HACI ÖMER SABANCI HOLDİNG A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2011 TOGETHER WITH AUDITOR'S REVIEW REPORT

(ORIGINALLY ISSUED IN TURKISH)

Deloitte.

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CONVENIENCE TRANSLATION INTO ENGLISH OF AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION ORIGINALLY ISSUED IN TURKISH

To the Board of Directors of
Hacı Ömer Sabancı Holding A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Hacı Ömer Sabancı Holding A.Ş. ("Holding") and its subsidiaries (together "the Group") as of 30 June 2011 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with financial reporting standards published by the Capital Markets Board. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with auditing standards published by the Capital Markets Board. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards published by the Capital Markets Board and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared in all material respects in accordance with financial reporting standards published by the Capital Markets Board.

Without qualifying our conclusion we would like to draw attention to the following matter:

Subsidiaries are companies in which Holding exercises a dominant influence and power to govern the financial and operating policies through exercise of voting power relating to shares held by Holding and its Subsidiaries together with voting power which Holding effectively exercises relating to shares held by Sabancı family members. Sabancı family members allow Holding to exercise voting power in respect of their shares held in these companies. In the accompanying condensed consolidated financial statements the shares held by Sabancı family members are treated as non-controlling interests.

İstanbul, 25 August 2011

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Ömer Tanrıöver
Partner

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE PERIOD 1 JANUARY - 30 JUNE 2011

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HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEETS
AT 30 JUNE 2011 AND 31 DECEMBER 2010

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

	Note References	Reviewed 30 June 2011	Audited 31 December 2010
ASSETS			
Current Assets		**62.462.530**	**54.840.479**
Cash and Cash Equivalents		5.493.275	4.962.185
Financial Assets			
- Held for Trading	5.a	2.148.255	851.346
- Available for Sale	5.b	2.686.036	9.402.429
- Held to Maturity	5.c	160.413	1.029.960
Derivative Financial Instruments	18	307.270	344.803
Reserve Deposits with the Central Bank of the Republic of Turkey		10.843.639	5.283.817
Trade Receivables		1.449.055	1.096.000
Receivables from Finance Sector Operations	19	35.886.078	29.241.185
Inventories		1.395.137	969.689
Other Receivables	7	734.085	492.046
Other Current Assets	13	1.338.486	663.124
		62.441.729	**54.336.584**
Non-current Assets Held for Sale	15	20.801	503.895
Non-current Assets		**77.665.993**	**75.219.405**
Trade Receivables		31.607	31.654
Receivables From Finance Sector Operations	19	33.072.445	28.784.892
Derivative Financial Instruments	18	184.045	130.424
Financial Assets			
- Available for Sale	5.b	31.330.886	33.699.788
- Held to Maturity	5.c	4.708.313	4.784.055
Investments Accounted Through Equity Method	8	209.503	299.803
Investment Property		154.084	151.525
Property, Plant and Equipment	9	5.192.181	4.865.088
Intangible Assets	10	1.254.589	1.076.704
Goodwill	11	725.108	725.227
Deferred Income Tax Assets	17	503.365	458.200
Other Receivables	7	163.941	144.511
Other Noncurrent Assets	13	135.926	67.534
Total Assets		**140.128.523**	**130.059.884**

This condensed consolidated interim financial information has been approved by the Board of Directors on 25 August 2011 and signed on its behalf by Zafer Kurtul, CEO and Cezmi Kurtuluş, Budgeting Accounting and Consolidation Department Head.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK ANONİM ŞİRKETİ

The accompanying notes form an integral part of this condensed consolidated financial information.

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEETS
AT 30 JUNE 2011 AND 31 DECEMBER 2010

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

	Note References	Reviewed 30 June 2011	Audited 31 December 2010
LIABILITIES			
Short Term Liabilities		**104.605.895**	**95.253.466**
Financial Liabilities	6	10.710.165	7.746.903
Current Portion of Long-term Financial Liabilities	6	1.589.432	870.645
Trade Payables		1.316.842	1.195.192
Payables from Finance Sector Operations	20	86.751.372	81.401.882
Derivative Financial Instruments	18	386.153	206.608
Income Taxes Payable	17	121.464	328.520
Other Short Term Liabilities and Provisions	13	1.274.396	1.046.241
Other Payables	7	2.456.071	2.128.355
		104.605.895	**94.924.346**
Liabilities Associated with Non-current Assets Held for Sale	15	-	329.120
Long Term Liabilities		**10.871.874**	**10.160.266**
Financial Liabilities	6	7.890.645	7.234.739
Trade Payables		3.057	2.845
Payables from Finance Sector Operations	20	1.857.678	1.590.837
Derivative Financial Instruments	18	361.958	600.629
Provision for Employment Termination Benefits		140.755	120.809
Deferred Income Tax Liabilities	17	394.298	405.079
Other Long Term Liabilities and Provisions	13	137.209	131.869
Other Payables	7	86.274	73.459
EQUITY		**24.650.754**	**24.646.152**
Equity Attributable To The Parent	**14**	**13.425.948**	**13.069.186**
Share Capital	14	2.040.404	2.040.404
Adjustment to Share Capital	14	3.426.761	3.426.761
Treasury Share	14	(50.608)	(21.534)
Share Premium	14	21.670	21.670
Revaluation Funds	14	198.227	713.203
Hedge Funds	14	(156.482)	(180.699)
Restricted Reserves	14	428.052	392.295
Translation Reserve	14	148.818	7.728
Net Income for the Period	14	1.104.192	1.662.836
Retained Earnings	14	6.264.914	5.006.522
Non-controlling Interests		**11.224.806**	**11.576.966**
- Sabancı Family Members		3.381.096	3.545.881
- Others		7.843.710	8.031.085
TOTAL EQUITY AND LIABILITIES		**140.128.523**	**130.059.884**

The accompanying notes form an integral part of this condensed consolidated financial information.

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2011 AND 2010

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

	Note References	Reviewed 1 January- 30 June 2011	Not reviewed 1 April- 30 June 2011	Restated Reviewed 1 January- 30 June 2010	Restated Not reviewed 1 April- 30 June 2010
CONTINUING OPERATIONS					
Sales (net)	4	5.087.196	2.601.063	3.704.847	1.964.312
Interest, Premium, Commission and Other Income	4	5.634.745	2.719.470	5.779.711	2.790.007
Total		**10.721.941**	**5.320.533**	**9.484.558**	**4.754.319**
Cost of Sales (-)		(4.108.636)	(2.104.492)	(3.003.297)	(1.589.715)
Interest, Premium, Commission and Other Expenses (-)		(2.724.651)	(1.408.347)	(2.418.090)	(1.204.670)
Total		**(6.833.287)**	**(3.512.839)**	**(5.421.387)**	**(2.794.385)**
Gross Profit from Non-financial Operations		978.560	496.571	701.550	374.597
Gross Profit from Financial Operations		2.910.094	1.311.123	3.361.621	1.585.337
GROSS PROFIT		**3.888.654**	**1.807.694**	**4.063.171**	**1.959.934**
Marketing, Selling and Distribution Expenses (-)		(267.819)	(137.987)	(234.219)	(124.580)
General and Administrative Expenses (-)		(1.647.042)	(786.475)	(1.589.991)	(834.953)
Research and Development Expenses (-)		(5.404)	(3.069)	(5.578)	(2.577)
Other Operating Income		620.673	556.777	281.426	133.518
Other Operating Expenses		(120.928)	(69.939)	(65.579)	(31.629)
OPERATING PROFIT		**2.468.134**	**1.367.001**	**2.449.230**	**1.099.713**
Shares of Income of Investments Accounted Through Equity Method	8	73.523	42.703	88.791	37.094
Financial Income	16	245.255	149.108	180.911	37.985
Financial Expenses (-)	16	(374.775)	(219.696)	(208.640)	(57.370)
NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS		**2.412.137**	**1.339.116**	**2.510.292**	**1.117.422**
Tax income/ (expense) from continuing operations					
Current Income Tax Expense	17	(464.165)	(185.379)	(480.171)	(187.015)
Deferred Income Tax Benefit/ (Charge)	17	57.336	(7.207)	(17.675)	(22.708)
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS		**2.005.308**	**1.146.530**	**2.012.446**	**907.699**
DISCONTINUED OPERATIONS					
Net income/ (loss) after tax from discontinued operations	15	4.035	1.102	18.745	25.346
NET INCOME FOR THE PERIOD		**2.009.343**	**1.147.632**	**2.031.191**	**933.045**
ALLOCATION OF NET INCOME		**2.009.343**	**1.147.632**	**2.031.191**	**933.045**
- Non-controlling Interests		905.151	441.017	1.113.591	512.829
- Equity Holders of the Parent		1.104.192	706.615	917.600	420.216
Earnings per share					
- thousands of ordinary shares (TL)		5,41	3,46	4,50	2,06
Earnings per share from continuing operations					
- thousands of ordinary shares (TL)		5,39	3,46	4,41	1,94

The accompanying notes form an integral part of this condensed consolidated financial information.

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED INTERIM COMPREHENSIVE STATEMENTS OF INCOME FOR THE SIX-MONTH AND THREE MONTH PERIODS ENDED 30 JUNE 2011 AND 2010

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

	Note References	Reviewed 1 January- 30 June 2011	Not reviewed 1 April- 30 June 2011	Reviewed 1 January- 30 June 2010	Not reviewed 1 April- 30 June 2010
NET INCOME FOR THE PERIOD		**2.009.343**	**1.147.632**	**2.031.191**	**933.045**
Other Comprehensive Income/ (Loss):					
Net unrealized fair value gains from available for sale financial assets, after tax	17	(957.295)	(95.994)	69.842	(216.538)
Losses on available for sale financial assets transferred to the income statement, after tax	17	(304.574)	(111.487)	(220.830)	(74.062)
Net gains included in the income statement due to transfer of available for sale financial assets into held to maturity assets, after tax	17	830	238	16.291	7.667
Currency translation differences	17	218.888	156.412	(77.392)	(40.068)
Cash flow hedges, after tax	17	129.891	32.258	(15.420)	(16.547)
Hedges of net investment in a foreign operation, after tax	17	(76.247)	(42.211)	57.192	29.801
OTHER COMPREHENSIVE INCOME/ (EXPENSE), (AFTER TAX)		**(988.507)**	**(60.784)**	**(170.317)**	**(309.747)**
TOTAL COMPREHENSIVE INCOME		**1.020.836**	**1.086.848**	**1.860.874**	**623.298**
ALLOCATION OF TOTAL COMPREHENSIVE INCOME		**1.020.836**	**1.086.848**	**1.860.874**	**623.298**
- Non-controlling Interests		266.313	363.986	1.026.249	330.042
- Equity Holders of the Parent		754.523	722.862	834.625	293.256

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The accompanying notes form an integral part of this condensed consolidated financial information.

REVIEWED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2011 AND 2010

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

	Share capital	Adjustment to share capital	Treasury share	Share premium	Revaluation funds	Hedge funds	Restricted reserves	Translation reserve	Net income for the period	Retained earnings	Equity attributable to the parent	Non-controlling interests	Total
Balances at 1 January 2010	1.900.000	3.426.761	-	21.670	311.064	(194.426)	371.648	(11.254)	1.258.481	3.863.478	10.947.422	9.741.155	20.688.577
Capital increase	-	-	-	-	-	-	-	-	-	-	-	1.527	1.527
Transfers	140.404	-	(21.534)	-	-	-	20.647	-	(1.258.481)	1.118.964	-	-	-
Effect of change in the effective ownership of subsidiaries	-	-	-	-	20.130	-	-	(29)	-	230.512	250.613	(250.613)	-
Dividends paid (*)	-	-	-	-	-	-	-	-	-	(204.042)	(204.042)	(369.869)	(573.911)
Total comprehensive income	-	-	-	-	(55.111)	(2.854)	-	(25.010)	917.600	-	834.625	1.026.249	1.860.874
Balances at 30 June 2010	2.040.404	3.426.761	(21.534)	21.670	276.083	(197.280)	392.295	(36.293)	917.600	5.008.912	11.828.618	10.148.449	21.977.067
Balances at 1 January 2011	2.040.404	3.426.761	(21.534)	21.670	713.203	(180.699)	392.295	7.728	1.662.836	5.006.522	13.069.186	11.576.966	24.646.152
Capital increase	-	-	-	-	-	-	-	-	-	-	-	26.150	26.150
Transfers	-	-	-	-	-	-	35.757	-	(1.662.836)	1.627.079	-	-	-
Company disposals (note 15)	-	-	-	-	-	-	-	-	-	-	-	(141.159)	(141.159)
Acquisition of Holding shares by subsidiaries (note 14)	-	-	(29.074)	-	-	-	-	-	-	(83.242)	(112.316)	(96.128)	(208.444)
Effect of change in the effective ownership of subsidiaries (note 2.1.3)	-	-	-	-	-	-	-	-	-	27.118	27.118	(25.838)	1.280
Dividends paid (*)	-	-	-	-	-	-	-	-	-	(312.563)	(312.563)	(381.498)	(694.061)
Total comprehensive income	-	-	-	-	(514.976)	24.217	-	141.090	1.104.192	-	754.523	266.313	1.020.836
Balances at 30 June 2011	2.040.404	3.426.761	(50.608)	21.670	198.227	(156.482)	428.052	148.818	1.104.192	6.264.914	13.425.948	11.224.806	24.650.754

(*) Dividends paid per each share worth for TL 1 nominally is TL 0,15 (30.06.2010: TL 0,10).

The accompanying notes form an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2011 AND 2010

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

	Notes References	Reviewed 1 January- 30 June 2011	Reviewed 1 January- 30 June 2010
Net income before tax from continuing operations		2.412.137	2.510.292
Net income/ (loss) before tax from discontinued operations	15	5.968	20.124
Adjustments to reconcile income before taxation to net cash provided by operating activities:			
Depreciation and amortisation expenses	4	245.793	216.169
Provision for loan losses		303.426	344.666
Changes in the fair value of derivative instruments		87.150	320.756
Unrealized interest and foreign currency income		146.036	45.571
Unrealized interest expenses		98.337	8.579
Provision for employment termination benefits		26.345	21.648
Impairment charge on property, plant and equipment, intangible assets and investment property	4	368	83
Currency translation differences		128.112	12.749
Insurance technical reserves provisions		12.605	84.727
Income from associates	8	(73.523)	(88.791)
Loss/ (Gain) on sale and liquidation of subsidiaries		(210.858)	-
Reversal of impairment of non-current assets held for sale		(71.902)	-
Disposal of non-current assets held for sale		(5.968)	-
Loss/ (gain) on sale of property, plant and equipment, intangible assets and investment properties		(73.002)	563
Provision for inventory impairment		1.969	(4.420)
Provision for doubtful receivables		20.183	9.030
Other		6.485	(6.408)
Net cash provided by operating activities before changes in operating assets and liabilities		**3.059.661**	**3.495.338**
Changes in trade receivables		(288.267)	(6.204)
Changes in inventories		(315.996)	(67.382)
Changes in other receivables and other current assets		(593.476)	(252.073)
Changes in trade payables		25.751	63.168
Changes in other liabilities and other payables		635.890	338.094
Net cash (used in)/provided by operating activities of non-current assets held for sale		-	(25.490)
Changes in assets and liabilities in finance segment:			
Changes in securities held for trading		(1.429.996)	(256.723)
Changes in receivables from financial operations		(11.392.356)	(7.806.483)
Changes in payables from financial operations		5.884.251	6.221.809
Changes in reserve with the Central Bank of the Republic of Turkey		(5.662.335)	(428.275)
Income taxes paid		(374.655)	(503.340)
Employment termination benefits paid		(17.406)	(15.442)
Net cash (used in)/ provided by operating activities		**(10.468.934)**	**756.997**

The accompanying notes form an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2011 AND 2010

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

	Note References	Reviewed 1 January- 30 June 2011	Reviewed 1 January- 30 June 2010
Cash flows from investing activities:			
Capital expenditures	4	(529.542)	(447.022)
Sale (Purchase) of financial assets available-for-sale and held-to-maturity		8.037.617	(5.972.590)
Cash used in business combinations		(182.086)	(7.363)
Proceeds from sale of subsidiary		13.501	-
Proceeds from sale of property, plant and equipment, intangible assets and non-current assets held for sale		199.494	34.483
Dividends received		167.860	173.048
Net cash (used in) provided by investing activities of non-current assets held for sale		-	(9.473)
Changes in the scope of consolidation		(215.674)	-
Net cash (used in) provided by investing activities		**7.491.170**	**(6.228.917)**
Cash flows from financing activities:			
Change in financial liabilities		4.113.400	2.064.299
Dividends paid		(312.563)	(204.042)
Dividends paid to non-controlling interests		(381.498)	(369.869)
Capital increase of non-controlling interests		26.150	1.527
Net cash used in acquisition of subsidiary holding shares		(208.444)	-
Net cash (used in) provided by financing activities of non-current assets held for sale		-	15.591
Net cash provided by financing activities		**3.237.045**	**1.507.506**
Effect of change in foreign currency rates on cash and cash equivalents		168.640	26.360
Net increase/ (decrease) in cash and cash equivalents		427.921	(3.938.054)
Cash and cash equivalents at the beginning of the period (*)		4.138.871	12.806.033
Cash and cash equivalents at the end of the period (*)		**4.566.792**	**8.867.979**

(*) Cash and cash equivalents at balance sheet comprise interest accruals of TL 343 in the current period and TL 998 as at 31 December 2010 (30 June 2010: respectively TL 24.300 and TL 545).Cash and cash equivalents do not include restricted deposits in the banks .Restricted deposits at the beginning of current period is TL 822.971 and at the end of the period is TL 925.485 (30 June 2010: respectively TL 999.165 and TL 1.116.928).

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

NOTE 1 – ORGANISATION AND OPERATIONS OF THE GROUP

Hacı Ömer Sabancı Holding A.Ş. (the "Holding") was established in 1967 to coordinate and perform liaison services regarding the activities of companies operating in various fields including mainly finance, manufacturing and trade. The Holding is registered in Turkey and is owned by the members of the Sabancı family (Note 14). The average number of employees in 2011 is 56,800 (31 December 2010: 57,209). 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 the Istanbul Stock Exchange ("ISE") since 1997. As of 30 June 2011, the Group's principal shareholders and their respective shareholding rates in the Holding are as follows (Note 14):

	%
Sabancı family members	43,65
Public quotation (*)	37,64
Sakıp Sabancı Holding A.Ş.	14,07
Sabancı University	1,51
Exsa	1,21
Çimsa	1,06
Hacı Ömer Sabancı Foundation	0,66
Diğer	0,20
	100,00

(*) Shares purchased from ISE by subsidiaries are not included to public quotation ratio, if it should have been included the ratio would be 39,40%.

Subsidiaries

The business nature of the Subsidiaries consolidated in these consolidated financial statements and their respective business segments as at 30 June 2011 are as follows:

Subsidiaries	Nature of business	Business segment
Akbank T.A.Ş. ("Akbank")	Banking	Finance
Kordsa Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş. ("Kordsa Global")	Tire and tire reinforcement	Industry
Temsa Global Sanayi ve Ticaret A.Ş. ("Temsa")	Automotive	Industry
Çimsa Çimento Sanayi ve Ticaret A.Ş. ("Çimsa")	Cement and clinker	Cement
Teknosa İç ve Dış Ticaret A.Ş. ("Teknosa")	Trade	Retailing
Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. ("Exsa")	Trade	Other
Exsa UK Ltd. ("Exsa UK")	Trade	Other
Ankara Enternasyonel Otelcilik A.Ş. ("AEO")	Tourism	Other
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. ("Tursa")	Tourism	Other
Bimsa Uluslararası İş, Bilgi ve Yönetim Sistemleri A.Ş. ("Bimsa")	Trade of data and Processing Systems	Other
Advansa Sasa Polyester Sanayi A.Ş. ("SASA")	Textile	Industry
Yünsa Yünlü Sanayi ve Ticaret A.Ş. ("Yünsa")	Textile	Industry

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

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

All the Subsidiaries are registered in Turkey except for Exsa UK. Exsa UK is registered in the United Kingdom.

Joint Ventures

The nature of the business of the joint ventures proportionally consolidated in these consolidated financial statements at 30 June 2011 and, for the purposes of these consolidated financial statements, their respective business segments are as follows:

Joint Ventures	Nature of business	Segment	Venturer
Aksigorta A.Ş.("Aksigorta")	Insurance	Finance	Ageas
Avivasa Emeklilik ve Hayat A.Ş. ("Avivasa")	Pension	Finance	Aviva
Brisa Bridgestone Sabanc Lastik Sanayi ve Ticaret A.Ş. ("Brisa")	Tire and tire reinforcement	Industry	Bridgestone
Akçansa Çimento Sanayi ve Ticaret A.Ş. ("Akçansa")	Cement and clinker	Cement	Heidelberg
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. ("Carrefoursa")	Trade of consumer goods	Retailing	Carrefour
Diasa Dia Sabancı Süpermarketleri Ticaret A.Ş. ("Diasa")	Trade of consumer goods	Retailing	Dia S.A.
Enerjisa Enerji Üretim A.Ş. ("Enerjisa")	Energy production and sales	Energy	Verbund
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. ("ETS")	Energy sales	Energy	Verbund
Enerjisa Elektrik Dağıtım A.Ş. ("EED")	Energy distribution	Energy	Verbund
Başkent Elektrik Dağıtım A.Ş. ("BEDAŞ")	Energy distribution	Energy	Verbund
Olmuksa International Paper Sabancı Ambalaj Sanayi ve Ticaret A.Ş. ("Olmuksa")	Corrugated containers	Industry	International Paper

All the joint ventures are registered in Turkey.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial Reporting Standards

The Capital Markets Board of Turkey ("CMB") regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué No: XI-29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué"). According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board ("IASB") are announced by Turkish Accounting Standards Board ("TASB"), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/ Turkish Financial Reporting Standards ("TAS/TFRS") issued by the TASB which are in line with the aforementioned standards shall be considered.

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

2.1 Basis of presentation(Continued)

2.1.1 Financial Reporting Standards (Continued)

With the decision taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, for companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards the application of inflation accounting is no longer required. Accordingly, the Holding did not apply IAS 29 "Financial Reporting in Hyperinflationary Economies" issued by the IASB in its financial statements for the accounting periods starting 1 January 2005.

The Group has prepared its consolidated financial statements within the framework of Communiqué XI, No: 29 and related promulgations to this Communiqué in accordance with CMB Financial Reporting Standards which is based on IAS/IFRS. The consolidated financial statements and the related notes to them are presented in accordance with the formats recommended and including the information required by the CMB.

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

2.1.2 Adoption of New And Revised International Financial Reporting Standards

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported and disclosures in these financial statements. Details of other standards and interpretations adopted in these financial statements but that have had no material impact on the financial statements are set out in further sections.

(a) New and Revised IFRSs affecting presentation and disclosure only

None

(b) New and Revised IFRSs affecting the reported financial performance and / or financial position

Amendments to IAS 1 Presentation of Financial Statements (as part of Improvements to IFRSs issued in 2010)

The amendments to IAS 1 clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The amendments have been applied retrospectively.

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

2.1.2 Adoption of New And Revised International Financial Reporting Standards (Continued)

Amendments to IFRS 7 Financial Instruments: Disclosures (as part of Improvements to IFRSs issued in 2010)

The amendment encourages qualitative disclosures in the context of the quantitative disclosure required to help users to form an overall picture of the nature and extent of risks arising from financial instruments. The amendment also clarifies the required level of disclosure around credit risk and collateral held and provides relief from disclosure of renegotiated loans. The amendments have been applied retrospectively. The amendment also clarifies the required level of disclosure around credit risk.

(c) New and Revised IFRSs applied with no material effect on the consolidated financial statements

IAS 24 (Revised 2009) ***Related Party Disclosures***

In November 2009, IAS 24 Related Party Disclosures was revised. The revision to the standard provides government-related entities with a partial exemption from the disclosure requirements of IAS 24. The revised standard is mandatory for annual periods beginning on or after 1 January 2011.

IAS 32(Amendments) ***Financial Instruments: Presentation*** **and IAS 1** ***Presentation of Financial Statements***

The amendments to IAS 32 and IAS 1 are effective for annual periods beginning on or after 1 February 2010. The amendments address the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously, such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated.

IFRS 1 (amendments) ***First-time Adoption of IFRS – Additional Exemptions and Two Other Amendments***

Amendments to IFRS 1 which are effective for annual periods on or after 1 July 2010 provide limited exemption for first time adopters to present comparative IFRS 7 fair value disclosures.

IFRIC 14 (Amendments) ***Pre-payment of a Minimum Funding Requirement***

Amendments to IFRIC 14 are effective for annual periods beginning on or after 1 January 2011. The amendments affect entities that are required to make minimum funding contributions to a defined benefit pension plan and choose to pre-pay those contributions. The amendment requires an asset to be recognized for any surplus arising from voluntary pre-payments made.

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

2.1.2 Adoption of New And Revised International Financial Reporting Standards (Continued)

IFRIC 19 ***Extinguishing Financial Liabilities with Equity Instruments***

IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. IFRIC 19 addresses only the accounting by the entity that issues equity instruments in order to settle, in full or part, a financial liability.

Annual Improvements May 2010

Further to the above amendments and revised standards, the IASB has issued Annual Improvements to IFRSs in May 2010 that cover 5 main standards/intepretations as follow: IFRS 1 *First-time Adoption of International Financial Reporting Standards*; IFRS 3 *Business Combinations;* IAS 27 *Consolidated and Separate Financial Statements*; IAS 34 *Interim Financial Reporting* and IFRIC 13 *Customer Loyalty Programmes*. With the exception of amendments to IFRS 3 and IAS 27 which are effective on or after 1 July 2010, all other amendments are effective on or after 1 January 2011.

The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years.

(d) New and Revised IFRSs in issue but not yet effective

IFRS 1 (amendments) ***First-time Adoption of IFRS – Two Amendments***

In 2010 December, IFRS 1 is amended to provide relief for first-time adopters of IFRSs from having to reconstruct transactions that occurred before their date of transition to IFRSs and provide guidance for entities emerging from severe hyperinflation either to resume presenting IFRS financial statements or to present IFRS financial statements for the first time.

The amendment above will be effective for annual periods beginning on or after 1 July 2011. These amendments are not relevant to the Group, as it is an existing IFRS preparer.

IFRS 7 ***"Financial Instruments: Disclosures"***

In October 2010, IFRS 7 *Financial Instruments: Disclosures* is amended by IASB as part of its comprehensive review of off balance sheet activities. The amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendment will be effective for annual periods beginning on or after 1 July 2011. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

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

2.1.2 Adoption of New And Revised International Financial Reporting Standards (Continued)

IFRS 9 "*Financial Instruments: Classification and Measurement*"

In November 2009, the first part of IFRS 9 relating to the classification and measurement of financial assets was issued. IFRS 9 will ultimately replace IAS 39 *Financial Instruments: Recognition and Measurement.* The standard requires an entity to classify its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, and subsequently measure the financial assets as either at amortized cost or at fair value. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not had an opportunity to consider the potential impact of the adoption of this standard.

IAS 12 "*Income Taxes*"

In December 2010, IAS 12 is amended. IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 *Investment Property.* The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally be , be through sale. The amendment will be effective for annual periods beginning on or after 1 January 2012. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IFRS 10 "*Consolidated Financial Statements*"

IFRS 10 replaces the consolidation guidance in IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation - Special Purpose Entities by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e., whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in special purpose entities).

Under IFRS 10, control is based on whether an investor has 1) power over the investee; 2) exposure, or rights, to variable returns from its involvement with the investee; and 3) the ability to use its power over the investee to affect the amount of the returns. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IFRS 11 "*Joint Arrangements*"

IFRS 11 introduces new accounting requirements for joint arrangements, replacing IAS 31 Interests in Joint Ventures. The option to apply the proportional consolidation method when accounting for jointly controlled entities is removed. Additionally, IFRS 11 eliminates jointly controlled assets to now only differentiate between joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities.

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

2.1.2 Adoption of New And Revised International Financial Reporting Standards (continued)

IFRS 11 "*Joint Arrangements* "(continued)

A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IFRS 12 "*Disclosure of Interest In Other Entities*"

IFRS 12 requires extensive disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. An entity is required to disclose information that helps users of its financial statements evaluate the nature of and risks associated with its interests in other entities and the effects of those interests on its financial statements. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IAS 27 "*Separate Financial Statements* (2011)"

The requirements relating to separate financial statements are unchanged and are included in the amended IAS 27. The other portions of IAS 27 are replaced by IFRS 10.

IAS 28 "*Investments in Associates and Joint Ventures* (2011)"

IAS 28 is amended for conforming changes based on the issuance of IFRS 10, IFRS 11 and IFRS 12.

IFRS 13 "*Fair Value Measurements*"

On 12 May 2011, IASB issued IFRS 13 Fair Value Measurement, which establishes a single source of guidance for fair value measurement under IFRSs. IFRS 13 defines fair value, provides guidance on its determination and introduces consistent requirements for discloures on fair value measurements. The Standard does not include requirements on when fair value measurements is required; it prescribes how fair value is to be measured if another Standard requires it. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

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

2.1.2 Adoption of New And Revised International Financial Reporting Standards (continued)

IAS 1 *Presentation of Financial Statements (2011) – Presentation of Items of Other Comprehensive Income*

The amendments to IAS 1 provides guidance on the presentation of items contained in other comprehensive income (OCI) and their classification within OCI. The new standard is mandatory for annual periods beginning on or after 1 July 2012. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IAS 19 ***Employee Benefits (2011) (the "amendments")***

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

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, Joint Ventures and Associates (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 Associates, Joint Ventures and Subsidiaries are included or excluded in these consolidated financial statements subsequent to the effective date of acquisition or date of sale, respectively.

b) Subsidiaries are companies in which the Holding has the power to control the financial and operating policies for the benefit of the Holding, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and/or certain Sabancı family members and companies whereby the Holding exercises control over the voting rights of the shares held by them, or (b) although not having the power to exercise more than 50% of the voting rights, through the exercise of an actual dominant influence over the financial and operating policies.

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

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

2.1.3 Basis of consolidation (continued)

The table below sets out all consolidated Subsidiaries and shows the proportion of ownership interest and the effective interest of the Holding in these subsidiaries at 30 June 2011:

Subsidiaries	Direct and indirect ownership interest by the Holding and its Subsidiaries %	Ownership interest shares held by Sabancı family members %	Proportion of ownership interest %	Proportion of effective interest %
AEO	70,29	-	70,29	70,29
Akbank	40,85	16,15	57,00	40,80
Bimsa	100,00	-	100,00	89,97
Çimsa	53,00	1,42	54,42	53,00
Exsa (1)	61,68	38,32	100,00	46,23
Exsa UK	100,00	-	100,00	99,30
Kordsa Global	91,11	-	91,11	91,11
Teknosa	70,29	29,71	100,00	70,29
Temsa	48,71	51,28	99,99	48,71
Tursa	99,52	-	99,52	99,46
Yünsa	57,88	11,50	69,38	57,88
Sasa (2)	51,00	-	51,00	51,00

(1)Holding's effective equity interest has increased from 30,25% to 46,23% as the other partners did not use the preferential rights during the capital increase of Exsa.

(2) Holding participated directly to the shares of its subsidiary Sasa which is in the portfolio of Advansa in 2011. Advansa shares have been sold to BBMMR Holding GmbH and the company is excluded from the consolidation.

The table below sets out all consolidated Subsidiaries and shows the proportion of ownership interest and the effective interest of the Holding in these subsidiaries at 31 December 2010:

Subsidiaries	Direct and indirect ownership interest by the Holding and its Subsidiaries %	Ownership interest shares held by Sabancı family members %	Proportion of ownership interest %	Proportion of effective interest %
Advansa (3)	100,00	-	100,00	99,93
AEO	70,29	-	70,29	70,29
Akbank (4)	40,85	16,15	57,00	40,78
Aksigorta (5)	61,98	-	61,98	61,98
Bimsa	100,00	-	100,00	89,96
Çimsa	53,00	1,42	54,42	53,00
Exsa	45,70	54,30	100,00	30,25
Exsa UK	100,00	-	100,00	99,09
Kordsa Global	91,11	-	91,11	91,11
Teknosa	70,29	29,71	100,00	70,29
Temsa	48,71	51,28	99,99	48,71
Tursa	99,52	-	99,52	99,45
Yünsa	57,88	11,50	69,38	57,88

(3) Advansa shares have been sold to BBMMR Holding GmbH in 2011 and the company is excluded from the consolidation.

(4) As a result of Akbank and Aviva shares held in Aksigorta's portfolio, and Akbank shares held in Exsa's portfolio, injected as capital in kind to Holding via spin-off process, the total Avivasa shares previously held by Aksigorta by 36,80% are currently increased to 40,78% in Holding's share portfolio.

(5) The sale of Aksigorta shares that equals to the 50% of 61,98% total shares which are possessed by holding for to Ageas Insurance International N.V. have been completed in 2011, subsequent to the aforementioned sale Ageas and the company have created a joint venture based on 30,99% equal partnership and have began to be consolidated as a joint venture.

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

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

2.1.3 Basis of consolidation (continued)

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

Financial statements of subsidiaries, whose financial position at 30 June 2011 and result of operations for the six-month period ended 30 June 2011 are insignificant to the overall consolidated financial statements, are not consolidated on the grounds of materiality. Such subsidiaries are classified as available for sale equity securities in these consolidated financial statements (Note 5.b).

c) Joint Ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Holding and one or more other parties. The Group's interest in Joint Ventures is accounted for by way of proportionate consolidation. By this method, the Group includes its share of the assets, liabilities, income and expenses of each Joint Venture in the relevant components of the 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 June 2011:

Joint Ventures	Direct and indirect ownership interest by the Holding and its Subsidiaries %	Proportion of effective interest %
Akçansa	39,72	39,72
Aksigorta (1)	30,99	30,99
Avivasa	49,83	49,83
Brisa	43,63	43,63
BEDAŞ	50,00	50,00
Carrefoursa	38,78	38,78
Diasa	40,00	40,00
Enerjisa	50,00	50,00
ETS	50,00	50,00
EED	50,00	50,00
Olmuksa	43,73	43,73

(1) The sale of Aksigorta shares that equals to the 50% of 61,98% total shares which are possessed by holding for to Ageas Insurance International N.V. have been completed at he end of 2011, subsequent to the aforementioned sale Ageas and the company have created a joint venture based on 30,99% equal partnership and have began to be consolidated as a joint venture.

DRT BAĞIMSIZ DENETİM
VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

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

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

2.1.3 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 31 December 2010:

Joint Ventures	Direct and indirect ownership interest by the Holding and its Subsidiaries %	Proportion of effective interest %
Akçansa	39,72	39,72
Avivasa (1)	49,83	49,83
Brisa	43,63	43,63
BEDAŞ	50,00	50,00
Carrefoursa	38,78	38,78
Diasa	40,00	40,00
Dönkasan	33,13	33,13
Enerjisa	50,00	50,00
ETS	50,00	50,00
EED	50,00	50,00
Olmuksa	43,73	43,73

(1) As a result of Akbank and Avivasa shares held in Aksigorta's portfolio, and Akbank shares held in Exsa's portfolio, injected as capital in kind to Holding via spin-off process, the total Avivasa shares previously held by Aksigorta by 49,83% are currently included in Holding's share portfolio. (Note 14)

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

d) Investments in Associates are accounted for by the equity method of accounting. These are entities over which the Holding generally has between 20% and 50% of voting rights, or over which the Holding has significant influence, but which it does not control. Unrealised gains that result from intercompany transactions between the Holding and its Associates are eliminated on consolidation, whereas unrealised losses are eliminated unless they do not address any impairment. Equity accounting is discontinued when the carrying amount of the investment in an Associate reaches zero, unless the Holding has incurred obligations or guaranteed obligations in respect of the Associates. Such Associates are accounted at fair value if the fair value can be determined objectively; otherwise, they are accounted at cost (Note 8 and Note 2.1.3.e).

Associates whose financial position at 30 June 2011 and result of operations for the six month period ended 30 June 2011 are insignificant to the overall consolidated financial statements are not accounted for by the equity method of accounting. Such Associates are classified as available for sale equity securities (Note 5.b).

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

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

2.1.3 Basis of consolidation (continued)

The table below sets out all Associates and shows the total interest of the Holding in these associates at 30 June 2011 and 31 December 2010:

Associates	Proportion of effective interest by the Holding %
Philsa Philip Morris Sabancı Sigara ve Tütün San. ve Tic. A.Ş. ("Philsa")	25,00
Philip Morris Sabancı Pazarlama Satış A.Ş. ("Philip Morrissa")	24,75
Dönkasan Dönüşen Kağıt Hammaddeleri Sanayi ve Ticaret A.Ş. ("Dönkasan") (1)	21,86

(1) As a result of selling Dönkasan shares which is in Holding's 2011 portflio to Olmuksa one of the joint venture, Company had been transferred to investments which are implemented equity method from joint venture for their valuation.

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

e) Other investments in which the Holding and its Subsidiaries, have interest below 20%, or over which the Holding does not exercise a significant influence, or which are immaterial, are classified as available for sale. Available for sale investments that do not have a quoted market price in active markets and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value. Available for sale investments that have a quoted market price in active markets and whose fair values can be measured reliably are carried at fair value (Note 5.b).

f) The results of Subsidiaries are included or excluded from consolidation regarding to their effective dates of acquisition and disposal, respectively.
The portion of the profit or loss and net assets of Subsidiaries attributable to equity interests that are not owned, directly or indirectly through the Subsidiaries, by the parents, is presented as non controlling interest. Certain Sabancı family members, Sabancı Vakfı, a charitable foundation established by Sabancı family members and Akbank Tekaüt Sandığı, a retirement foundation for Akbank employees, have interests in the share capital of certain Subsidiaries and Associates. In these consolidated financial statements their interests are treated as non controlling interest and are not included in the Holding's net assets and profits attributable to shareholders of the Holding.

2.1.4 Offsetting

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

2.1.5 Comparatives and restatement of prior year financial statements

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

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

2.1.5 Comparatives and restatement of prior year financial statements (continued)

The Group presented the consolidated balance sheet as of 30 June 2011 comparatively with the consolidated balance sheet as of 31 December 2010 and presented the consolidated statement of income, statement of cash flows and statement of change in equity for the period 1 January- 30 June 2011 comparatively with the period 1 January - 30 June 2010. The Group has reviewed prior period derivative financial instrument balance and has classified TL 184.045 from short term to long term assets and TL 311.854 from short term to long term liabilities.

The six months period condensed consolidated income statement and statement of cash flows for the period ended 30 June 2010 has been restated according to the comparative principles in disclosure 2.1.3 and as mentioned in disclosure 2.3 due to the change of consolidation after the sales of 50% of 61,98% Aksigorta shares owned by the Holding in 2011 and to the comparative principles used for the preparation of condensed consolidated financial statements for the period ended 30 June 2011.

2.2 Changes in Accounting Policies

Significant changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. There has been no change in the accounting policies related to the interim period 1 January – 30 June 2011.

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 the future periods, prospectively applied. There were no significant changes in the current year, the Group's accounting estimates.

Significant changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. There has been no change in the accounting policies related to the current period.

2.3 Summary of Significant Accounting Policies

The condensed consolidated interim financial statements for the six month period ended 30 June 2011 have been prepared in accordance with IAS 34, the standard on the preparation and presentation of interim period financial statements. The accounting policies used in the preparation of the condensed interim consolidated financial statements for the period ended 30 June 2011 are consistent with those used in the preparation of consolidated financial statements for the year ended 31 December 2010. Accordingly, these condensed interim consolidated financial statements except for the following issue should be taken into consideration the consolidated statements for the year ended 31 December 2010.

As a result of the sale of 50% of 61,98% Aksigorta shares, which were owned by Holding, at USD 220.000 to Ageas Insurance International N.V., the company have been started to be consolidated as a joint venture with a 30,99% effective ownership. The income and expense of the company in the 2010 consolidated financial statements corresponding to the disposed portion of shares has been reclassified as discontinued operations. TL 249.123 gain on sale of subsidiary, which is the result of sales transactions, has been shown in financial statements under other income.

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

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

2.4 *Critical accounting estimates and assumptions*

The preparation of consolidated financial statements in conformity with CMB Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates. Estimates are regularly reviewed, related corrections are adjusted and accounted for related period income statement. If changes in the accounting policies are related to only one period, they are applied in the current year; if they are related to the future periods, they are applied both in current and future periods.

NOTE 3 - BUSINESS COMBINATIONS

The business combinations between the period 1 January - 30 June 2011 are as follows:

On 3 March 2011 Enerjisa, a joint venture of the Group, acquired 100% shares of IBA Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş. and on 31 March 2011 acquired 100% shares of Italgen Elektrik Üretim A.Ş. who holds 100% shares of Bares Elektrik Üretim A.Ş. Also Enerjisa acquired 100% shares of Alpaslan II Enerji Üretim Sanayi Ticaret A.Ş. in 18 April 2011 and in 30 May 2011 acquired 100% shares of Pervari Elektrik Üretim Sanayi ve Ticaret A.Ş. Acquired net assets, excluding electricity proction licence, are recognized at carrying amount.

Temporary goodwill stated and the net assets acquired after the purchase of IBA Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş. shares are as follows:

	Fair value
Total current assets	7.979
Total non-current assets	52.678
Total liabilities	(253)
Book value of net assets	**60.404**
Paid cash and cash equivalents	60.404
Acquisiton attributable to the consolidated financial statements completed by the joint venture	-

NOTE 3 - BUSINESS COMBINATIONS (Continued)

Temporary goodwill stated and the net assets acquired after the purchase of Italgen Elektrik Üretim A.Ş. shares are as follows:

	Fair value
Total current assets	5.525
Total non-surrent assets	113.797
Total liabilities	(118)
Book value of net assets	**119.204**
Paid cash and cash equivalents	119.204
Acquisiton attributable to the consolidated financial statements completed by the joint venture	-

Temporary goodwill stated and the net assets acquired after the purchase of Alpaslan II Enerji Üretim A.Ş. shares are as follows:

	Fair value
Total current assets	10
Total non-current assets	50.792
Total liabilities	(1)
Book value of net assets	**50.801**
Paid cash and cash equivalents	50.801
Acquisiton attributable to the consolidated financial statements completed by the joint venture	-

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NOTE 3 - BUSINESS COMBINATIONS (Continued)

Temporary goodwill stated and the net assets acquired after the purchase of Pervari Elektrik Üretim Sanayi ve Ticaret A.Ş. shares are as follows:

	Fair value
Total current assets	46.515
Total non-surrent assets	140.716
Total liabilities	(277)
Book value of net assets	**186.954**
Paid cash and cash equivalents	186.954
Acquisiton attributable to the consolidated financial statements completed by the joint venture	**-**

The business combinations between the period 1 January – 31 December 2010 are as follows:

Çimsa, a subsidiary of the Group, purchased 60 % share of the Med.Con Srl Company which is established in Italy, amounting to EUR 3.551 at 9 February 2010. The difference between the cost of acquisition and fair value of purchased assets amounting to TL 816 is recorded as gain on the bargain purchase at consolidated Income statement.

	Fair value
Total current assets	7.413
Total non-surrent assets	34.506
Total liabilities	(28.287)
Book value of net assets	**13.632**
60 % of net assets	8.179
Paid cash and cash equivalents	7.363
The effect of gain on the bargain purchase on consolidated financial statements	**(816)**

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NOTE 3 - BUSINESS COMBINATIONS (Continued)

Carrefoursa, a joint venture of the Group, acquired retailer Alpark at 1 July 2010 by purchasing the 99,99 % shares of İpek Giyim Mağaza San. Tic. A.Ş. (Alpark) for TL 39.811. The acquisition is recognized by purchasing method. The gained net assets and the temporary goodwill from the transaction are as follows:

	Fair value
Total current assets	7.485
Total non-surrent assets	6.814
Total liabilities	(23.289)
Book value of net assets	**(8.990)**
Paid cash and cash equivalents	39.311
Goodwill	48.301
Goodwill attributable to the consolidated financial statements resulting from the acquisition completed by the joint venture	**18.731**

In the period between 1 July 2010 and 31 December 2010, Alpark's contribute to sales income is TL 18.322 and contribute to loss before tax to the Group is TL 2.199.

Olmuksa, a joint venture of the Group, acquired 99,99% shares of DS Smith Çopikas and its joint venture DS Smith Trakya at 1 October 2010 with the development plan in corrugated sector.

The acquisition is recognized by purchasing method. The net assets and the temporary goodwill from the transaction are as follows:

	Fair value
Total current assets	19.545
Total non-surrent assets	25.102
Total liabilities	(9.954)
Book value of net assets	**34.693**
Paid cash and cash equivalents	10.238
Goodwill	(24.455)
Gain on bargain purchase attributable to the consolidated financial statements resulting from the acquisition completed by the joint venture	**(10.694)**

After the acquisition of DS Smith Çopikas, profit amounting TL 249 has been included in period profit. The revenue of DS Smith Çopikas within the period is TL 9.388.

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NOTE 3 - BUSINESS COMBINATIONS (Continued)

Brisa, a jont venture of the Group, acquired 99,99% shares of Bandag Lastik Mamülleri Tic. Ltd. Şti. at 31 December 2010 for TL 5.604.

This transaction is recognized by purchasing method. The net asset and temporary goodwill are as follows:

	Fair value
Total current assets	4.998
Total non-surrent assets	3.970
Total liabilities	(3.364)
Book value of net assets	**5.604**
Paid cash and cash equivalents	5.604
Goodwill effect on consolidated financial statements	-

Purchase price of the registered value of net assets acquired in excess of TL 3.960 is associated with exclusive right to sell and license of Bandag and it is recognized as intangible assets, its effect on consolidated financial statements is TL 1.728.

NOTE 4 - SEGMENT REPORTING

Group management has revised the job descriptions in 2011. Group has reclassified tire, reinforcement and automotive operations as a seperate industrial section. Textile, corrugated containers and box operations were classified under the "other" job section. Upper management has decided to merge tire, reinforcement, automotive, textile, corrugated containers and box operations under "Industry" job section. Prior period balances have been updated according to the current sections.

a) External revenues:

	1 January-30 June 2011	1 April-30 June 2011	1 January-30 June 2010	1 April-30 June 2010
Finance	5.634.745	2.719.470	5.779.711	2.790.007
Energy	800.064	358.272	624.308	305.708
Industry	2.281.651	1.189.211	1.334.701	702.948
Retail	1.407.463	703.384	1.199.214	624.708
Cement	569.097	337.346	503.587	303.132
Other	28.921	12.850	43.037	27.816
Total	**10.721.941**	**5.320.533**	**9.484.558**	**4.754.319**

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NOTE 4 - SEGMENT REPORTING (Continued)

b) Segment assets:

	30 June 2011	31 December 2010
Finance	129.533.736	120.916.734
Banking	128.731.385	119.452.975
Insurance	802.351	1.463.759
Energy	3.658.871	3.179.573
Industry	3.591.861	2.565.472
Retail	1.077.861	1.003.271
Cement	1.493.858	1.372.411
Other	649.144	295.715
Segment assets (*)	**140.005.331**	**129.333.176**
Non-current assets held for sale (Note 15)	20.801	503.895
Investment in associates	209.503	299.803
Unallocated assets	909.062	785.892
Less: intercompany eliminations and reclassifications	(1.016.174)	(862.882)
Total assets as per consolidated financial statements	**140.128.523**	**130.059.884**

(*) Segment assets mainly comprise operating assets.

c) Segment liabilities:

	30 June 2011	31 December 2010
Finance	111.654.407	102.280.525
Banking	111.056.461	101.282.777
Insurance	597.946	997.748
Energy	446.061	505.663
Industry	773.918	506.094
Retail	599.854	638.537
Cement	192.911	168.487
Other	25.508	34.352
Segment liabilities (*)	**113.692.659**	**104.133.658**
Liabilities associated with non-current assests held for sale (Note 15)	-	329.120
Unallocated liabilities	2.893.389	2.172.007
Less: intercompany eliminations and reclassifications	(1.108.279)	(1.221.053)
Total liabilities as per consolidated financial statements	**115.477.769**	**105.413.732**

(*) Segment liabilities mainly comprise operating liabilities and exclude items such as taxation, certain financial liabilities and unallocated liabilities.

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NOTE 4 - SEGMENT REPORTING (Continued)

d) Segmental analysis for the period between 1 January – 30 June 2011

	Finance									
	Banking	Insurance	Total finance	Energy	Industry	Retail	Cement	Other	Inter segment elimination	Total
External revenues	5.407.869	226.876	5.634.745	800.064	2.281.651	1.407.463	569.097	28.921	-	10.721.941
Inter segment revenues	17.453	1.087	18.540	66.568	2.225	1.182	88	5.620	(94.223)	-
Total revenues	**5.425.322**	**227.963**	**5.653.285**	**866.632**	**2.283.876**	**1.408.645**	**569.185**	**34.541**	**(94.223)**	**10.721.941**
Cost of sales (*)	(2.590.826)	(229.476)	(2.820.302)	(695.057)	(1.894.259)	(1.102.375)	(447.417)	(24.542)	150.498	(6.833.454)
General and administrative expenses	(1.268.589)	(26.843)	(1.295.432)	(88.581)	(71.815)	(145.594)	(20.689)	(9.846)	13.804	(1.618.153)
Sales, marketing and distribution expenses	-	-	-	(681)	(120.933)	(139.715)	(5.992)	(994)	496	(267.819)
Research and development expenses	-	-	-	-	(5.554)	-	-	-	150	(5.404)
Inter segment adjustment	64.997	12.108	77.105	-	(101)	-	(50)	320	(77.107)	167
Operating result	**1.630.904**	**(16.248)**	**1.614.656**	**82.313**	**191.214**	**20.961**	**95.037**	**(521)**	**(6.382)**	**1.997.278**
Other unallocated operating expenses									(28.889)	(28.889)
Other income/(expense) - net	178.416	38.962	217.378	895	(20.257)	2.195	(5.912)	305.446	-	499.745
Segment result	**1.809.320**	**22.714**	**1.832.034**	**83.208**	**170.957**	**23.156**	**89.125**	**304.925**	**(35.271)**	**2.468.134**

(*) In the banking segment cost of sales includes interest expenses, fee and commission expenses, provision for loan losses and net foreign currency trading gains. In the insurance segment, cost of sales includes premium ceded to reinsurance.

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NOTE 4 - SEGMENT REPORTING (Continued)

d) Segmental analysis for the period between 1 April – 30 June 2011

	Finance									
	Banking	Insurance	Total finance	Energy	Industry	Retail	Cement	Other	Inter segment elimination	Total
External revenues	2.610.512	108.958	2.719.470	358.272	1.189.211	703.384	337.346	12.850	-	5.320.533
Inter segment revenues	9.444	12	9.456	41.531	1.461	489	84	3.089	(56.110)	-
Total revenues	**2.619.956**	**108.970**	**2.728.926**	**399.803**	**1.190.672**	**703.873**	**337.430**	**15.939**	**(56.110)**	**5.320.533**
Cost of sales (*)	(1.353.586)	(106.632)	(1.460.218)	(319.928)	(1.001.181)	(549.677)	(258.961)	(10.454)	87.496	(3.512.923)
General and administrative expenses	(587.258)	(21.183)	(608.441)	(46.241)	(39.547)	(70.351)	(10.191)	(5.599)	6.806	(773.564)
Sales, marketing and distribution expenses	-	-	-	(338)	(62.992)	(71.323)	(3.180)	(500)	346	(137.987)
Research and development expenses	-	-	-	-	(3.219)	-	-	-	150	(3.069)
Inter segment adjustment	38.491	3.920	42.411	-	(51)	-	(25)	160	(42.411)	84
Operating result	**717.603**	**(14.925)**	**702.678**	**33.296**	**83.682**	**12.522**	**65.073**	**(454)**	**(3.723)**	**893.074**
Other unallocated operating expenses									(12.911)	(12.911)
Other income/(expense) - net	153.488	28.726	182.214	(158)	(120)	2.906	(1.790)	303.786	-	486.838
Segment result	**871.091**	**13.801**	**884.892**	**33.138**	**83.562**	**15.428**	**63.283**	**303.332**	**(16.634)**	**1.367.001**

(*) In the banking segment cost of sales includes interest expenses, fee and commission expenses, provision for loan losses and net foreign currency trading gains. In the insurance segment, cost of sales includes premium ceded to reinsurance.

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NOTE 4 - SEGMENT REPORTING (Continued)

d) Segmental analysis for the period between 1 January – 30 June 2010

	Finance									
	Banking	Insurance	Total finance	Energy	Industry	Retail	Cement	Other	Inter segment elimination	Total
External revenues	5.597.697	182.014	5.779.711	624.308	1.334.701	1.199.214	503.587	43.037	-	9.484.558
Inter segment revenues	9.320	1.096	10.416	31.924	1.126	1.763	12	5.812	(51.053)	-
Total revenues	**5.607.017**	**183.110**	**5.790.127**	**656.232**	**1.335.827**	**1.200.977**	**503.599**	**48.849**	**(51.053)**	**9.484.558**
Cost of sales (*)	(2.283.899)	(198.374)	(2.482.273)	(556.870)	(1.107.191)	(943.616)	(389.415)	(36.056)	93.012	(5.422.409)
General and administrative expenses	(1.253.082)	(15.104)	(1.268.186)	(89.684)	(56.232)	(133.455)	(21.765)	(10.662)	18.407	(1.561.577)
Sales, marketing and distribution expenses	-	-	-	(533)	(94.745)	(134.168)	(4.404)	(923)	554	(234.219)
Research and development expenses	-	-	-	-	(5.531)	-	(230)	-	183	(5.578)
Inter segment adjustment	30.816	22.951	53.767	-	(101)	-	(50)	1.174	(53.768)	1.022
Operating result	**2.100.852**	**(7.417)**	**2.093.435**	**9.145**	**72.027**	**(10.262)**	**87.735**	**2.382**	**7.335**	**2.261.797**
Other unallocated operating expenses									(28.414)	(28.414)
Other income/(expense) - net	182.029	28.868	210.897	6.551	(173)	85	(5.964)	4.451	-	215.847
Segment result	**2.282.881**	**21.451**	**2.304.332**	**15.696**	**71.854**	**(10.177)**	**81.771**	**6.833**	**(21.079)**	**2.449.230**

(*) In the banking segment cost of sales includes interest expenses, fee and commission expenses, provision for loan losses and net foreign currency trading gains. In the insurance segment, cost of sales includes premium ceded to reinsurance.

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NOTE 4 - SEGMENT REPORTING (Continued)

d) Segmental analysis for the period between 1 April– 30 June 2010

	Finance									
	Banking	**Insurance**	**Total finance**	**Energy**	**Industry**	**Retail**	**Cement**	**Other**	**Inter segment elimination**	**Total**
External revenues	2.710.301	79.706	2.790.007	305.708	702.948	624.708	303.132	27.816	-	4.754.319
Inter segment revenues	5.043	26	5.069	18.908	648	1.201	11	2.954	(28.791)	-
Total revenues	**2.715.344**	**79.732**	**2.795.076**	**324.616**	**703.596**	**625.909**	**303.143**	**30.770**	**(28.791)**	**4.754.319**
Cost of sales (*)	(1.150.493)	(95.914)	(1.246.407)	(273.433)	(587.995)	(490.935)	(231.000)	(21.379)	56.255	(2.794.894)
General and administrative expenses	(663.247)	(4.594)	(667.841)	(49.132)	(28.862)	(66.895)	(10.936)	(5.623)	8.968	(820.321)
Sales, marketing and distribution expenses	-	-	-	(533)	(51.048)	(70.645)	(2.171)	(466)	283	(124.580)
Research and development expenses	-	-	-	-	(2.556)	-	(115)	-	94	(2.577)
Inter segment adjustment	12.877	23.793	36.670	-	(51)	-	(25)	587	(36.672)	509
Operating result	**914.481**	**3.017**	**917.498**	**1.518**	**33.084**	**(2.566)**	**58.896**	**3.889**	**137**	**1.012.456**
Other unallocated operating expenses									(14.632)	(14.632)
Other income/(expense) - net	74.720	14.729	89.449	3.387	2.831	1.486	(928)	5.664	-	101.889
Segment result	**989.201**	**17.746**	**1.006.947**	**4.905**	**35.915**	**(1.080)**	**57.968**	**9.553**	**(14.495)**	**1.099.713**

(*)In the banking segment cost of sales includes interest expenses, fee and commission expenses, provision for loan losses and net foreign currency trading gains. In the insurance segment, cost of sales includes premium ceded to reinsurance.

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NOTE 4 - SEGMENT REPORTING (Continued)

e) Operating results:

i) Banking:

	1 January-30 June 2011	1 April-30 June 2011	1 January-30 June 2010	1 April-30 June 2010
Interest income	4.381.133	2.144.428	4.708.711	2.264.699
Interest expense	(2.375.923)	(1.238.488)	(2.164.509)	(1.134.663)
Net interest income	**2.005.210**	**905.940**	**2.544.202**	**1.130.036**
Fee and commission income	1.026.736	466.084	888.986	445.602
Fee and commission expense	(127.165)	(69.275)	(97.329)	(52.164)
Net fee and commission income	**899.571**	**396.809**	**791.657**	**393.438**
Provision for loan losses	(100.609)	(64.295)	7.900	107.333
Foreign exchange trading gains and losses - net	95.321	66.407	10.175	(53.079)
Operating expense	(1.268.589)	(587.258)	(1.253.082)	(663.247)
Other operating income/(losses)	178.416	153.488	182.029	74.720
Segment result	**1.809.320**	**871.091**	**2.282.881**	**989.201**

ii) Insurance:

	1 January-30 June 2011	1 April-30 June 2011	1 January-30 June 2010	1 April-30 June 2010
Gross premiums received	226.876	108.958	182.014	79.706
Premiums ceded to reinsurers	(46.329)	(21.556)	(42.996)	(16.598)
Change in the provision for unearned premiums net of reinsurance	(34.082)	(9.582)	(12.353)	3.534
Earned premiums, net	**146.465**	**77.820**	**126.665**	**66.642**
Claims paid	(121.720)	(63.280)	(122.557)	(60.192)
Claims paid - reinsures' share	14.452	7.536	25.569	10.932
Change in the provision for claims	(3.659)	(36)	4.023	3.235
Claims incurred, net	**(110.927)**	**(55.780)**	**(92.965)**	**(46.025)**
Change in life mathematical reserve, net	(976)	(2.702)	(6.026)	(3.676)
Commission expenses - net	(23.967)	(13.080)	(19.987)	(9.330)
Technical income	**10.595**	**6.258**	**7.687**	**7.611**
General and administrative expenses	(26.843)	(21.183)	(15.104)	(4.594)
Other operational income/ (expense)	38.962	28.726	28.868	14.729
Segment Result	**22.714**	**13.801**	**21.451**	**17.746**

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NOTE 4 - SEGMENT REPORTING (Continued)

e) Operating results (continued):

iii) Non-financial segments:

	1 January- 30 June 2011	1 April- 30 June 2011	1 January- 30 June 2010	1 April- 30 June 2010
Net sales	5.087.196	2.601.063	3.704.847	1.964.312
Cost of sales	(4.108.636)	(2.104.492)	(3.003.297)	(1.589.715)
Gross profit	**978.560**	**496.571**	**701.550**	**374.597**
Operating expenses	(624.827)	(319.086)	(561.602)	(294.271)
Other operating (expense)/income	282.367	304.624	4.950	12.440
Segment result	**636.100**	**482.109**	**144.898**	**92.766**

The Group assesses the performance of its operating segments based on a measure of adjusted Earnings before Interest, Tax, Depreciation and Amortization ("EBITDA"). Adjusted EBITDA does not include the effects of non-recurring expenses of the operating segments.

	30 June 2011	30 June 2010
Finance	1.858.330	2.367.864
Industry	261.751	125.366
Cement	125.506	112.021
Energy	123.900	38.790
Retail	50.178	13.753
Other	(23.324)	(7.233)
Total	**2.396.341**	**2.650.561**

A reconciliation of adjusted EBITDA to income before tax from continuing operations is as follows:

	30 June 2011	30 June 2010
Adjusted EBITDA for reported operating segments	2.396.341	2.650.561
Gain on sale of subsidiaries (Note 15)	249.123	-
Gain on sale of fixed asset	73.002	-
Reversal of subsidiary impairment loss (Note 15)	71.902	-
Tax negotiation (Note 17)	(25.112)	-
Loss on sale of subsidiaries (Note 15)	(38.265)	-
Other	(13.064)	-
Depreciation and amortisation	(245.793)	(201.331)
Operating profit	**2.468.134**	**2.449.230**
Financial expenses - net	(129.520)	(27.729)
Income from investments accounted through equity method	73.523	88.791
Income before tax from continuing operations	**2.412.137**	**2.510.292**

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NOTE 4 - SEGMENT REPORTING (Continued)

f) Interests in Joint Ventures:

Aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities and income and expense items related to Joint Ventures which are consolidated by using proportionate consolidation method as expressed in Note 2, are as follows on a combined basis:

Balance Sheet	**30 June 2011**	**31 December 2010**
Current assets	1.846.927	1.392.106
Non-current assets	4.662.017	4.134.445
Total assets	**6.508.944**	**5.526.551**
Current liabilities	1.774.137	1.109.088
Non-current liabilities	1.802.592	1.743.087
Total liabilities	**3.576.729**	**2.852.175**
Non-controlling interests	4.438	4.401
Shareholders' equity	2.927.777	2.669.975
Total liabilities, non-controlling interests and, shareholders' equity	**6.508.944**	**5.526.551**

Income statement	**1 January- 30 June 2011**	**1 April- 30 June 2011**	**1 January- 30 June 2010**	**1 April- 30 June 2010**
Operating profit	121.769	60.022	54.766	35.069
Financial income/(expense)- net	(119.197)	(69.262)	40.604	19.726
Income before tax and non-controlling interests	2.572	(9.240)	95.370	54.795
Taxation on income	(12.694)	(5.718)	(25.043)	(14.545)
Income before non-controlling interests	(10.122)	(14.958)	70.327	40.250
Non-controlling interests	(138)	(200)	92	5
Net income for the period from continuing operations	**(10.260)**	**(15.158)**	**70.419**	**40.255**

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NOTE 4 - SEGMENT REPORTING (Continued)

g) Depreciation and amortisation charges, impairment and capital expenditures:

1 January - 30 June 2011

	Finance								
	Banking	Insurance	Industry	Cement	Energy	Retail	Other	Discontinued operations	Total
Depreciation and amortisation	71.206	1.295	65.589	32.404	40.692	27.022	7.585	-	245.793
Impairment of property, plant and equipment, intangible assets	-	-	-	-	-	368	-	-	368
Capital expenditure	25.592	988	82.098	51.428	334.945	30.531	3.960	-	529.542

1 April - 30 June 2011

	Finance								
	Banking	Insurance	Industry	Cement	Energy	Retail	Other	Discontinued operations	Total
Depreciation and amortisation	35.317	628	37.250	16.332	21.410	13.842	5.041	-	129.820
Impairment of property, plant and equipment, intangible assets	-	-	-	-	-	340	-	-	340
Capital expenditure	13.264	510	38.327	30.999	247.812	18.382	3.158	-	352.452

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NOTE 4 - SEGMENT REPORTING (Continued)

g) Depreciation and amortisation charges, impairment and capital expenditures:

1 January - 30 June 2010

	Finance								
	Banking	Insurance	Industry	Cement	Energy	Retail	Other	Discontinued operations	Total
Depreciation and amortisation	62.169	1.365	53.510	30.250	23.093	23.931	7.013	14.838	216.169
Impairment of property, plant and equipment, intangible assets	-	-	-	-	-	76	(8)	15	83
Capital expenditure	97.221	1.692	47.174	21.024	230.160	43.985	5.766	2.089	449.111

1 April - 30 June 2010

	Finance								
	Banking	Insurance	Industry	Cement	Energy	Retail	Other	Discontinued operations	Total
Depreciation and amortisation	33.370	666	24.784	15.507	11.595	12.243	4.807	7.097	110.069
Impairment of property, plant and equipment, intangible assets	-	-	-	-	-	(159)	(8)	15	(152)
Capital expenditure	58.161	1.096	10.829	(16.094)	132.631	30.421	(2.741)	1.541	215.844

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

NOTE 5 - FINANCIAL ASSETS

a) Financial assets held for trading:

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

	30 June 2011	31 December 2010
Eurobonds	662.988	97.705
Government bonds	1.453.740	693.662
Treasury bills	-	9.768
Share certificates	29.452	46.081
Government bonds denominated in foreign currency	1.996	4.130
Other	79	-
Total	**2.148.255**	**851.346**

b) Financial assets available for sale:

	30 June 2011	31 December 2010
Debt securities		
- Government bonds	29.897.747	37.861.014
- Eurobonds	3.083.917	3.659.814
- Treasury bills	-	46.986
- Government bonds denominated in foreign currency	108.384	625.614
- Investment funds	95.908	68.376
- Other bonds denominated in foreign currency	788.267	758.967
Sub - total	**33.974.223**	**43.020.771**
Equity securities		
- Listed	7.813	25.681
- Unlisted	34.886	55.765
Sub - total	**42.699**	**81.446**
Total financial assets available for sale	**34.016.922**	**43.102.217**

Akbank has infilation indexed (CPI) government bonds in its available-for sale and held to maturity portfolios with semi-annual fixed real coupon rates and a maturity of 5 to 10 years. Starting from 1 January 2011, estimated inflation rate has been used for the valuation of these marketable securities. Estimated inflation rate will be updated during the year when necessary. As of 30 June 2011, the valuation of these securities are made by considering estimated annual inflation rate at 6,25%. In 2010, the valuation of those marketable securities were calculated using actual inflation rates. Had the above mentioned change in estimate related to those CPI linked securities has not been made, interest income would decrease by TL 144.146.

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

NOTE 5 - FINANCIAL ASSETS (Continued)

c) Financial assets held to maturity:

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

	30 June 2011	31 December 2010
Government bonds	3.786.448	4.545.587
Eurobonds	1.081.373	997.013
Government bonds denominated in foreign currency	-	270.553
Other	905	862
Total	**4.868.726**	**5.814.015**

Period remaining to contractual maturity dates for held for trading, held to maturity and available for sale financial assets as at 30 June 2011 and 31 December 2010 is as follows:

	30 June 2011			31 December 2010		
	Banking	Other companies	Total	Banking	Other companies	Total
3 to 12 months	3.151.581	24.907	3.176.488	10.469.055	48.703	10.517.758
1 to 5 years	31.194.064	149.313	31.343.377	32.951.574	362.404	33.313.978
Over 5 years	6.310.255	35.643	6.345.898	5.698.676	41.263	5.739.939
No maturity	141.555	26.585	168.140	127.515	68.388	195.903
Total	**40.797.455**	**236.448**	**41.033.903**	**49.246.820**	**520.758**	**49.767.578**

Period remaining to contractual repricing dates for held for trading, held to maturity and available for sale financial assets as at 30 June 2011 and 31 December 2010 is as follows:

	30 June 2011			31 December 2010		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	10.916.888	-	10.916.888	11.757.920	-	11.757.920
3 to 12 months	14.459.303	24.907	14.484.210	21.318.247	48.703	21.366.950
1 to 5 years	11.165.914	149.313	11.315.227	12.064.660	362.404	12.427.064
Over 5 years	4.113.795	35.643	4.149.438	3.978.478	41.263	4.019.741
No maturity	141.555	26.585	168.140	127.515	68.388	195.903
Total	**40.797.455**	**236.448**	**41.033.903**	**49.246.820**	**520.758**	**49.767.578**

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NOTE 6 – FINANCIAL LIABILITIES

Short term funds borrowed, bank borrowings and debt securities in issue:	**30 June 2011**	**31 December 2010**
Short term	10.710.165	7.746.903
Short-term portion of long term	1.589.432	870.645
Total short term	**12.299.597**	**8.617.548**
Long-term funds borrowed, bank borrowings and debt securities in issue:		
Long term	7.890.645	7.234.739
Total	**20.190.242**	**15.852.287**

The maturity schedule of financial liabilities as at 30 June 2011 and 31 December 2010 is summarised below:

	30 June 2011	**31 December 2010**
Up to 3 months	4.918.775	3.844.432
3 to 12 months	7.380.822	4.773.116
1 to 5 years	5.794.059	6.040.748
More than 5 years	2.096.586	1.193.991
Total	**20.190.242**	**15.852.287**

The maturity schedule of long term financial liabilities as at 30 June 2011 and 31 December 2010 is summarised below:

	30 June 2011	**31 December 2010**
2012	1.906.768	2.053.160
2013	1.027.106	1.086.738
2014	672.329	809.593
2015	2.187.856	2.091.257
2016 and after	2.096.586	1.193.991
Total	**7.890.645**	**7.234.739**

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NOTE 6 – FINANCIAL LIABILITIES (Continued)

The repricing schedule of borrowings at 30 June 2011 and 31 December 2010 is summarised below:

	30 June 2011	31 December 2010
Up to 3 months	10.923.631	9.562.342
3 to 12 months	6.243.238	3.997.160
1 to 5 years	2.964.633	2.280.120
More than 5 years	58.740	12.665
Total	**20.190.242**	**15.852.287**

Major borrowing and funding transactions of Akbank and Enerjisa at 30 June 2011 are as follows:

Funds Borrowed:

a) Akbank - Funds borrowed via syndicated credit facilities

As of 30 June 2011, there are two outstanding syndicated loan facilities; the first syndicated loan facility amounts to EUR 1.000.000 that comprised of EUR 810.500 and USD 254.700 provided by 52 international banks with West LB AG London Branch acting as agent signed on 17 August 2010. EUR 780.000 of the syndicated loan facility has a maturity of 1 year while EUR 220.000 of the syndicated loan facility has a maturity of 2 years. Tranches with 1 year maturity have an all-in cost interest rate of Euribor/Libor + 1,30% and tranches with 2 years maturity have an all-in cost interest rate of Euribor/Libor + 1,75%. The second syndicated loan facility amounts to USD 1.300.000 signed on 23 March 2011. The loan provided with West LB AG London branch acting as agent comprised of two tranches, each of which amounting to EUR 652.216 and USD 405.708 with all-in cost interest rate of Euribor/Libor + 1,10% and Libor + 1,10% respectively.

b) Enerjisa - Funds borrowed via IFC

On 13 June 2008 Group's joint venture Enerjisa, signed a EUR 1.000.000 loan agreement provided from international financial institutions on International Finance Corporation ("IFC") and WestLB, Akbank and the European Investment Bank's co-ordination. These funds are considered to be used in the company's energy investments.The part of the loan amounting to EUR 513.000 is coordinated by IFC, EUR 495.000 has a maturity of 12 years and the remaining EUR 18.000 has a maturity of 15 years. EUR 158.000 of the aforementioned part will be provided by IFC and the remaining EUR 355.000 will be provided as a syndicated loan under the supervision of IFC and WestLB. KFW IPEX-Bank GmbH, Bank Austria Creditanstalt AG, Erste Bank der Oesterreichischen Sparkassen AG, ING Bank N.V., Raiffeisen Zentralbank Oesterreich AG, WestLB AG, ING and Société Générale Bank have been participated in this financing package as authorised leading regulators. Akbank will provide a parallel loan agreement of EUR 352.000 which has a maturity of 12 years, with the participation of National Bank of Greece. Finally, with the participation of EIB with a loan amounting to EUR 135.000. As of 30 June 2011, Enerjisa has used EUR 900.000 with respect to this EUR 1.000.000 loan agreement (31 December 2010: EUR 620.000).

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

NOTE 6 – FINANCIAL LIABILITIES (Continued)

Enerjisa signed another agreement on 23 December 2010 to borrow funds amounting to EUR 270.000 with the participations of Yapı ve Kredi Bankası A.Ş. for EUR 100.000, Akbank T.A.Ş. İstanbul Kurumsal Şubesi for EUR 100.000 and Finansbank A.Ş. Bahrain for EUR 70.000 for the purpose of financing Arkun Barrage and hydroelectric power plant energy project of the Enerjisa. As of 30 June 2011, Group has utilized EUR 155.000 with respect of this loan.

Enerjisa also signed an agreement on 24 March 2011 with IFC and certain international financial institutions under the coordination of IFC, WestLB and Unicredit to borrow funds amounting EUR 700.000 for the purpose of financing energy projects of the Enerjisa. EUR 65.000 of the loan is provided by IFC and EUR 515.000 of it is provided by the participation of several financial institutions, namely KFW IPEX-Bank GmbH, UniCredit Bank Austria AG, Erste Bank, ING Bank N.V., Raiffeisen Bank International, FMO, BAWAG, WestLB AG ve Societe Generale Bank, under the coordination of IFC, Unicredit and WestLB. Proparco has provided EUR 40 thousand of the loan and TSKB has provided EUR 80.000 of the loan.The loan has not been utilized as of 30 June 2011.

The effect of the used loan on consolidated financial statements is limited to 50% joint venture share.

Issued Securities

Securities issued consist of USD and TL assets.

The repayment plan for securities issued is started below in USD.

	30 June 2011		31 December 2010	
	USD	**TL**	**USD**	**TL**
2011	471.780	762.254	435.467	669.574
2012	610.436	986.281	533.286	819.980
2013	537.157	867.884	583.480	897.160
2014	319.261	515.830	391.549	602.046
2015	974.330	1.574.226	1.001.150	1.539.368
2016	119.738	193.460	119.764	184.149
2017	94.710	153.025	72.705	111.791
2018	315.390	509.576	36.353	55.895
Total	**3.442.802**	**5.562.536**	**3.173.754**	**4.879.963**

The balance amounting to USD 3.442.802 consists of securitization deals and USD denominated securities by the Bank. As of 30 June 2011, the outstanding principal amount of the securitization deals amount to USD 1.977.656. In addition, in 2010, the Bank issued 5 year USD denominated Eurobonds with a nominal amount of USD 1.000.000 and maturing at 22 June 2015. These bonds have a yield of 5,256% and a coupon rate of 5,125%. In 2011, the Bank has issued 7 year USD denominated Eurobonds with a nominal amount of USD 500.000 and maturing at 9 March 2018. These bonds have a yield of 5,125%.

As of 30 June 2011, the outstanding TL denominated bonds are amounting to TL 1.290.914 (31 December 2010: 966.804 TL) with a coupon rate range of 7,56 % - 8,68 %.

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

NOTE 7 - OTHER RECEIVABLES AND PAYABLES

Other short term receivables:

	30 June 2011	31 December 2010
Receivables from credit card payments	128.637	70.769
Financial assets (*)	48.342	40.244
Other receivables	557.106	381.033
Total	**734.085**	**492.046**

Other long term receivables

	30 June 2011	31 December 2010
Financial assets (*)	97.643	95.576
Guarantee and deposits given	18.293	31.605
Other	48.005	17.330
Total	**163.941**	**144.511**

(*) Composed of financial assets accounted for by the Group's joint venture Başkent Elektrik Dağıtım A.Ş. in accordance with IFRS 3 "Business Combinations" and IFRIC 12 "Service Concession Arrangements".

Other short term payables:

	30 June 2011	31 December 2010
Payables related to credit card transactions	1.616.734	1.313.783
Taxes and dues payable	191.090	191.578
Export deposits and transfer orders	83.958	55.227
Due to personnel	22.936	16.820
Payment orders to correspondent banks	16.767	15.274
Other	524.586	535.673
Total	**2.456.071**	**2.128.355**

Other long term payables:

	30 June 2011	31 December 2010
Guarantee and deposits received	49.713	53.902
Other	36.561	19.557
Total	**86.274**	**73.459**

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

NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

	30 June 2011	Share (%)	31 December 2010	Share (%)
Philsa	174.781	25,00	220.840	25,00
Philip Morrissa	30.590	24,75	78.963	24,75
Dönkasan	4.132	21,86	-	-
Total	**209.503**		**299.803**	

Income from associates is as follows:

	1 January-30 June 2011	1 April-30 June 2011	1 January-30 June 2010	1 April-30 June 2010
Philsa	62.629	34.300	42.342	28.158
Philip Morrissa	10.708	8.217	46.449	8.936
Dönkasan	186	186	-	-
Total	**73.523**	**42.703**	**88.791**	**37.094**

The summary financial information of associates is as follows:

	30 June 2011		31 December 2010	
	Total assets	Total liabilities	Total assets	Total liabilities
Philsa	1.763.318	1.064.196	1.805.591	922.232
Philip Morrissa	626.179	502.583	786.907	467.865
Dönkasan	25.282	6.372	-	-
Total	**2.414.779**	**1.573.151**	**2.592.498**	**1.390.097**

Sales revenue	1 January-30 June 2011	1 April-30 June 2011	1 January-30 June 2010	1 April-30 June 2010
Philsa (*)	4.375.145	2.466.592	3.623.053	2.258.242
Philip Morrissa	4.490.789	2.537.244	4.050.514	2.283.644
Dönkasan	40.515	40.515	-	-

(*) Philsa conducts its sales activities over Philip Morrissa.

Net income	1 January-30 June 2011	1 April-30 June 2011	1 January-30 June 2010	1 April-30 June 2010
Philsa	250.516	137.200	169.371	112.631
Philip Morrissa	43.263	33.198	187.671	36.106
Dönkasan	1.420	1.420	-	-
Total	**295.199**	**171.818**	**357.042**	**148.737**

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

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment for the six month period ended 30 June 2011 are as follows:

	1 January 2011	Currency translation differences	Additions	Disposals	Change within the scope of consolidation	Business combination (*)	Transfers from non current assets held for sale	Transfers to non current assets held for sale	Transfers (**)	Impairment	30 June 2011
Cost:											
Land and land improvements	501.474	3.490	3.027	-	(713)	31	21.461	-	67.824	-	596.594
Buildings	2.385.787	13.637	2.845	(120.855)	(27.815)	-	62.959	-	27.313	-	2.343.871
Machinery and equipment	3.869.530	60.840	21.056	(10.256)	(3.320)	-	369.593	(16.181)	116.931	-	4.408.193
Motor vehicles	156.989	517	12.556	(16.276)	(637)	-	2.178	-	2.908	-	158.235
Furniture and fixtures	1.782.310	3.391	32.178	(36.440)	(18.488)	4	5.984	-	9.310	(368)	1.777.881
Total	**8.696.090**	**81.875**	**71.662**	**(183.827)**	**(50.973)**	**35**	**462.175**	**(16.181)**	**224.286**	**(368)**	**9.284.774**
Construction in progress	741.834	3.379	442.055	(10.429)	(71)	14.573	6.246	-	(273.045)	-	924.542
Total	**9.437.924**	**85.254**	**513.717**	**(194.256)**	**(51.044)**	**14.608**	**468.421**	**(16.181)**	**(48.759)**	**(368)**	**10.209.316**
Accumulated depreciation:											
Land and land improvements	97.831	1.502	4.094	-	(222)	-	4.824	-	829	-	108.858
Buildings	842.788	3.840	34.586	(20.796)	(7.705)	-	31.649	-	(928)	-	883.434
Machinery and equipment	2.208.146	34.190	90.791	(10.256)	(2.817)	-	251.283	(4.485)	2.009	-	2.568.861
Motor vehicles	106.239	224	6.684	(6.484)	(525)	-	2.135	-	(2.008)	-	106.265
Furniture and fixtures	1.317.832	2.559	70.087	(31.628)	(13.901)	-	4.768	-	-	-	1.349.717
Total	**4.572.836**	**42.315**	**206.242**	**(69.164)**	**(25.170)**	**-**	**294.659**	**(4.485)**	**(98)**	**-**	**5.017.135**
Net book value	**4.865.088**										**5.192.181**

(*) Relates to acquisitions of Enerjisa mentioned at Note 3.
(**)Transfers during the period consist of TL 37.293 transfer to intangible assets and TL 11.368 transfer to investment property.

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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The movement in property, plant and equipment for the six month period ended 30 June 2010 are as follows:

	1 January 2010	Currency translation differences	Additions	Disposals	Change within the scope of consolidation	Business combination (*)	Transfers from non current assets held for sale	Transfers to non current assets held for sale	Transfers	Impairment	30 June 2010
Cost:											
Land and land improvements	440.394	123	21.652	(6.167)	-	177	-	-	974	-	457.153
Buildings	2.048.047	3.449	2.914	(4.019)	-	13.538	-	-	3.041	14	2.066.984
Machinery and equipment	3.249.574	25.271	15.748	(5.255)	-	13.195	-	-	33.110	-	3.331.643
Motor vehicles	152.027	142	7.536	(11.894)	-	-	-	-	4.175	-	151.986
Furniture and fixtures	1.610.306	4.609	54.102	(17.644)	-	474	-	-	7.062	(82)	1.658.827
Total	**7.500.348**	**33.594**	**101.952**	**(44.979)**	-	**27.384**	-	-	**48.362**	**(68)**	**7.666.593**
Construction in progress	844.977	3.511	316.809	-	-	-	-	-	(48.615)	-	1.116.682
Total	**8.345.325**	**37.105**	**418.761**	**(44.979)**	-	**27.384**	-	-	**(253)**	**(68)**	**8.783.275**
Accumulated depreciation:											
Land and land improvements	90.772	934	3.493	-	-	-	-	-	-	-	95.199
Buildings	755.336	1.628	28.907	(3.987)	-	941	-	-	-	-	782.825
Machinery and equipment	2.069.021	12.387	64.271	(4.648)	-	1.808	-	-	-	-	2.142.839
Motor vehicles	100.035	633	6.319	(3.965)	-	-	-	-	-	-	103.022
Furniture and fixtures	128.431	966	65.926	(11.941)	-	145	-	-	-	-	1.273.527
Total	**4.233.595**	**16.548**	**168.916**	**(24.541)**	-	**2.894**	-	-	-	-	**4.397.412**
Net book value	**4.111.730**										**4.385.863**

(*) Related to Med. Con Srl acquisition of Çimsa mentioned at Note 3.

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NOTE 10 - INTANGIBLE ASSETS

The movements in intangible assets for the six month periods ended 30 June 2011 and 30 June 2010 are as follows:

	1 January 2011	Currency translation differences	Additions	Disposals	Change within the scope of consolidation	Transfers	Business combination (*)	Transfers from non current assets held for sale	30 June 2011
Cost	1.353.706	3.326	15.695	(1.773)	(8.116)	37.293	164.542	10.367	1.575.040
Accumulated amortisation (-)	(277.002)	(1.857)	(38.565)	352	2.700	-	-	(6.079)	(320.451)
Net book value	**1.076.704**								**1.254.589**

	1 January 2010	Currency translation differences	Additions	Disposals	Change within the scope of consolidation	Transfers	Business combination	Transfers from non current assets held for sale	30 June 2010
Cost	1.268.182	6.232	27.853	(3.229)	-	253	825	-	1.300.116
Accumulated amortisation (-)	(211.550)	(1.242)	(31.103)	1.151	-	-	(283)	-	(243.027)
Net book value	**1.056.632**								**1.057.089**

(*) Enerjisa, a joint venture of the Group, acquired the share of IBA Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş., Italgen Elektrik Üretim A.Ş, Alpaslan II Enerji Üretim Sanayi ve Ticaret A.Ş. and Pervari Elektrik Üretim Sanayi ve Ticaret A.Ş. in 2011. As a result of this acquisition, for the part of cost more than the book value of net assets TL 164.542 is associated with electricity production licence and accounted as intangible assets.

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NOTE 11 - GOODWILL

The movements in goodwill for the six month periods ended 30 June 2011 and 2010 are as follows:

	30 June 2011	30 June 2010
1 January	725.227	706.354
Additions (Note 3)	-	3.313
Currency translation differences	(119)	(230)
Balance at 30 June	**725.108**	**709.437**

NOTE 12 – CONTINGENT ASSETS AND LIABILITIES

Commitments - Banking segment	30 June 2011	31 December 2010
Letters of guarantee issued	7.236.089	6.447.730
Letters of credits	3.595.563	2.557.786
Foreign currency acceptance credits	133.754	69.764
Other guarantees given	1.123.862	950.408
Total	**12.089.268**	**10.025.688**

Commitments - Non-banking segments	30 June 2011	31 December 2010
Letters of guarantee given	669.200	461.806
Other guarantees given	202.045	60.310
Total	**871.245**	**522.116**

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NOTE 12 – 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 June 2011 and 31 December 2010 are as follows:

	30 June 2011	31 December 2010
Repurchase commitments	14.257.061	11.470.108
Resale commitments	7.526	13.803

Commitments to forward currency purchase/sale and swap transactions:

Trading derivative transactions:

	30 June 2011	31 December 2010
Foreign currency purchases	2.290.176	1.298.329
Foreign currency sales	2.276.557	1.288.342
Total	**4.566.733**	**2.586.671**

	30 June 2011	31 December 2010
Currency swap purchases	15.564.017	8.911.169
Currency swap sales	15.515.426	8.697.663
Interest rate swap purchases	7.678.701	5.506.299
Interest rate swap sales	7.678.701	5.506.299
Total	**46.436.845**	**28.621.430**

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NOTE 12 - CONTINGENT ASSETS AND LIABILITIES (Continued)

	30 June 2011	31 December 2010
Spot purchases	2.731.599	577.939
Spot sales	2.729.430	579.603
Total	**5.461.029**	**1.157.542**

	30 June 2011	31 December 2010
Currency options purchases	6.810.573	4.625.020
Currency options sales	6.810.573	4.625.020
Total	**13.621.146**	**9.250.040**

	30 June 2011	31 December 2010
Future purchases	534.390	71.193
Future sales	534.390	71.193
Total	**1.068.780**	**142.386**

Hedging derivative transactions:

	30 June 2011	31 December 2010
Interest swap purchases	4.406.273	3.569.550
Interest swap sales	4.406.273	3.569.550
Total	**8.812.546**	**7.139.100**

The maturity analysis of the off-balance sheet assets in the Banking segment at 30 June 2011 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees	515.330	6.720.759	7.236.089
Letters of credits	2.626.485	969.078	3.595.563
Acceptance credits	111.014	22.740	133.754
Other guarantees	598.861	525.001	1.123.862
Total	**3.851.690**	**8.237.578**	**12.089.268**

The maturity analysis of the off-balance sheet assets in the Banking segment at 31 December 2010 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees	428.816	6.018.914	6.447.730
Letters of credits	1.514.588	1.043.198	2.557.786
Acceptance credits	59.408	10.356	69.764
Other guarantees	180.804	769.604	950.408
Total	**2.183.616**	**7.842.072**	**10.025.688**

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

NOTE 12 - CONTINGENT ASSETS AND LIABILITIES (Continued)

Letter of guarantees and guarantee notes given

Collaterals, pledges and mortgages (CPM) given by the Group at 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011					31 December 2010				
	Total TL Equivalent	TL	USD	EUR	Other	Total TL Equivalent	TL	USD	EUR	Other
A. Total amount of the CPM given for its own legal entity	7.378.462	474.766	217.268	6.540.222	146.206	972.194	360.729	160.169	53.234	398.062
B. CPM given on behalf of fully consolidated companies	547.050	444.681	102.369	-	-	398.525	316.214	82.311	-	-
C. CPM given on behalf of the third parties' debt for the continuation of their economic activities	12.092.005	4.864.737	4.894.741	2.023.530	308.997	10.027.089	4.279.262	4.034.627	1.506.292	206.908
D. Total amount of other CPM										
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	48	48	-	-	-	-	-	-	-	-
iii Given on behalf of third parties which are not in scope of C	286	286	-	-	-	-	-	-	-	-
Total	**20.017.851**	**5.784.518**	**5.214.378**	**8.563.752**	**455.203**	**11.397.808**	**4.956.205**	**4.277.107**	**1.559.526**	**604.970**

The equity ratio of CPMs given by the group as at 30 June 2011 is 0% (31 December 2010: 0%).

DRT BAĞIMSIZ DENETİM
VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

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

NOTE 13 - OTHER ASSETS AND LIABILITIES

Other Current Assets

	30 June 2011	31 December 2010
Receivables related to sales of subsidiaries (*)	364.182	-
Cheques in clearance	362.684	196.395
Prepaid expenses	187.988	176.293
Deductible Value Added Tax (VAT)	160.119	89.863
Defered commission expense	28.118	67.358
Income accrual	17.434	18.081
Other	217.961	115.134
Total	**1.338.486**	**663.124**

Other Non Current Assets:

	30 June 2011	31 December 2010
Defered finance expense	54.423	32.038
Defered commission expense	24.888	20.532
Other	56.615	14.964
Total	**135.926**	**67.534**

(*) Refers to receivables from the partial sale of Aksigorta shares.

Other Short Term Liabilities and Provisions

	30 June 2011	31 December 2010
Liabilities		
Cheques in clearance	658.868	368.837
Expense accruals	143.337	44.661
Unearned commision income	49.964	68.894
Unused vacation	47.126	46.575
Advances received	31.434	29.253
Saving deposits insurance	18.264	18.173
Deferred income	11.941	9.911
Other short- term liabilities	3.318	7.521
	964.252	**593.825**
Provisions		
Credit card bonus provisions	141.186	143.173
Provision for unindemnified non- cash loans	85.680	89.269
Economical disadvantageous contracts	20.214	38.970
Other short- term liability provisions	63.064	181.004
	310.144	**452.416**
Total	**1.274.396**	**1.046.241**

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

NOTE 13 - OTHER ASSETS AND LIABILITIES (Continued)

Other Long Term Liabilities and Provisions

	30 June 2011	31 December 2010
Unearned commision income	123.013	116.299
Other long- term liability provisions	14.196	15.570
Total	**137.209**	**131.869**

NOTE 14 – EQUITY

H.Ö. Sabancı Holding A.Ş.'s authorised and issued capital consists of 204.040.393.100 (31 December 2010: 204.040.393.100) shares of Kr 1 each.

The Holding's authorised and paid-in share capital and shareholding structure at 30 June 2011 and 31 December 2010 is as follows:

Shareholders:	Share (%)	30 June 2011	Share (%)	31 December 2010
Sabancı family members	43,65	890.626	43,61	890.027
Public quotation (*)	37,64	767.931	39,40	803.860
Sakıp Sabancı Holding A.Ş.	14,07	287.100	13,79	281.388
Sabancı University	1,51	30.769	1,51	30.769
Exsa	1,21	24.789	-	-
Çimsa	1,06	21.534	1,06	21.534
H.Ö. Sabancı Foundation	<1	13.370	<1	12.826
Diğer	<1	4.285	-	-
Share capital	**100**	**2.040.404**	**100**	**2.040.404**
Treasury share		**(50.608)**		**(21.534)**
Share premium		**21.670**		**21.670**

(*) Shares purchased from ISE by subsidiaries are not included in public quotation ratio calculation. If it was included, the ratio would be 39,40%.

Securities of Sabancı Holding purchased due to investment objective by Exsa the subsidiary of the Holding from ISE, Exsa participated to share captital of Holding by 1,21% .This transaction is accounted for under equity as treasury share.

The transaction related with the injection of Akbank and Avivasa shares which held in Aksigorta's portfolio, and Akbank shares which are held in Exsa's portfolio, as capital in kind to Holding via spin-off process has been approved in the Exraordinary General Assembly on 4 January 2010 and the shares with a nominal value of TL 140.403.931 have been registered by CMB and Trade Registery on 12 January 2010. As a result of the spin-off transaction, Çimsa, a subsidiary of the Holding has participated to the share capital of Holding by 1,06%. This transaction is accounted for under equity as treasury share.

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NOTE 14 – EQUITY (Continued)

Restricted Reserves

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

Furthermore, to be entitled to the exemption for sale of participation shares and property, 75% of related gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years.

The details of restricted reserves mentioned above are as follows:

	30 June 2011	31 December 2010
Legal reserves	298.339	264.469
Investments sales income	129.713	127.826
Total	**428.052**	**392.295**

Dividend Distribution

Based on CMB, dated 27 January 2010, there is no mandatory minimum profit distribution requirement for the quoted entities at the stock exchange for profits arising from operations in 2010. Regarding the dividend distribution for the current and following years, the entities are to distribute their profits for the current and following years under the scope of CMB Communiqué No. IV-27, their articles of association and their previously publicly declared profit distribution policies. In regards to the profit distribution, in accordance with the decision of the General Assembly, the distribution can be made as cash or as bonus shares or as a combination of a certain percentage of cash and bonus shares. It is also permitted to retain this amount in the Company reserves.

Furthermore, Group companies that are obliged to prepare consolidated financial stataments based on the related decision of General Assembly, are permitted to calculate net distributable profits based upon the net income for the period presented on consolidated financial statements that have been prepared within the framework of Communiqué XI, No: 29.

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NOTE 14 - EQUITY (Continued)

In accordance with the above explanations for the Communiqué No:XI-29, the composition of the Holding's shareholders' equity, which is considered as the basis for dividend distribution is as follows:

	30 June 2011	31 December 2010
Share capital	2.040.404	2.040.404
Treasury share	(50.608)	(21.534)
Share premium	21.670	21.670
Adjustment to capital	3.426.761	3.426.761
Net income for the period	1.104.192	1.662.836
Retained earnings	6.264.914	5.006.522
Total shareholders' equity subject to dividend distribution	**12.807.333**	**12.136.659**
Restricted reserves	428.052	392.295
Translation reserve	148.818	7.728
Revaluation funds	198.227	713.203
Hedge Funds	(156.482)	(180.699)
Shareholders' equity	**13.425.948**	**13.069.186**

NOTE 15 – NON CURRENT ASSETS HELD FOR SALE

Korda decided to consolidate its cloth production plants located in South America at Brasil. Fixed assets that remained idle and are expected to be sold within twelve months have been transferred to assets held for sale and are shown separately on the balance sheet. Since the income that proceeds from the sale is expected to exceed the carrying value of the relevant asset, there was not any provision for impairment registered on these operations that are held for sale. The net carrying value of the fixed assets which are classified as assets held for sale was TL 11.696 as of 30 June 2011.

As of 30 June 2011 Exsa has reclassed its TL 9.105 value of land as assets held for sale.

Holding has sold its Advansa shares on 10 June 2011 which were owned by 99,93% and accounted as non current assets held for sale to BBMMR Holding GmbH located in Germany at EUR 6.000. Loss on sale of subsidiary amounting to TL 38.265 was recognized under other expenses in the consolidated financial statements.

The difference between net book value and the fair value of Advansa's transferred assets that held for sale in 2009, amounting to TL 89.965 was written down as expense for the year ended on 31 December 2009. The impairment of the relevant sale of Advansa shares has been removed from financial statements. Holding participates Sasa shares in the portfolio of Advansa directly in 26 May 2011 and as a result of this situation, impairment excluded the sold part was reversed via taking into consideration the net book value of the company, TL 71.902 was indicated in other income at the consolidated financial statatements.

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NOTE 15 – NON CURRENT ASSETS HELD FOR SALE (Continued)

The agreemet regarding the sale of the 50 % of Aksigorta A.Ş. shares owned by the Group was signed on 18 February 2011 with Ageas Insurance International N.V. and 9.482.940.100 units of Aksigorta A.Ş. shares were sold to Ageas Insurance International N.V. at USD 220.229. TL 249.123 gain on sale of the subsidiary has been recognized in the consolidated financial statements under the "other income" item. The sales of the shares has resulted in decrease of the Group's net asset value by TL 115.059 and non-controlling interests by TL 141.159.

According to co-management agreement signed with Ageas Insurance International N.V., management control of Group's on Aksigorta which is previously existent with the participation of Ageas Insurance International N.V will continue equally. Company was started to being consolidated as a joint venture with the 30.99% effective share, 30.99%of income and expense items from Aksigorta was classified as income and expenses related to discounted operations in 2010 consolidated income statement

The six month periods ended 30 June 2011 and 30 June 2010 for Advansa and the six month period ended 30 June 2010 for Aksigorta, income statements related to discontiuned operation is as follows:

	1 January-30 June 2011	1 April-30 June 2011	1 January-30 June 2010	1 April-30 June 2010
Revenues	93.488	41.925	719.701	341.317
Expenses	(87.520)	(40.253)	(699.577)	(314.115)
Profit/ (loss) before taxation	**5.968**	**1.672**	**20.124**	**27.202**
Taxation	(1.933)	(570)	(1.379)	(1.856)
Net income/ (loss) for the period	**4.035**	**1.102**	**18.745**	**25.346**

NOTE 16 - FINANCIAL INCOME/EXPENSES

Financial income and expenses related to segments other than banking.

	1 January-30 June 2011	1 April-30 June 2011	1 January-30 June 2010	1 April-30 June 2010
Financial income				
Foreign exchange income	205.124	128.123	156.737	27.768
Interest income	40.131	20.985	24.174	10.217
Total	**245.255**	**149.108**	**180.911**	**37.985**
Financial expense				
Foreign exchange losses	264.015	159.115	157.865	36.865
Interest expense	76.149	43.297	42.877	25.976
Other financial expenses	34.611	17.284	7.898	(5.471)
Total	**374.775**	**219.696**	**208.640**	**57.370**

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

NOTE 17 - TAX ASSETS AND LIABILITIES

	30 June 2011	31 December 2010
Corporate and income taxes payable	167.599	1.015.239
Less: prepaid taxes	(46.135)	(686.719)
Total taxes payable	**121.464**	**328.520**

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

The Corporate Tax Law was amended as of 13 June 2006 with Law No 5520. The majority of the clauses of Law No 5520 are effective as of 1 January 2006. The corporation tax rate of the fiscal year 2011 is 20% (2010: 20%). Corporation tax is payable at a rate of 20% on the total income of the Holding after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, and investment incentive etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed.

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

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

In Turkey, there is no procedure for a final and definitive agreement on tax 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 can not be carried back to offset profits from previous periods.

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

Exemption for gains on subsidiaries

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

NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

Preferential right certificate sales and issued premiums exemption

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

Exemption for gains on participation in 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 centre 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 centre at the rate of at least 15% (the corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

Exemption for sale of participation shares and property

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

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

Exemption for investment incentive

According to the regulation, published in the 27659 numbered Official Gazeette on 1 August , 2010 based on Law No. 6009 through article 5, the phrase "only 2006, 2007 and 2008 regarding years" on temporary article 69 of Income Taz Law No.193 that was abolished by The Constitutional Court decision numbered 2009/144 published in the Official Gazette on January 8, is rearranged. With regard to rearrangement, undeductible investment allowance due to unsufficient income and deferred investment allowance amounts can be used without a year limitation. Investment allowance amount, which will be used in the determination of the tax assessment, will not exceed 25% profit of the concerned period. In addition to this, %20 corporate tax rate will be applied on the income after the deduction of the allowance.

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NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

The tax charges for comprehensive income statement items for the periods ended 30 June 2011 and 2010 are as follows:

	30 June 2011			30 June 2010		
	Before tax	Tax expense	After Tax	Before tax	Tax expense	After Tax
Net unrealized fair value from available for sale financial assets	(1.196.619)	(239.324)	(957.295)	87.832	17.990	69.842
Gains on available for sale financial assets transferred to the income statement	(380.718)	(76.144)	(304.574)	(276.038)	(55.208)	(220.830)
Net gains included in the income statement due to transfer of available for sale financial assets into held to maturity assets	1.038	208	830	20.364	4.073	16.291
Cash flow hedges	162.364	32.473	129.891	(19.275)	(3.855)	(15.420)
Gain/ (loss) on net investment hedges hedges	(95.309)	(19.062)	(76.247)	71.490	14.298	57.192
Currency translation differences	218.888	-	218.888	(77.392)	-	(77.392)
Other comprehensive income	**(1.290.356)**	**(301.849)**	**(988.507)**	**(193.019)**	**(22.702)**	**(170.317)**

Deferred taxes

The Group recognises deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under CMB Financial Reporting Standards and their statutory tax financial statements. These differences usually result from the recognition of revenue and expenses in different reporting periods for CMB Financial Reporting Standards and tax purposes, carry forward tax losses and investment incentive exceptions.

Deferred income taxes are calculated on temporary differences that are expected to be realised or settled based on the taxable income in coming years under the liability method using a principal tax rate of 20%.

At 30 June 2011 the Group has not recognized deferred income tax assets over carry forward tax losses in the amount of TL 129.999 which can be offset against future taxable profits for a period of five years (31 December 2010: TL 172.769).

Sasa and Çimsa benefit from Tax Law 6111 Restructuring of Miscellaneous Receivables in order to avoid the tax risks by withdrawing the lawsuit for assessed tax and tax penalty in the investigation report issued by TC Ministry of Finance. In this context, agreed tax and tax penalty has been calculated as TL 25.112.

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

NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

As of 30 June 2011 and 31 December 2010 the amount of the carry forward tax losses and the last fiscal periods in which they can be utilized are as follows:

	30 June 2011	31 December 2010
2012	14.796	41.565
2013	53.157	62.923
2014	40.298	39.412
2015	21.748	28.869
2015	-	-
Total	**129.999**	**172.769**

The movements in deferred income tax assets/ (liabilities) for the six month periods ended at 30 June 2011 and 2010 are as follows:

	30 June 2011	30 June 2010
Balances at 1 January	53.121	107.447
Charged to equity	7.667	28.637
Business combinations	-	626
Transfer from assets held for sale	(1.296)	-
Change within the scope of consolidation	(2.669)	-
Currency translation differences	(812)	(1.407)
Charged to income statement	57.336	(17.675)
Other	(4.280)	8.966
Balances at 30 June	**109.067**	**126.594**

NOTE 18 - DERIVATIVE FINANCIAL INSTRUMENTS

30 June 2011

	Fair Value	
Derivative instruments held for trading:	**Asset**	**Liability**
Foreign exchange derivative instruments		
Currency and interest rate swaps purchases and sales	303.943	(355.408)
Forward currency purchases and sales	82.420	(30.860)
Currency and interest rate futures purchases and sales	37.881	(27.162)
Currency options purchases and sales	58.040	(59.995)
Total derivative instruments held for trading	**482.284**	**(473.425)**
Derivative instruments held for hedging:		
Interest rate swap purchases and sales	9.031	(274.686)
Total derivative instruments	**491.315**	**(748.111)**

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NOTE 18 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

31 December 2010

	Fair Value	
Derivative instruments held for trading:	**Asset**	**Liability**
Foreign exchange derivative instruments		
Currency and interest rate swaps purchases and sales	364.571	(358.698)
Forward currency purchases and sales	33.778	(17.247)
Currency and interest rate futures purchases and sales	42.595	(34.923)
Currency options purchases and sales	34.283	(34.042)
Total derivative instruments held for trading	**475.227**	**(444.910)**
Derivative instruments held for hedging:		
Interest rate swap purchases and sales	-	(362.327)
Total derivative instruments	**475.227**	**(807.237)**

NOTE 19 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS

a) Banking

Loans and advances to customers	**30 June 2011**	**31 December 2010**
Consumer loans and credit cards receivables	23.385.723	19.799.369
Construction	5.469.545	4.847.738
Small-scale enterprises	4.651.472	3.978.383
Financial institutions	3.853.238	3.402.482
Health care and social services	3.271.122	3.015.014
Chemicals	3.256.875	2.431.462
Telecommunication	2.731.357	2.057.515
Other manufacturing industries	2.626.407	1.847.710
Mining	2.548.787	1.832.725
Food and beverage, wholesale and retail	1.983.637	1.643.592
Project finance loans	1.117.902	1.046.585
Textile	1.040.077	805.779
Automotive	842.645	754.250
Tourism	681.272	611.639
Electronics	286.283	200.587
Agriculture and forestry	224.547	195.222
Other	10.327.828	8.685.807
	68.298.717	**57.155.859**
Non-performing loans	1.186.992	1.279.634
Total loans and advances to customers	**69.485.709**	**58.435.493**
Allowance for loan losses	(1.847.433)	(1.797.660)
Net loans and advances to customers	**67.638.276**	**56.637.833**

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

NOTE 19 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

The movement of loan loss provision of banking segment as of 30 June 2011 by class is as follows:

	Corporate	Commercial	Total
1 January 2011	**969.340**	**828.320**	**1.797.660**
Gross provisions	123.234	180.192	303.426
Recoveries	(84.336)	(112.636)	(196.972)
Written - off	(23.669)	(33.026)	(56.695)
Currency translation differences	14	-	14
30 June 2011	**984.583**	**862.850**	**1.847.433**

The movement of loan loss provision of banking segment as of 30 June 2010 by class is as follows:

	Corporate	Commercial	Total
1 January 2010	**1.311.711**	**989.597**	**2.301.308**
Gross provisions	144.507	200.159	344.666
Recoveries	(168.246)	(173.567)	(341.813)
Written - off	(203.077)	(153.036)	(356.113)
Currency translation differences	(16)	-	(16)
30 June 2010	**1.084.879**	**863.153**	**1.948.032**

The maturity schedule of loans and advances to customers at 30 June 2011 and 31 December 2010 are summarised below:

	30 June 2011	31 December 2010
Up to 3 months	19.442.933	17.910.340
3 to 12 months	15.900.550	10.624.887
Current	**35.343.483**	**28.535.227**
1 to 5 years	25.079.715	21.838.128
Over 5 years	7.215.078	6.264.478
Non - current	**32.294.793**	**28.102.606**
Total	**67.638.276**	**56.637.833**

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

NOTE 19 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

The repricing schedule of loans and advances to customers at 30 June 2010 and 31 December 2009 are summarised below:

	30 June 2011	31 December 2010
Up to 3 months	27.222.038	27.868.620
3 to 12 months	23.427.145	15.428.629
1 to 5 years	14.598.567	12.159.295
Over 5 years	2.390.526	1.181.289
Total	**67.638.276**	**56.637.833**

Leasing receivables:

Long-term and the short-term lease receivables of Ak Finansal Kiralama A.Ş., as a subsidiary of Akbank, at 30 June 2011 amounts to TL 1.117.549 (31 December 2010: TL 982.971).

b) Insurance

	30 June 2011	31 December 2010
Receivables from insurance operations (net)	142.698	405.273

NOTE 20 - PAYABLES FROM FINANCE SECTOR OPERATIONS

a) Banking

	30 June 2011			31 December 2010		
	Demand	Time	Total	Demand	Time	Total
Savings deposits	3.938.023	37.383.724	41.321.747	3.827.712	36.955.560	40.783.272
Commercial deposit	4.495.951	17.056.389	21.552.340	4.187.215	16.527.067	20.714.282
Bank deposits	209.133	8.393.828	8.602.961	192.117	7.493.637	7.685.754
Funds provided from repo transactions	-	14.428.684	14.428.684	-	11.421.202	11.421.202
Other	1.163.841	1.000.036	2.163.877	493.359	992.260	1.485.619
Total	**9.806.948**	**78.262.661**	**88.069.609**	**8.700.403**	**73.389.726**	**82.090.129**

b) Insurance

	30 June 2011	31 December 2010
Payables from insurance operations (net)	24.893	62.101
Insurance technical reserves	514.548	840.489
Total	**539.441**	**902.590**

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

NOTE 21 - RELATED PARTY DISCLOSURES

Key management personnel compensation:

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

The detailed schedule of compensation paid or payable to key management for the six month periods ended 30 June 2011 and 30 June 2010 are as follows:

	30 June 2011	30 June 2010
Short term employee benefits	7.302	10.610
Benefits resulted from discharge	209	583
Other long term benefits	84	116
Total	**7.595**	**11.309**

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

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 analysing 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.

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

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

Foreign currency denominated assets and liabilities held by the Group before consolidation eliminations at 30 June 2011 and 31 December 2010 terms of TL are as follows:

	30 June 2011	31 December 2010
Assets	49.494.399	41.062.643
Liabilities	(55.966.504)	(45.150.673)
Net foreign currency balance sheet position	**(6.472.105)**	**(4.088.030)**
Net foreign currency position of off-balance sheet derivative financial instruments	6.167.536	4.265.131
Net foreign currency balance sheet and off-balance sheet position	**(304.569)**	**177.101**

30 June 2011

	Total TL Equivalent	USD	EUR	GBP	Other
Assets:					
Cash and cash equivalents	3.578.286	1.808.134	1.590.749	42.171	137.232
Financial assets	5.855.380	3.040.846	2.813.630	-	904
Receivables from financial operations	31.507.856	21.353.609	10.053.212	37.824	63.211
Reserve deposits at Central Bank	7.341.069	5.394.033	1.947.036	-	-
Trade receivables	683.659	214.409	375.570	5.673	88.007
Other current assets	528.149	403.854	56.248	1.046	67.001
Total Assets	**49.494.399**	**32.214.885**	**16.836.445**	**86.714**	**356.355**
Liabilities:					
Funds borrowed and debt securities in issue	17.546.252	10.980.458	6.508.759	12.217	44.818
Customer deposits	37.596.387	23.713.923	12.508.516	794.635	579.313
Trade payables	426.845	172.888	146.754	71	107.132
Other payables and provisions	397.020	181.872	155.138	2.348	57.662
Total Liabilities	**55.966.504**	**35.049.141**	**19.319.167**	**809.271**	**788.925**
Net foreign currency position of off-balance sheet derivative financial instruments	**6.167.536**	**3.172.256**	**1.859.607**	**734.151**	**401.522**
Net foreign currency position	**(304.569)**	**338.000**	**(623.115)**	**11.594**	**(31.048)**
Net foreign currency monetary position	**(304.569)**	**338.000**	**(623.115)**	**11.594**	**(31.048)**

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

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

31 December 2010

	Total TL Equivalent	USD	EUR	GBP	Other
Assets:					
Cash and cash equivalents	3.111.696	1.392.480	1.592.477	18.883	107.856
Financial assets	6.505.512	3.797.183	2.707.468	-	861
Receivables from financial operations	27.249.869	19.078.713	8.056.645	41.402	73.109
Reserve deposits at Central Bank	3.499.797	1.475.533	2.024.264	-	-
Trade receivables	481.354	153.839	264.375	7.619	55.521
Other current assets	214.415	42.825	95.493	1.215	74.882
Total Assets	**41.062.643**	**25.940.573**	**14.740.722**	**69.119**	**312.229**
Liabilities:					
Funds borrowed and debt securities in issue	13.907.185	8.802.457	5.032.103	9.537	63.088
Customer deposits	30.493.615	17.061.068	12.089.122	831.701	511.724
Trade payables	352.786	126.281	125.393	699	100.413
Other payables and provisions	397.087	203.429	148.483	2.048	43.127
Total Liabilities	**45.150.673**	**26.193.235**	**17.395.101**	**843.985**	**718.352**
Net foreign currency position of off-balance sheet derivative financial instruments	**4.265.131**	**452.963**	**2.625.873**	**787.355**	**398.940**
Net foreign currency position	**177.101**	**200.301**	**(28.506)**	**12.489**	**(7.183)**
Net foreign currency monetary position	**177.101**	**200.301**	**(28.506)**	**12.489**	**(7.183)**

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

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

The following table summarizes the sensitivity of Group companies to the fluctuations in the foreign exchange rates for the six-month period ended 30 June 2011 and year ended 30 June 2010.

30 June 2011	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%				
USD net assets/liabilities	43.240	(43.240)	-	-
Hedged items (-)	-	-	-	-
USD net effect	**43.240**	**(43.240)**	-	-
Change in EUR against TL by 10%				
EUR net assets/liabilities	(83.413)	83.413	-	-
Hedged items (-)	-	-	-	-
EUR net effect	**(83.413)**	**83.413**	-	-
Change in GBP against TL by 10%				
GBP net assets/liabilities	1.202	(1.202)	-	-
Hedged items (-)	-	-	-	-
GBP net effect	**1.202**	**(1.202)**	-	-
Change in other currency against TL by 10%				
Other currency net assets/liabilities	(1.505)	1.505	-	-
Hedged items (-)	-	-	-	-
Other currency net effect	**(1.505)**	**1.505**	-	-
	(40.476)	**40.476**		

30 June 2010	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TLby 10%				
USD net assets/liabilities	(10.512)	10.512	-	-
Hedged items (-)	-	-	-	-
USD net effect	**(10.512)**	**10.512**	-	-
Change in EUR against TL by 10%				
EUR net assets/liabilities	(8.017)	8.017	-	-
Hedged items (-)	-	-	-	-
EUR net effect	**(8.017)**	**8.017**	-	-
Change in GBP against TL by 10%				
GBP net assets/liabilities	2.327	(2.327)	-	-
Hedged items (-)	-	-	-	-
GBP net effect	**2.327**	**(2.327)**	-	-
Change in other currency against TL by 10%				
Other currency net assets/liabilities	(13.451)	13.451	-	-
Hedged items (-)	-	-	-	-
Other currency net effect	**(13.451)**	**13.451**	-	-
	(29.653)	**29.653**	-	-

NOTE 23 - EVENTS AFTER THE BALANCE SHEET DATE

50% of total 18.965.880.200 units of Aksigorta shares owned by the Group was sold to Ageas Insurance International N.V.. Receviables from the sale of the Aksigorta shares recognized in other current assets were collected by the time the sale process had been completed.

As of 29 July 2011, Akbank has issued a 175 day maturity and 8.80 simple interest rate bond amounting to TL 500.000. As of 4 August 2011, Bank has obtained funding with a 7 year maturity from European Bank for Reconstruction and Development (EBRD) and Sumitomo Mitsui Banking Corporation, Brussels (SMBC) amounting to USD 200.000 in connection with the securitization program related with the export and check receivables and foreign exchange transfers.

Teknosa acquired Best Buy İstanbul Mağazacılık Ltd. Şti. on 11 July 2011. After this purchasing process, on 12 July 2011, two store was opened in İzmir and Ankara under the name of Teknosa. The Company's retail selling space increased by 7.613 square meters with these stores.

Kordsa Global has bought the 0,07% (98 unit) IDR 229,7 par-value stocks of PT Indo Kordsa Polyester Company which operates in Indonesia and also included in Kordsa's indirect subsidiary, Kordsa Mauritius' portfolio for USD 15,7. The company has bought the 99,5% of stocks of Kordsa Qingdao Nylon Enterprise Limited Company which operates in People's Republic of China and also included in Kordsa's indirect subsidiary, Kordsa Mauritius'portfolio for USD 8.817.

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