's stand-alone financial statements have been included within the "Other" business segment on Note 4.

Joint Ventures

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

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

All joint ventures are registered in Turkey.

Associates

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

| Affiliates | Traded Stock Market | Type of Activity | Business Segment | Ventures | Number of Employees |
|---|---------------------|--------------------------------------|------------------|---------------|---------------------|
| Philsa Philip Morris Sabancı Sigara ve Tütün San. ve Tic. A.Ş. (Philsa) | - | Tobacco products Production | Industry | Philip Morris | 2.616 |
| Philip Morris Sabancı Pazarlama Satış A.Ş. ("Philip Morrisa") | - | Tobacco products Marketing and Sales | Industry | Philip Morris | |

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

All affiliates are registered in Turkey.

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

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

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

1.1 *Effects of COVID-19 pandemic*

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 *Basis of Presentation*

2.1.1 *Financial reporting standards*

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

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Financial Reporting Standards Standards ("TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué

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

The interim condensed consolidated financial statements are presented in accordance with the "Announcement regarding to TAS Taxonomy" which was published on 15 April 2019 by POA and the format and mandatory information recommended by CMB. The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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

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

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

2.1 Basis of Presentation (Continued)

2.1.1 Financial reporting standards (Continued)

Functional and Presentation Currency

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

2.1.2 New and Revised Turkish Accounting Standards

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

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

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

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

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

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

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

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

2.1 Basis of Presentation (Continued)

2.1.3 Basis of Consolidation

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

b) Subsidiaries are companies on which the Holding has the power to control directly or indirectly. The Group has control over a company if it is exposed to variable returns as a result of a business relationship with a company or has right on these returns and at the same time has the power to influence these returns with its power on the company.

c) Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

d) When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TFRS 9 *Financial Instruments*, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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

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

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.1 Basis of Presentation (Continued)****2.1.3 Basis of Consolidation (Continued)**

The table below sets out the Joint Ventures and shows the proportion of ownership interest and effective interest of the Holding in these Joint Ventures at 30 September 2021 and 31 December 2020:

| | 30 September 2021 | | 31 December 2020 | |
|-----------------------|---|---|---|---|
| | Direct and indirect ownership interest by the Holding and its subsidiaries | Proportion of ownership interest | Direct and indirect ownership interest by the Holding and its subsidiaries | Proportion of ownership interest |
| Joint Ventures | (%) | (%) | (%) | (%) |
| AEO | 76,85 | 76,85 | 76,85 | 76,85 |
| Akbank | 40,75 | 40,75 | 40,75 | 40,75 |
| Aksigorta | 36,00 | 36,00 | 36,00 | 36,00 |
| Agesa | 40,00 | 40,00 | 40,00 | 40,00 |
| Carrefoursa | 57,12 | 57,12 | 57,12 | 57,12 |
| CSC BV | 100,00 | 83,24 | 100,00 | 83,24 |
| Çimsa | 63,52 | 58,10 | 63,52 | 58,10 |
| Exsa | 61,68 | 47,90 | 61,68 | 47,90 |
| Kordsa | 71,11 | 71,11 | 71,11 | 71,11 |
| SabancıDX | 100,00 | 100,00 | 100,00 | 100,00 |
| Teknosa | 50,00 | 50,00 | 50,00 | 50,00 |
| Tursa | 100,00 | 100,00 | 100,00 | 100,00 |

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

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

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

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.1 Basis of Presentation (Continued)****2.1.3 Basis of Consolidation (Continued)**

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

The table below sets out the Joint Ventures and shows the proportion of ownership interest and effective interest of the Holding in these Joint Ventures at 30 September 2021 and 31 December 2020:

| | 30 September 2021 | | 31 December 2020 | |
|-----------------------|---|---|---|---|
| | Direct and indirect ownership interest by the Holding and its subsidiaries | Proportion of ownership interest | Direct and indirect ownership interest by the Holding and its subsidiaries | Proportion of ownership interest |
| Joint Ventures | (%) | (%) | (%) | (%) |
| Akçansa | 39,72 | 39,72 | 39,72 | 39,72 |
| Brisa | 43,63 | 43,63 | 43,63 | 43,63 |
| Enerjisa Enerji | 40,00 | 40,00 | 40,00 | 40,00 |
| Enerjisa Üretim | 50,00 | 50,00 | 50,00 | 50,00 |
| Temsa Ulaşım Araçları | 50,00 | 23,95 | 50,00 | 23,95 |

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

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

The table below sets out all Associates and shows the total interest of the Holding in these associates at 30 September 2021 and 31 December 2020:

| | Proportion of effective interest by the Holding (%) |
|---|--|
| Associates | |
| Philsa Philip Morris Sabancı Sigara ve Tütün San. ve Tic. A.Ş. ("Philsa") | 25.00 |
| Philip Morris Sabancı Pazarlama Satış A.Ş. ("Philip Morrisa") | 24.75 |

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

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

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

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

2.1 Basis of Presentation (Continued)

2.1.4 Comparatives and Restatement of Prior Year Financial Statements

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

2.2 Changes in Accounting Policies and Estimates and Errors

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

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

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

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

2.3 Summary of Significant Accounting Policies

For the period ended 30 September 2021, the Group prepared its financial statements in accordance with TAS 34 Interim Financial Reporting Standard. The condensed interim consolidated financial statements do not contain all information required to be included in the annual financial statements and should be read in conjunction with the annual financial statements prepared as of 31 December 2020.

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

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

NOTE 3 - BUSINESS COMBINATIONS**The business combinations between the period 1 January and 30 September 2021 are as follows:**

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)**The business combinations between the period 1 January and 30 September 2021 are as follows: (Continued)**

| | Bunol Beyaz Çimento |
|--------------------------------------|----------------------------|
| Total net identifiable assets | 1.336.863 |
| Purchase price | 1.336.863 |

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

As of 22 October 2020, Exsa Export Sanayi Mamülleri Satış ve Araştırma A.Ş. (Exsa), a subsidiary of the Group, acquired %50 of the shares (representing its capital of TRY 210.000) of bus and midibus producing company Temsa Ulaşım Araçları Sanayi ve Ticaret A.Ş (Temsa Ulaşım Araçları)

As of 16 December 2020, a new company named Çimsa Sabancı Cement BV (CSC BV) has been established in the Netherlands with a capital of 87.000.000 Full Euro, in which Group has a 60% and Çimsa has a 40% shareholding. By participating in CSC BV as a founding partner, a capital of 52.200.000 Full Euro has been allocated for 52.200.000 shares.

NOTE 4 - SEGMENT REPORTING

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

a) External Revenues (Consolidated):

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

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

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

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

NOTE 4 - SEGMENT REPORTING (Continued)**b) Segment Assets (Consolidated):**

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

c) Segment Liabilities (Consolidated):

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

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

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

NOTE 4 - SEGMENT REPORTING (Continued)**d) The balance sheet items by segment:****i) Banking:**

| | Combined(*) 30 September 2021 | Consolidated(**) 30 September 2021 | Combined(*) 31 December 2020 | Consolidated(**) 31 December 2020 |
|--|--|---|---|--|
| Cash and cash equivalents | 38.074.351 | 38.074.351 | 17.971.434 | 17.971.434 |
| Financial assets | 132.441.478 | 132.441.478 | 109.271.030 | 109.271.030 |
| Derivative financial instruments | 22.378.318 | 22.378.318 | 22.858.366 | 22.858.366 |
| Reserve deposits with the Central Bank of Republic of Turkey | 65.860.722 | 65.860.722 | 42.604.370 | 42.604.370 |
| Receivables from finance sector operations | 317.692.671 | 317.692.671 | 267.846.568 | 267.846.568 |
| Property, plant and equipment | 2.180.773 | 2.180.773 | 2.326.451 | 2.326.451 |
| Right of use assets | 556.196 | 556.196 | 546.620 | 546.620 |
| Intangible assets | 1.228.895 | 1.228.895 | 1.190.909 | 1.190.909 |
| Other receivables and other assets | 7.219.309 | 7.219.309 | 10.944.723 | 10.944.723 |
| Total segment assets | 587.632.713 | 587.632.713 | 475.560.471 | 475.560.471 |
| Financial liabilities | 76.590.40 | 76.590.480 | 67.258.898 | 67.258.898 |
| Payables from finance sector operations | 408.717.882 | 408.717.882 | 313.617.634 | 313.617.634 |
| Derivative financial instruments | 11.058.909 | 11.058.909 | 14.840.973 | 14.840.973 |
| Other payables and other liabilities | 22.540.931 | 22.540.931 | 18.525.012 | 18.525.012 |
| Total segment liabilities | 518.908.202 | 518.908.202 | 414.242.517 | 414.242.517 |

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

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

As of 30 September 2021, the cash flows from operating activities of the Bank is TRY23.387.867 (30 September 2020: TRY3.911.356).

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

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

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

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

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

ii) Financial services:

| | Combined(*) 30 September 2021 | Consolidated(**) 30 September 2021 | Combined(*) 31 December 2020 | Consolidated(**) 31 December 2020 |
|--|-------------------------------------|--|---------------------------------|--------------------------------------|
| Cash and cash equivalents | 3.067.289 | 3.067.289 | 3.250.898 | - |
| Financial investments | 5.718.373 | 5.718.373 | 4.019.101 | - |
| Receivables from finance sector operations | 1.235.744 | 1.235.744 | 1.327.774 | - |
| Investments accounted through equity method (Note 9) | - | - | - | 776.475 |
| Property, plant and equipment | 69.014 | 69.014 | 45.857 | - |
| Right of use assets | 30.792 | 30.792 | 49.680 | - |
| Intangible assets | 4.972.317 | 4.972.317 | 151.021 | - |
| Other receivables and other assets | 4.981.912 | 5.111.627 | 4.543.064 | - |
| Total segment assets | 20.075.441 | 20.205.156 | 13.387.395 | 776.475 |
| Payables from finance sector operations | 868.196 | 868.196 | 858.957 | - |
| Insurance Technical Provisions | 12.343.617 | 12.343.617 | 9.795.408 | - |
| Other payables and other liabilities | 1.668.546 | 1.668.546 | 721.770 | - |
| Total segment liabilities | 14.880.359 | 14.880.359 | 11.376.135 | - |

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

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

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

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

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

iii) Energy:

| | Combined(*) 30 September 2021 | Consolidated(**) 30 September 2021 | Combined(*) 31 December 2020 | Consolidated(**) 31 December 2020 |
|--|-------------------------------------|--|---------------------------------|--------------------------------------|
| Cash and cash equivalents | 2.612.214 | - | 2.215.534 | - |
| Financial investments | 269.753 | - | 428.955 | - |
| Trade receivables | 5.488.264 | - | 3.967.365 | - |
| Inventories | 605.076 | - | 365.300 | - |
| Investments accounted through equity method (Note 9) | - | 6.515.334 | - | 6.157.834 |
| Property, plant and equipment | 10.229.821 | - | 10.431.824 | - |
| Right of use assets | 369.597 | - | 243.615 | - |
| Intangible assets | 4.720.713 | - | 4.899.073 | - |
| Other receivables and other assets | 17.570.148 | - | 16.697.609 | - |
| Total segment assets | 41.865.586 | 6.515.334 | 39.249.275 | 6.157.834 |
| Financial liabilities | 16.913.211 | - | 16.657.255 | - |
| Trade payables | 3.021.393 | - | 2.720.039 | - |
| Other payables and other liabilities | 7.373.607 | - | 6.125.647 | - |
| Total segment liabilities | 27.308.211 | - | 25.502.941 | - |

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

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

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

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

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

iv) Industry:

| | Combined(*) 30 September 2021 | Consolidated(**) 30 September 2021 | Combined(*) 31 December 2020 | Consolidated(**) 31 December 2020 |
|--|-------------------------------------|--|---------------------------------|--------------------------------------|
| Cash and cash equivalents | 2.609.342 | 355.212 | 1.935.371 | 449.893 |
| Financial investments | 587 | 587 | 52.130 | 645 |
| Trade receivables | 2.749.165 | 1.648.080 | 1.854.034 | 1.091.112 |
| Inventories | 2.698.621 | 1.766.923 | 1.842.962 | 1.225.313 |
| Investments accounted through equity method (Note 9) | 429.786 | 1.029.837 | 339.158 | 883.093 |
| Property, plant and equipment | 4.719.296 | 2.797.039 | 4.381.708 | 2.533.463 |
| Right of use assets | 150.058 | 136.443 | 111.574 | 95.429 |
| Intangible assets | 1.216.551 | 1.107.783 | 1.058.349 | 951.037 |
| Other receivables and other assets | 3.325.147 | 1.749.856 | 2.780.635 | 1.347.718 |
| Total segment assets | 17.898.553 | 10.591.760 | 14.355.921 | 8.577.703 |
| Financial liabilities | 6.984.981 | 3.177.085 | 6.144.229 | 2.978.692 |
| Trade payables | 2.631.627 | 1.051.808 | 1.864.121 | 664.286 |
| Other payables and other liabilities | 1.841.954 | 998.706 | 1.346.668 | 763.256 |
| Total segment liabilities | 11.458.562 | 5.227.599 | 9.355.018 | 4.406.234 |

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

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

Industry segment consists of Kordsa, Brisa, Philsa and Philip Morrisa.

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

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

v) Retail:

| | Combined(*) 30 September 2021 | Consolidated(**) 30 September 2021 | Combined(*) 31 December 2020 | Consolidated(**) 31 December 2020 |
|--------------------------------------|-------------------------------------|--|---------------------------------|--------------------------------------|
| Cash and cash equivalents | 663.060 | 663.060 | 1.297.782 | 1.297.782 |
| Trade receivables | 260.036 | 260.036 | 180.567 | 180.567 |
| Inventories | 2.638.480 | 2.638.480 | 2.108.143 | 2.108.143 |
| Investment property | 29.222 | 29.222 | 29.222 | 29.222 |
| Property, plant and equipment | 604.155 | 604.155 | 705.223 | 705.223 |
| Right of use assets | 1.007.787 | 1.007.787 | 1.017.773 | 1.017.773 |
| Intangible assets | 90.637 | 90.637 | 91.768 | 91.768 |
| Other receivables and other assets | 1.238.932 | 1.299.767 | 1.106.050 | 1.166.884 |
| Total segment assets | 6.532.309 | 6.593.144 | 6.536.528 | 6.597.362 |
| Financial liabilities(***) | 2.345.174 | 2.345.174 | 2.681.937 | 2.681.937 |
| Trade payables | 3.781.296 | 3.781.296 | 3.569.076 | 3.569.076 |
| Other payables and other liabilities | 692.485 | 692.485 | 652.091 | 652.091 |
| Total segment liabilities | 6.818.955 | 6.818.955 | 6.903.104 | 6.903.104 |

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

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

Retail segment consists of Teknosa and Carrefoursa.

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

NOTE 4 - SEGMENT REPORTING (Continued)**d) The balance sheet items by segment (continued):****vi) Building materials:**

| | Combined(*) 30 September 2021 | Consolidated(**) 30 September 2021 | Combined(*) 31 December 2020 | Consolidated(**) 31 December 2020 |
|--|--|---|---|--|
| Cash and cash equivalents | 889.831 | 742.012 | 1.751.992 | 1.433.619 |
| Financial investments | 499.012 | 64 | 185.224 | 64 |
| Trade receivables | 1.777.838 | 961.049 | 950.153 | 507.869 |
| Inventories | 900.675 | 510.839 | 465.336 | 285.260 |
| Investments accounted through equity method (Note 9) | - | 407.413 | - | 397.334 |
| Property, plant and equipment | 3.625.248 | 2.741.587 | 3.008.741 | 2.155.891 |
| Right of use assets | 148.646 | 56.747 | 144.165 | 53.285 |
| Intangible assets | 617.654 | 575.003 | 61.335 | 16.967 |
| Other receivables and other assets | 1.050.040 | 763.629 | 779.587 | 518.249 |
| Total segment assets | 9.508.944 | 6.758.343 | 7.346.533 | 5.368.538 |
| Financial liabilities | 3.386.739 | 2.795.434 | 2.646.567 | 2.039.083 |
| Trade payables | 1.589.398 | 718.474 | 1.079.271 | 635.366 |
| Other payables and other liabilities | 672.008 | 448.240 | 507.232 | 316.146 |
| Total segment liabilities | 5.648.145 | 3.962.148 | 4.233.070 | 2.990.595 |

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

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

Building materials segment consists of Çimsa, Akçansa and CSC BV.

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

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

vii) Other:

| | Combined(*) 30 September 2021 | Consolidated(**) 30 September 2021 | Combined(*) 31 December 2020 | Consolidated(**) 31 December 2020 |
|--|-------------------------------------|--|---------------------------------|--------------------------------------|
| Cash and cash equivalents | 2.799.002 | 2.799.002 | 1.851.658 | 1.851.658 |
| Financial investments | 13.884.850 | 21.620 | 13.733.773 | 7.043 |
| Trade receivables | 130.200 | 129.963 | 102.381 | 101.105 |
| Inventories | 203.095 | 203.095 | 142.639 | 142.639 |
| Property, plant and equipment | 254.573 | 218.509 | 251.346 | 215.282 |
| Right of use assets | 17.821 | 17.821 | 18.470 | 18.470 |
| Intangible assets | 20.089 | 20.089 | 24.635 | 24.635 |
| Investments accounted through equity method (Note 9) | 218.227 | 218.227 | 83.636 | 83.636 |
| Other receivables and other assets | 312.837 | 316.153 | 282.473 | 282.028 |
| Total segment assets | 17.840.694 | 3.944.479 | 16.491.011 | 2.726.496 |
| Financial liabilities | 19.935 | 19.935 | 19.141 | 19.141 |
| Trade payables | 233.611 | 232.414 | 199.952 | 198.177 |
| Other payables and other liabilities | 257.792 | 247.829 | 255.479 | 246.095 |
| Total segment liabilities | 511.338 | 500.178 | 474.572 | 463.413 |

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

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

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

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

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

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

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

f) The income statement items by segment:

i) Banking:

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

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

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

Akbank's net income attributable to non-controlling interest is TRY4.360.997 (30 September 2020: TRY2.914.114).

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

NOTE 4 - SEGMENT REPORTING (Continued)

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

ii) Financial services:

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

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

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

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

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

iii) Energy:

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

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

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

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

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

iv) Industry:

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

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

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

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

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

v) Retail:

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

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

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

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

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

vi) Building materials:

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

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

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

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

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

vii) Other:

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

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

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

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

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

NOTE 4 - SEGMENT REPORTING (Continued)**g) Detail of net income/(loss) attributable to equity holders of the parent**

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

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

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

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

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

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

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

NOTE 4 - SEGMENT REPORTING (Continued)**h) Combined EBITDA Detail**

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

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

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

NOTE 4 - SEGMENT REPORTING (Continued)**i) Depreciation and amortization, impairment and investment expenses (Consolidated):****1 January - 30 September 2021**

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

1 January - 30 September 2020

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

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

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

NOTE 4 - SEGMENT REPORTING (Continued)**j) Depreciation and amortization, impairment and investment expenses (Combined):****1 January - 30 September 2021**

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

1 January - 30 September 2020

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

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

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

NOTE 5 - FINANCIAL INVESTMENTS**a) Financial assets at fair value through profit or loss**

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

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

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

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

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

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

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

HACI ÖMER SABANCI HOLDİNG A.Ş.**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

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

NOTE 5 - FINANCIAL INVESTMENTS (Continued)**a) Financial assets at fair value through profit or loss (Continued)**

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

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

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

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

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

Period remaining to contractual repricing dates:

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

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

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

NOTE 5 - FINANCIAL INVESTMENTS (Continued)**b) Financial assets at fair value through other comprehensive income**

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

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

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

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

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

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

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

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

NOTE 5 - FINANCIAL INVESTMENTS (Continued)**b) Financial assets at fair value through other comprehensive income (Continued)**

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

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

c) Financial assets carried at amortized cost:

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

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

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

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

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

(**) Including expected loss provision.

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

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

NOTE 5 - FINANCIAL INVESTMENTS (Continued)**c) Financial assets carried at amortized cost (Continued)**

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

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

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

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

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

d) Time Deposit:

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

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

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

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

NOTE 6 - FINANCIAL LIABILITIES**Short term funds, bank loans and issued debt securities**

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

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

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

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

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

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

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

HACI ÖMER SABANCI HOLDİNG A.Ş.**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

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

NOTE 6 - FINANCIAL LIABILITIES (Continued)

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

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

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

Akbank - Syndicated Loan

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

Issued securities:

Securities issued consist of USD and TRY assets.

The repayment plan for USD securities issued is summarized below:

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

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

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

NOTE 6 - FINANCIAL LIABILITIES (Continued)**Issued securities: (Continued)**

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

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

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

NOTE 7 - OBLIGATIONS FROM LEASING TRANSACTIONS

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

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

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

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

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

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

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

NOTE 7 - OBLIGATIONS FROM LEASING TRANSACTIONS (Continued)

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

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

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

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

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

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

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

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

NOTE 8 - OTHER RECEIVABLES AND PAYABLES

| Other short term receivables: | 30 September 2021 | 31 December 2020 |
|---------------------------------------|--------------------------|-------------------------|
| Receivables from credit card payments | 51.836 | 51.697 |
| Other receivables(*) | 2.541.907 | 4.445.839 |
| Total | 2.593.743 | 4.497.536 |

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

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

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

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

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

NOTE 9 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Book value of Associates and Joint Ventures is as follows:

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

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

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

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

NOTE 9 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (Continued)

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

| | 1 January - 30 September 2021 | 1 January - 30 September 2020 |
|-----------------------------|--|--|
| Brisa | 292.295 | 136.430 |
| Akçansa | 51.179 | 29.237 |
| Enerjisa Üretim Santralleri | 486.316 | 403.771 |
| Enerjisa Enerji | 601.622 | 538.755 |
| Philsa | 103.020 | 50.613 |
| Philip Morrisa | 61.762 | 30.071 |
| Temsa Ulaşım Araçları | (19.519) | - |
| Aksigorta(*) | 54.669 | 108.965 |
| Agesa(*) | 103.097 | 124.504 |
| Total | 1.734.441 | 1.422.346 |

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

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

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

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

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

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

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

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

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

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

Net profit / (loss) for the period

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

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

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

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

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment for the year ended 30 September 2021 is as follows:

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

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

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

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

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

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The movement in property, plant and equipment for the year ended 30 September 2020 is as follows:

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

(*) TRY2.978 of the transfers from construction in progress in the current period is recognized in intangible assets.

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

NOTE 11 - INTANGIBLE ASSETS

The movements in intangible assets for the years ended 30 September 2021 and 2020 are as follows:

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

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

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

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

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

NOTE 12 - RIGHT TO USE ASSETS

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

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

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

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

NOTE 12 - RIGHT TO USE ASSETS (Continued)

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

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

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

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

NOTE 13 - GOODWILL

The movements of goodwill for the three month period ended on 30 September 2021 and 2020 are as follows:

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

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

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

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

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

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

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**Commitments for resale and repurchase of debt securities:**

Commitments for the resale and repurchase of debt securities (government bonds, treasury bills and Eurobonds) at 30 September 2021 and 31 December 2020 are as follows:

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

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

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

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)
Types of derivative transactions held for hedges:

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

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

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

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

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

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

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

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

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

The economic sector risk concentrations of the commitments of the Banking segment at 30 September 2021 and 31 December 2020 are as follows:

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

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

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

NOTE 15 - COMMITMENTS

Collaterals, pledges and mortgages (“CPM”) given by Subsidiaries at 30 September 2021 is as follows:

| | 30 September 2021 | | | | |
|---|------------------------|-------------------|------------------|------------------|----------------|
| | Total TL Equivalent | TL | USD | EUR | Other |
| A, Total amount of the Collaterals | | | | | |
| given for its own legal entity | 1.234.641 | 1.141.677 | 5.272 | 4.289 | - |
| B, Collaterals given on behalf of fully consolidated companies | 2.328.237 | 690.055 | 69.629 | 98.769 | 3.529 |
| C, Collaterals given on behalf of the third parties’ debt for continuation of their economic activities | 68.065.120 | 29.467.449 | 2.465.113 | 1.538.362 | 883.739 |
| D, Total amount of other Collaterals | | | | | |
| i, Given on behalf of majority shareholder | - | - | - | - | - |
| ii, Given on behalf of other group companies which are not in the scope of B and C | - | - | - | - | - |
| iii, Given on behalf of third parties which are not in scope of C | - | - | - | - | - |
| Total Collaterals | 71.627.998 | 31.299.181 | 2.540.014 | 1.641.420 | 887.268 |
| A, Total amount of the mortgages | - | - | - | - | - |
| given for its own legal entity | - | - | - | - | - |
| B, Mortgages given on behalf of fully consolidated companies | - | - | - | - | - |
| C, Mortgages given on behalf of third parties’ debt for continuation of their economic activities | - | - | - | - | - |
| D, Total amount of other Mortgages | - | - | - | - | - |
| i, Given on behalf of majority shareholder | - | - | - | - | - |
| ii, Given on behalf of other group companies which are not in the scope of B and C | - | - | - | - | - |
| iii, Given on behalf of third parties which are not in scope of C | - | - | - | - | - |
| Total Mortgages | - | - | - | - | - |
| A, Total amount of the pledges | | | | | |
| given for its own legal entity | - | - | - | - | - |
| B, Pledges given on behalf of fully consolidated companies | - | - | - | - | - |
| C, Pledges given on behalf of third parties’ debt for continuation of their economic activities | - | - | - | - | - |
| D, Total amount of other Pledges | | | | | |
| i, Given on behalf of majority shareholder | - | - | - | - | - |
| ii, Given on behalf of other group companies which are not in the scope of B and C | - | - | - | - | - |
| iii, Given on behalf of third parties which are not in scope of C | - | - | - | - | - |
| Total Pledges | - | - | - | - | - |

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

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

NOTE 15 - COMMITMENTS (Continued)

Collaterals, pledges and mortgages (“CPM”) given by Joint Ventures at 30 September 2021 is as follows;

| | 30 September 2021 | | | | |
|---|--------------------------------|------------------|--------------|--------------|--------------|
| | Total TL Equivalent | TL | USD | EUR | Other |
| A, Total amount of the Collaterals | | | | | |
| given for its own legal entity | 1.219.292 | 1.165.607 | 2.891 | 2.723 | - |
| B, Collaterals given on behalf of fully consolidated companies | - | - | - | - | - |
| C, Collaterals given on behalf of the third parties’ debt for continuation of their economic activities | 5.982 | 5.982 | - | - | - |
| D, Total amount of other Collaterals | | | | | |
| i, Given on behalf of majority shareholder | - | - | - | - | - |
| ii, Given on behalf of other group companies which are not in the scope of B and C | - | - | - | - | - |
| iii, Given on behalf of third parties which are not in scope of C | - | - | - | - | - |
| Total Collaterals | 1.225.274 | 1.171.589 | 2.891 | 2.723 | - |
| A, Total amount of the mortgages | | | | | |
| given for its own legal entity | - | - | - | - | - |
| B, Mortgages given on behalf of fully consolidated companies | - | - | - | - | - |
| C, Mortgages given on behalf of third parties’ debt for continuation of their economic activities | - | - | - | - | - |
| D, Total amount of other Mortgages | | | | | |
| i, Given on behalf of majority shareholder | - | - | - | - | - |
| ii, Given on behalf of other group companies which are not in the scope of B and C | - | - | - | - | - |
| iii, Given on behalf of third parties which are not in scope of C | - | - | - | - | - |
| Total Mortgages | - | - | - | - | - |
| A, Total amount of the pledges | | | | | |
| given for its own legal entity | - | - | - | - | - |
| B, Pledges given on behalf of fully consolidated companies | - | - | - | - | - |
| C, Pledges given on behalf of third parties’ debt for continuation of their economic activities | - | - | - | - | - |
| D, Total amount of other Pledges | | | | | |
| i, Given on behalf of majority shareholder | - | - | - | - | - |
| ii, Given on behalf of other group companies which are not in the scope of B and C | - | - | - | - | - |
| iii, Given on behalf of third parties which are not in scope of C | - | - | - | - | - |
| Total Pledges | - | - | - | - | - |

HACI ÖMER SABANCI HOLDİNG A.Ş.

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

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

NOTE 15 - COMMITMENTS (Continued)

Collaterals, pledges and mortgages (“CPM”) given by Subsidiaries at 31 December 2020 is as follows:

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

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

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

NOTE 15 - COMMITMENTS (Continued)

Collaterals, pledges and mortgages (“CPM”) given by Joint Ventures at 31 December 2020 is as follows;

| | 31 December 2020 | | | | |
|---|------------------------|------------------|---------------|--------------|----------|
| | Total TL Equivalent | TL | USD | EUR | Other |
| A, Total amount of the Collaterals | | | | | |
| given for its own legal entity | 1.136.353 | 1.018.185 | 12.310 | 3.087 | - |
| B, Collaterals given on behalf of fully consolidated companies | - | - | - | - | - |
| C, Collaterals given on behalf of the third parties’ debt for continuation of their economic activities | 4.113 | 4.113 | - | - | - |
| D, Total amount of other Collaterals | | | | | |
| i, Given on behalf of majority shareholder | - | - | - | - | - |
| ii, Given on behalf of other group companies which are not in the scope of B and C | - | - | - | - | - |
| iii, Given on behalf of third parties which are not in scope of C | - | - | - | - | - |
| Total Collaterals | 1.140.466 | 1.022.298 | 12.310 | 3.087 | - |
| A, Total amount of the mortgages | | | | | |
| given for its own legal entity | - | - | - | - | - |
| B, Mortgages given on behalf of fully consolidated companies | - | - | - | - | - |
| C, Mortgages given on behalf of third parties’ debt for continuation of their economic activities | - | - | - | - | - |
| D, Total amount of other Mortgages | | | | | |
| i, Given on behalf of majority shareholder | - | - | - | - | - |
| ii, Given on behalf of other group companies which are not in the scope of B and C | - | - | - | - | - |
| iii, Given on behalf of third parties which are not in scope of C | - | - | - | - | - |
| Total Mortgages | - | - | - | - | - |
| A, Total amount of the pledges | | | | | |
| given for its own legal entity | - | - | - | - | - |
| B, Pledges given on behalf of fully consolidated companies | - | - | - | - | - |
| C, Pledges given on behalf of third parties’ debt for continuation of their economic activities | - | - | - | - | - |
| D, Total amount of other Pledges | | | | | |
| i, Given on behalf of majority shareholder | - | - | - | - | - |
| ii, Given on behalf of other group companies which are not in the scope of B and C | - | - | - | - | - |
| iii, Given on behalf of third parties which are not in scope of C | - | - | - | - | - |
| Total Pledges | - | - | - | - | - |

HACI ÖMER SABANCI HOLDİNG A.Ş.

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

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

NOTE 16 - OTHER ASSETS AND LIABILITIES

| Other Current Assets | 30 September 2021 | 31 December 2020 |
|------------------------------------|-------------------|------------------|
| Cheques in clearance | 1.727.542 | 852.507 |
| Deductible, deferred and other VAT | 138.445 | 200.743 |
| Other Current Assets | 5.728.649 | 56.173 |
| Total | 7.594.636 | 1.109.423 |

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

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

| Other Long Term Liabilities | 30 September 2021 | 31 December 2020 |
|-----------------------------|-------------------|------------------|
| Other long term liabilities | 31.346 | 52.924 |
| Total | 31.346 | 52.924 |

NOTE 17 - EQUITY

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

The Holding's authorised and paid-in share capital and shareholding structure at 30 September 2021 and 31 December 2020 is as follows:

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

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

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

NOTE 17 - EQUITY (Continued)

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

Restricted Reserves

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

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

The details of restricted reserves mentioned above are as follows:

| | 30 September 2021 | 31 December 2020 |
|--------------------------|--------------------------|-------------------------|
| Legal reserves | 1.025.782 | 879.056 |
| Investments sales income | 344.487 | 344.487 |
| Total | 1.370.269 | 1.223.543 |

Dividend Distribution

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

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

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

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

NOTE 17 - EQUITY (Continued)**Accumulated Other Comprehensive Income or Loss to be Reclassified to Profit or Loss**

| | Fair Value Revaluation Fund | Cash Flow Hedge Fund | Net Investment Hedge Fund | Currency Translation Effect |
|--|--|---------------------------------|--|--|
| Balance as of 1 January 2020 | 56.439 | (765.162) | (448.128) | 1.688.674 |
| Increases/(decreases) during the period) | (601.541) | (760.100) | (586.249) | 1.093.099 |
| Gains transferred to income statement | 388.710 | 510.554 | - | - |
| Net gains & losses included in the ..income statement due to transfer of available for sale financial assets into held to maturity assets | (385.274) | - | - | - |
| Tax effect | 131.583 | 54.900 | 128.975 | - |
| Balance as of 30 September 2020 | (410.083) | (959.808) | (905.402) | 2.781.773 |

| | Fair Value Revaluation Fund | Cash Flow Hedge Fund | Net Investment Hedge Fund | Currency Translation Effect |
|--|--|---------------------------------|--|--|
| Balance as of 1 January 2021 | 207.135 | (824.534) | (931.208) | 2.684.551 |
| Increases/(decreases) during the period) | (232.722) | 301.657 | (377.429) | 887.807 |
| Gains transferred to income statement | (155.289) | 437.172 | - | - |
| Net gains & losses included in the ..income statement due to transfer of available for sale financial assets into held to maturity assets | (175.740) | - | - | - |
| Tax effect | 112.750 | (147.766) | 75.486 | - |
| Balance as of 30 September 2021 | (243.866) | (233.471) | (1,233.151) | 3.572.358 |

NOTE 18 - ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS**1 January - 30 September 2021**

Nile Kordsa Company for Industrial Fabrics S.A.E., a subsidiary of Kordsa, which is a subsidiary of the Group, had a full period loss amounting to Total TRY (4.342.038) as of 30 September 2021. (30 September 2020: TRY407.752) In 30 September 2021 and 30 September 2020, operating results of this company reclassified as income/expense from the discontinued operations in consolidated financial statements.

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

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

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

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

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

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

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

Information on other assets held for sale:

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

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

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

1 January - 30 September 2020

Nile Kordsa Company for Industrial Fabrics S.A.E., a subsidiary of Kordsa, which is a subsidiary of the Group, had a full period loss amounting to Total TRY 407.752 as of 30 September 2020. In 30 September 2020, operating results of this company reclassified as income/expense from the discontinued operations in consolidated financial statements.

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

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

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

NOTE 19 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

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

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

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

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

DİPNOT 20 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

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

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

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

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

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

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

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

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

NOTE 21 - FINANCIAL INCOME AND EXPENSE

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

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

NOTE 22 - TAX ASSETS AND LIABILITIES

| | 30 September 2021 | 31 December 2020 |
|------------------------------------|--------------------------|-------------------------|
| Corporate and income taxes payable | 2.663.892 | 2.837.819 |
| Less: prepaid taxes | (877.464) | (1.672.762) |
| Total taxes payable | 1.786.428 | 1.165.057 |

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

The effective tax rate of the fiscal year 2021 is 25% (2020: %22). According to the Law No. 7316, published in the Official Gazette dated 22 April 2021, corporate tax rate has increased to 25% for the taxation period of 2021 which will start beginning from 1/7/2021. The rate will be applied as 23% for the 2022 taxation period.

Corporation tax is payable for the Holding after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, and investment allowance, etc. and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed.

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

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

NOTE 22 - TAX ASSETS AND LIABILITIES (Continued)

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

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

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

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

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

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

Affiliation Privilege

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

Emission Premiums Exemption

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

Exemption for participation into foreign subsidiaries

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

Exemption for sale of participation shares and property

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which have remained in assets for more than two full years are exempt from corporate tax. As of 1 January 2019, the exemption for real estate has been revised to 50%. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The proceed related to the sale transaction has to be collected up until the end of the second calendar year following the year the sale was realized. Brokerage houses and real estate companies who are dealing with the trading and the leasing of the real estate cannot benefit from this exemption.

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

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

NOTE 22 - TAX ASSETS AND LIABILITIES (Continued)***Exemption for investment incentive***

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

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

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

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

Deferred tax

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

According to the Law No. 7316, published in the Official Gazette dated 22 April 2021, corporate tax rate has increased to 25% for the taxation period of 2021 which will start beginning from 1 July 2021. The rate will be applied as 23% for the 2022 taxation period.

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

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

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

NOTE 22 - TAX ASSETS AND LIABILITIES (Continued)**Deferred tax (Continued)**

According to Law No: 7061 “The Law regarding amendments on Certain Tax Laws and their implications on Deferred Tax Calculations” published in the Official Gazette dated 5 December 2017 and temporary 10th Article added to Corporate Income Tax Law No. 5520, tax ratio will be applied as 22% for the periods of 2018, 2019 and 2020.

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

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

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

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

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

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

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

NOTE 22 - TAX ASSETS AND LIABILITIES (Continued)**Deferred tax (Continued)**

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

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

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

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

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

NOTE 23 - DERIVATIVE FINANCIAL INSTRUMENTS

| 30 September 2021 | | Fair Value | |
|---|-------------------|------------|-------------------|
| Derivative instruments held for trading: | | Asset | Liability |
| Foreign exchange derivative instruments: | | | |
| Currency and interest rate swaps purchases and sales transactions | 10.519.826 | | 9.628.518 |
| Forward currency purchases and sales transactions | 425.670 | | 413.064 |
| Currency purchases and sales options | 143.312 | | 240.848 |
| Other purchases and sales transactions | 3.215.664 | | 23 |
| Total derivative instruments held for trading | 14.304.472 | | 10.282.453 |
| Derivative instruments held for hedging: | | | |
| Currency and interest rate swap purchases and sales transactions | 8.142.813 | | 854.220 |
| Forward currency purchases and sales transactions | 8.561 | | 449 |
| Currency purchases and sales options | - | | 1.350 |
| Total derivative instruments held for hedging | 8.151.374 | | 856.019 |
| Total derivative instruments | 22.455.846 | | 11.138.472 |
| 31 December 2020 | | Fair Value | |
| Derivative instruments held for trading: | | Asset | Liability |
| Foreign exchange derivative instruments | | | |
| Currency and interest rate swaps purchases and sales transactions | 11.394.200 | | 13.005.806 |
| Forward currency purchases and sales transactions | 467.640 | | 294.644 |
| Currency purchases and sales options | 152.494 | | 163.566 |
| Other purchases and sales transactions | 2.928.325 | | - |
| Total derivative instruments held for trading | 14.942.659 | | 13.464.016 |
| Derivative instruments held for hedging: | | | |
| Currency and interest rate swap purchases and sales transactions | 7.969.203 | | 1.439.838 |
| Forward currency purchases and sales transactions | 7.020 | | - |
| Total derivative instruments held for hedging | 7.976.223 | | 1.439.838 |
| Total derivative instruments | 22.918.882 | | 14.903.854 |

Akbank hedges cash flow risk by using interest rate swaps against cash flow risk arising from its financial debts.

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

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

NOTE 24 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS**Banking**

| Loans and advances to customers | 30 September 2021 | 31 December 2020 |
|--|--------------------------|-------------------------|
| Consumer loans and credit cards receivables | 85.152.365 | 65.300.985 |
| Project finance loans | 60.468.116 | 53.711.159 |
| Construction | 26.011.094 | 26.515.968 |
| Financial institutions | 21.682.957 | 17.325.559 |
| Other manufacturing industries | 14.976.231 | 8.985.032 |
| Small-scale enterprises | 13.792.640 | 14.278.017 |
| Chemicals | 10.999.135 | 13.815.777 |
| Mining | 10.297.726 | 7.713.671 |
| Food and beverage, wholesale and retail | 8.460.329 | 7.046.798 |
| Textile | 8.025.959 | 7.102.241 |
| Automotive | 6.308.246 | 7.075.284 |
| Telecommunication | 620.049 | 1.380.550 |
| Other | 61.374.152 | 48.214.932 |
| Total loans and advances to customers | 328.168.999 | 278.465.973 |
| Provision for loan losses | 6.045.036 | 5.582.849 |
| Credit risk provision | (18.138.553) | (16.969.515) |
| Receivables from insurance sector operations | 1.209.670 | - |
| Net loans and advances to customers | 317.285.152 | 267.079.307 |

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

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

The movement of loan loss provision of banking segment as of 30 September 2021 by class is as follows:

| | Corporate | Consumer | Rental Receivables | Total |
|--------------------------|-------------------|------------------|-------------------------------|-------------------|
| 1 January 2021 | 13.773.709 | 2.801.353 | 394.453 | 16.969.515 |
| Gross provisions | 1.522.090 | 1.104.803 | 34.761 | 2.661.654 |
| Collections | (966.938) | (336.242) | (27.920) | (1.331.100) |
| Written off | (58.220) | (29.373) | (73.923) | (161.516) |
| 30 September 2021 | 14.270.641 | 3.540.541 | 327.371 | 18.138.553 |

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

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

NOTE 24 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)**Banking (continued)**

The movement of loan loss provision of banking segment as of 30 September 2020 by class is as follows:

| | Corporate | Consumer | Rental Receivables | Total |
|--------------------------|-------------------|------------------|-------------------------------|-------------------|
| 1 January 2020 | 9.980.877 | 2.324.492 | 401.711 | 12.707.080 |
| Gross provisions | 4.561.827 | 884.548 | 144.303 | 5.590.678 |
| Collections | (584.648) | (322.809) | (53.708) | (961.165) |
| Written off | (1.013) | (8.704) | (94.318) | (104.035) |
| 30 September 2020 | 13.957.043 | 2.877.527 | 397.988 | 17.232.558 |

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

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

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

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

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

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

NOTE 25 - PAYABLES FROM FINANCE SECTOR OPERATIONS**Banking**

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

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

The following is the analysis of remaining time of debts to deposit and money markets for term and repricing in the agreement as of 30 September 2021 and 31 December 2020:

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

NOTE 26 - RELATED PARTY DISCLOSURES**Key management personnel compensation:**

The Group defined its key management as board of directors, general manager, general secretary, group chiefs, head of departments and group directors.

Short term benefits include wages, bonuses, social security, health insurance, unused vacation, premium bonuses and incentive premiums. Other long term benefits include private pension system payments. Benefits resulted from discharge include severance pay and unused vacation payments for executive management who is discharged as a result of transfer or retirement.

The detailed schedule of compensation paid or payable to key management for the periods ended 30 September 2021 and 2020 are as follows:

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

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

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

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

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

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

27.1.1.1 Foreign Exchange Risk

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

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

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

Foreign currency denominated assets and liabilities held by the Group before consolidation eliminations as at 30 September 2021 and 31 December 2020 in terms of TRY are as follows:

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

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

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

NOTE 27 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)**27.1 Financial Instruments and Financial Risk Management (continued)****27.1.1 Financial Risk Management (continued)****27.1.1.1 Foreign Exchange Risk (continued)**

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

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

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

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

NOTE 27 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)**27.1 Financial Instruments and Financial Risk Management (continued)****27.1.1.1 Foreign Exchange Risk (continued)**

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

Net profit effect of the consolidated to the total net foreign currency position is TRY1.138.291 as of 31 December 2020 (Akbank and Philsa-Philip Morris excluded).

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

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

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

NOTE 27 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)**27.1 Financial Instruments and Financial Risk Management (continued)****27.1.1.1 Foreign Exchange Risk (continued)**

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

| 30 September 2021 | Profit/loss | |
|---|---|---|
| | Appreciation of foreign currency | Appreciation of foreign currency |
| Change in USD against TRY by 20% | | |
| USD net assets/liabilities | 635.469 | (635.469) |
| Hedged items (-) | - | - |
| USD net effect | 635.469 | (635.469) |
| Change in EUR against TRY by 20% | | |
| EUR net assets/liabilities | (4.582) | 4.582 |
| Hedged items (-) | - | - |
| EUR net effect | (4.582) | 4.582 |
| Change in GBP against TRY by 20% | | |
| GBP net assets/liabilities | 1.723 | (1.723) |
| Hedged items (-) | - | - |
| GBP net effect | 1.723 | (1.723) |
| Change in other currency against TRY by 20% | | |
| Other currency net assets/liabilities | (558) | 558 |
| Hedged items (-) | - | - |
| Other currency net effect | (558) | 558 |
| 31 September 2020 | | |
| | Profit/loss | |
| | Appreciation of foreign currency | Depreciation of foreign currency |
| Change in USD against TRY by 20% | | |
| USD net assets/liabilities | 349.896 | (349.896) |
| Hedged items (-) | - | - |
| USD net effect | 349.896 | (349.896) |
| Change in EUR against TRY by 20% | | |
| EUR net assets/liabilities | 21.605 | (21.605) |
| Hedged items (-) | - | - |
| EUR net effect | 21.605 | (21.605) |
| Change in GBP against TRY by 20% | | |
| GBP net assets/liabilities | 704 | (704) |
| Hedged items (-) | - | - |
| GBP net effect | 704 | (704) |
| Change in other currency against TRY by 20% | | |
| Other currency net assets/liabilities | (467) | 467 |
| Hedged items (-) | - | - |
| Other currency net effect | (467) | 467 |

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

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

NOTE 27 - EVENTS AFTER THE REPORTING PERIOD

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

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

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