HACI ÖMER SABANCI HOLDİNG A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2008 TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT

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CONVENIENCE TRANSLATION INTO ENGLISH OF AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

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

Introduction

1. We have reviewed the accompanying consolidated balance sheet of Hacı Ömer Sabancı Holding A.Ş. and its subsidiaries (together, the "Group") as of 30 June 2008 and the related consolidated statements of income, cash flows and changes in equity for the six-month period then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting standards issued by Capital Market Board ("CMB"). Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of review

2. We conducted our review in accordance with the principles and standards on the review of interim financial statements as set out in Section 34 of the Communique No: X-22 on the auditing standards issued by the Capital Markets Board. A review of interim financial statements 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 independent auditing standards issued 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 independent audit opinion.

Conclusion

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the financial position of Hacı Ömer Sabancı Holding A.Ş. as at 30 June 2008, and of its financial performance and its cash flows for the six-month period then ended in accordance with financial reporting standards issued by Capital Market Board (Note 2).

Emphasis of matter

4. The consolidated interim financial statements include the accounts of the Hacı Ömer Sabancı Holding (the “Holding”), the parent company, its Subsidiaries and Joint Ventures. In these consolidated interim financial statements, subsidiaries are companies in which the Holding exercises a dominant influence and power to govern the financial and operating policies through the exercise of voting power relating to shares held by the Holding and its Subsidiaries together with voting power which the Holding effectively exercises relating to shares held by Sabancı family members. 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. In effect the Sabancı family members allow the Holding to exercise voting power in respect of their shares held in these companies. In these consolidated interim financial statements the shares held by Sabancı family members in the consolidated subsidiaries are treated as outside interests.

Additional paragraph for convenience translation into English

5. The accounting principles described in Note 2 to the consolidated interim financial statements (defined as “CMB Financial Reporting Standards”) differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January - 31 December 2005. Accordingly, the accompanying consolidated interim financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Burak Özpoyraz, SMMM
Partner

İstanbul, 29 August 2008

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2008

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AT 30 JUNE 2008 AND 31 DECEMBER 2007

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

	Notes	30 June 2008	Restated 31 December 2007
ASSETS			
Current Assets		**55.412.988**	**48.780.416**
Cash and Cash Equivalents	5	6.963.248	2.901.156
Financial Assets			
- Marketable Securities	6.a	2.302.339	4.833.069
- Available for sale	6.b	3.709.510	9.548.528
Derivative Financial Instruments	26	139.433	81.282
Reserve Deposits with the Central Bank of the Republic of Turkey	2.2	5.841.529	1.667.269
Trade Receivables	8,31	1.152.808	1.140.924
Receivables from Finance Sector Operations	27	32.239.847	26.062.442
Other Receivables	9	748.454	571.433
Inventories	10	1.285.928	1.197.573
Other Current Assets	18	517.123	194.672
		54.900.219	48.198.348
Non-current Assets Held for Sale	20	512.769	582.068
Non-current assets		**37.053.037**	**30.598.193**
Trade Receivables	8,31	20.509	23.637
Receivables from Finance Sector Operations	27	16.987.940	13.842.985
Other Receivables	9	75.269	45.818
Financial Assets			
- Available for sale	6.b	15.115.517	11.692.082
Investments Accounted Through Equity Method	11	195.741	179.390
Investment Property	12	190.449	223.764
Property, Plant and Equipment	13	3.601.727	3.747.829
Intangible Assets	14	362.221	364.549
Goodwill	15	324.857	327.412
Deferred Income Tax Assets	25	178.807	150.727
Total Assets		**92.466.025**	**79.378.609**

These consolidated interim financial statements have been approved by the Board of Directors on 29 August 2008 and signed on its behalf by Ahmet Dördüncü and Nedim Bozfakıoğlu.

CONSOLIDATED BALANCE SHEETS
AT 30 JUNE 2008 AND 31 DECEMBER 2007

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

	Notes	30 June 2008	Restated 31 December 2007
LIABILITIES			
Short term liabilities		**71.066.106**	**58.018.151**
Borrowings	7	6.593.333	4.382.957
Current Portion of Long-term Borrowings	7	2.470.451	1.752.250
Trade Payables	8,31	894.043	938.384
Other Payables	9	2.568.236	2.596.446
Payables from Finance Sector Operations	28	57.482.099	47.176.169
Derivative Financial Instruments	26	144.403	105.591
Insurance Technical Reserves		437.111	302.808
Income Taxes Payable	25	76.203	192.855
Other short term Liabilities	18	232.775	214.629
		70.898.654	57.662.089
Liabilities Associated with Non-current Assets held for sale	20	167.452	356.062
Long term liabilities		**4.973.724**	**5.295.504**
Borrowings	7	3.786.687	4.113.529
Trade Payables	8,31	3.921	3.885
Other Payables	9	137.293	201.913
Payables from Finance Sector Operations	28	395.802	325.899
Insurance Technical Reserves		268.247	278.869
Provision for Employment Termination Benefits	17	146.824	147.961
Deferred Income Tax Liabilities	25	234.950	223.448
EQUITY		**16.426.195**	**16.064.954**
Shareholders' Equity		**8.945.291**	**8.542.838**
Share Capital	19	**1.800.000**	**1.800.000**
Capital Reserves		**3.310.012**	**3.517.683**
Share Issue Premium		21.670	21.670
Value Increase Funds		(138.419)	69.252
Adjustment to Capital		3.426.761	3.426.761
Restricted Reserves	19	257.717	215.478
Translation Reserve		(149.437)	(215.298)
Net Income for the Period		737.150	969.487
Retained Earnings	19	**2.989.849**	**2.255.488**
Minority Interests		**7.480.904**	**7.522.116**
- Sabancı Family members		2.471.697	2.311.095
- Others		5.009.207	5.211.021
TOTAL EQUITY AND LIABILITIES		**92.466.025**	**79.378.609**
Contingent assets and liabilities	16		

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

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE SIX-MONTH AND THREE-MONTH PERIODS ENDED 30 JUNE 2008 AND 2007

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

	Notes	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
CONTINUING OPERATIONS					
Sales (net)	21	3.813.438	2.047.624	3.594.238	1.903.207
Interest, premium, commission and other income	21	5.955.301	3.085.015	5.208.414	2.728.221
Total revenue	21	**9.768.739**	**5.132.639**	**8.802.652**	**4.631.428**
Cost of sales (-)		(3.056.030)	(1.644.142)	(2.918.821)	(1.518.891)
Interest, premium, commission and other expenses (-)		(3.845.088)	(1.905.944)	(3.226.004)	(1.689.240)
Total costs		**(6.901.118)**	**(3.550.086)**	**(6.144.825)**	**(3.208.131)**
Gross profit from non-financial operations		757.408	403.482	675.417	384.316
Gross profit from financial operations		2.110.213	1.179.071	1.982.410	1.038.981
GROSS PROFIT		**2.867.621**	**1.582.553**	**2.657.827**	**1.423.297**
Marketing, Selling and Distribution Expenses (-)	22	(274.718)	(143.103)	(243.398)	(130.242)
General and Administrative Expenses (-)	22	(1.366.326)	(703.655)	(1.078.220)	(581.835)
Research and Development Expenses (-)	22	(11.429)	(1.360)	(11.335)	(5.503)
Other Operating Income	23	284.385	31.686	180.060	153.967
Other Operating Expenses	23	(84.840)	(121.311)	(25.949)	(3.837)
OPERATING PROFIT		**1.414.693**	**644.810**	**1.478.985**	**855.847**
Shares of Income of Investments Accounted Through Equity Method	11	89.726	46.708	64.906	35.436
Financial Income	24	331.034	126.161	171.036	114.792
Financial Expenses (-)	24	(270.815)	(90.284)	(195.247)	(130.787)
NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS		**1.564.638**	**727.395**	**1.519.680**	**875.288**
Tax income/expense from continuing operations					
Current Tax Expense	25	(68.393)	(146.451)	(60.821)	102.969
Deferred Tax Income	25	1.383	7.423	9.251	1.963
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS		**1.497.628**	**588.367**	**1.468.110**	**980.220**
DISCONTINUED OPERATIONS					
Net income/(loss) after tax from discontinued operations		34.172	1.142	(38.122)	(44.254)
NET INCOME FOR THE PERIOD		**1.531.800**	**589.509**	**1.429.988**	**935.966**
ALLOCATION OF NET INCOME		**1.531.800**	**589.509**	**1.429.988**	**935.966**
- Minority interest		**794.650**	**334.142**	**814.109**	**530.050**
- Sabancı Family members		210.972	99.270	199.947	139.944
- Others		583.678	234.872	614.162	390.106
- Equity Holders of the Parent		**737.150**	**255.367**	**615.879**	**405.916**
Earnings per share from continuing operations - thousands of ordinary shares (YTL)	30	3,97	1,38	3,32	2,19

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2008 AND 2007

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

	Share Capital	Share premium	Value increase funds	Adjustment to Capital	Restricted reserves	Translation reserve	Net income for the period	Retained earnings	Shareholders' equity	Minority interests	Total
Previously reported	**1.800.000**	**21.670**	**(43.771)**	**3.426.761**	**189.248**	**(241.428)**	**494.049**	**1.207.815**	**6.854.344**	**4.997.041**	**11.851.385**
Mathematical correction (Note 2.1.4)	-	-	-	-	-	-	-	(11.236)	(11.236)	(6.893)	(18.129)
Balances at 1 January 2007	**1.800.000**	**21.670**	**(43.771)**	**3.426.761**	**189.248**	**(241.428)**	**494.049**	**1.196.579**	**6.843.108**	**4.990.148**	**11.833.256**
Increase in share premium	-	-	-	-	-	-	-	-	-	1.076.926	1.076.926
Capital increase	-	-	-	-	-	-	-	-	-	129.313	129.313
Transfers	-	-	-	-	26.230	-	(494.049)	467.819	-	-	-
Effect of change in the effective rate of subsidiaries (Note 2.2.27)	-	-	-	-	-	-	-	783.301	783.301	199.103	982.404
Establishment of subsidiary	-	-	-	-	-	-	-	-	-	10.222	10.222
Effect of change in the scope of consolidation	-	-	4.379	-	-	-	-	-	4.379	65.298	69.677
Purchase of usufruct shares (Note 29)	-	-	-	-	-	-	-	(21.089)	(21.089)	-	(21.089)
Dividends paid	-	-	-	-	-	-	-	(189.399)	(189.399)	(492.729)	(682.128)
Transfer from revaluation reserve	-	-	(1.638)	-	-	-	-	1.638	-	-	-
Available for sale investments net fair value losses, net of tax	-	-	65.743	-	-	-	-	-	65.743	105.037	170.780
Currency translation differences	-	-	-	-	-	(48.277)	-	-	(48.277)	(15.992)	(64.269)
Net income for the period	-	-	-	-	-	-	615.879	-	615.879	814.109	1.429.988
Balances at 30 June 2007	**1.800.000**	**21.670**	**24.713**	**3.426.761**	**215.478**	**(289.705)**	**615.879**	**2.238.849**	**8.053.645**	**6.881.435**	**14.935.080**
Balances at 1 January 2008	**1.800.000**	**21.670**	**69.252**	**3.426.761**	**215.478**	**(215.298)**	**969.487**	**2.255.488**	**8.542.838**	**7.522.116**	**16.064.954**
Capital increase	-	-	-	-	-	-	-	-	-	90.152	90.152
Transfers	-	-	-	-	42.239	-	(969.487)	927.248	-	-	-
Effect of change in the effective rate of subsidiaries (Note 2.2.27)	-	-	-	-	-	-	-	-	-	(3.097)	(3.097)
Sale of subsidiary	-	-	-	-	-	-	-	-	-	(41.342)	(41.342)
Purchase of usufruct shares (Note 29)	-	-	-	-	-	-	-	(3.096)	(3.096)	-	(3.096)
Dividends paid	-	-	-	-	-	-	-	(190.421)	(190.421)	(550.008)	(740.429)
Transfer from revaluation reserve	-	-	(630)	-	-	-	-	630	-	-	-
Available for sale investments net fair value losses, net of tax	-	-	(207.041)	-	-	-	-	-	(207.041)	(353.426)	(560.467)
Currency translation differences	-	-	-	-	-	65.861	-	-	65.861	21.859	87.720
Net income for the period	-	-	-	-	-	-	737.150	-	737.150	794.650	1.531.800
Balances at 30 June 2008	**1.800.000**	**21.670**	**(138.419)**	**3.426.761**	**257.717**	**(149.437)**	**737.150**	**2.989.849**	**8.945.291**	**7.480.904**	**16.426.195**

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

UNAUDITED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2008 AND 2007

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

	Notes	1 January - 30 June 2008	1 January - 30 June 2007
Net income before tax from continuing operations		1.564.638	1.519.680
Net income/(loss) before tax from discontinued operations		41.463	(37.009)
Adjustments to reconcile income before taxation to net cash provided by operating activities:			
Provision for loan losses		646.955	787.107
Depreciation and amortisation		213.766	220.174
Insurance technical reserves		96.910	(55.164)
Impairment of non-current assets held for sale		57.708	-
Currency translation adjustment		37.615	(33.971)
Provision for employment termination benefits		26.515	15.858
Loss/(gain) on sale of subsidiaries		1.748	(83.596)
Impairment charge on intangible assets		1.448	-
Gain on sale of property, plant and equipment and intangible assets		(144.562)	(14.225)
Income from associates		(89.726)	(64.906)
Re-measurement of derivatives at fair value		(19.339)	31.159
Other		30.414	58.314
Net cash provided by operating activities before changes in operating assets and liabilities		**2.465.553**	**2.343.421**
Change in trade receivables		(8.756)	(233.542)
Change in inventories		(88.355)	(45.652)
Change in other receivables and other current assets		(646.135)	198.715
Change in trade payables		(44.305)	39.988
Change in insurance technical reserve		26.771	105.113
Change in other liabilities and other payables		(132.392)	232.068
Net cash provided by operating activities of non-current assets held for sale		(36.916)	7.924
Changes in assets and liabilities in banking segment:			
Change in marketable securities		2.530.730	1.127.163
Change in receivables from financial operations		(9.969.315)	(6.093.439)
Change in payables from financial operations		10.375.833	6.716.796
Change in reserve with the Central Bank of the Republic of Turkey		(4.174.260)	31.054
Cash flow (used in)/provided by operating activities		**(2.167.100)**	**2.086.188**
Income taxes paid		(67.833)	(299.816)
Employment termination benefits paid	17	(19.836)	(9.286)
Net cash provided by operating activities		**210.784**	**4.120.507**
Cash flows from investing activities:			
Capital expenditures	3	(240.115)	(628.872)
Investment in available-for-sale and held-to-maturity securities		1.855.116	(6.663.579)
Cash used in business combinations		-	(173.571)
Establishment of subsidiary		-	24.454
Change in scope of consolidation		-	60.947
Proceeds from sale of subsidiary		54.239	160.317
Partial disposal of a subsidiary		-	693.761
Proceeds from sale of property, plant and equipment, intangible assets and non-current assets held for sale		229.392	73.736
Dividends received		77.355	94.863
Net cash used in investing activities of non-current assets held for sale		(35.491)	(2.473)
Net cash provided by/(used in) investing activities		**1.940.496**	**(6.360.417)**
Cash flows from financing activities:			
Increase in borrowings		2.601.735	(185.068)
Dividends paid		(190.421)	(189.399)
Purchase of usufruct shares		(3.096)	(21.089)
Dividends paid to minority interests		(550.008)	(492.729)
Increase in share capital of minority interests		90.152	129.313
Increase in share premium of minority interests		-	1.076.926
Effect of change in the effective rate of subsidiaries		(3.097)	288.643
Net cash used in financing activities of non-current assets held for sale		(34.453)	(10.897)
Net cash provided by financing activities		**1.910.812**	**595.700**
Net increase/(decrease) in cash and cash equivalents		4.062.092	(1.644.210)
Cash and cash equivalents at the beginning of the period		2.901.156	4.855.781
Cash and cash equivalents at the end of the period		**6.963.248**	**3.211.571**

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

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

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 19). The number of employees in 2008 is 51.929 (31 December 2007: 53.700).

The address of the registered office is as follows:

Sabancı Center, 4. Levent, İstanbul, Türkiye

Subsidiaries

The business nature of the business of the Subsidiaries consolidated in these consolidated financial statements and, for the purposes of these consolidated interim financial statements, their respective business segments at 30 June 2008 are as follows:

Subsidiaries	Nature of business	Business segment
Akbank T.A.Ş. ("Akbank")	Banking	Finance
Aksigorta A.Ş. ("Aksigorta")	Insurance	Finance
Advansa B.V. ("Advansa")	Textile	Textile
Bossa Ticaret ve Sanayi İşletmeleri A.Ş. ("Bossa") **(*)**	Textile	Textile
Yünsa Yünlü Sanayi ve Ticaret A.Ş. ("Yünsa")	Textile	Textile
Kordsa Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş. ("Kordsa Global")	Tire and tire reinforcement	Tire and tire reinforcement
Temsa Global A.Ş. ("Temsa Global")	Automotive	Automotive
Toyotasa Toyota-Sabancı Pazarlama ve Satış A.Ş. ("Toyotasa Pazarlama")	Automotive	Automotive
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
Universal Trading (Jersey) Ltd. ("Universal")	Trade	Other
Ankara Enternasyonel Otelcilik A.Ş. ("AEO")	Tourism	Other
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. ("Tursa")	Tourism	Other
Sapeksa Mensucat ve Toprak Mahsulleri Sanayi ve Ticaret A.Ş. ("Sapeksa")	Agriculture	Other
Sabancı Telekomünikasyon Hizmetleri A.Ş. ("Sabancı Telekom")	Telecommunication	Other
Bimsa Uluslararası İş, Bilgi ve Yönetim Sistemleri A.Ş. ("Bimsa")	Trade of data and Processing Systems	Other

(*) The Group sold its 50,12% shares as of 31 December 2007 in its subsidiary, Bossa, to Akkardan Sanayi ve Ticaret A.Ş. on 5 August 2008. Bossa is reclassified as non-current assets held for sale as at 30 June 2008.

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

All the Subsidiaries are registered in Turkey except for Exsa UK, Universal and Advansa (collectively referred to as the "Foreign Subsidiaries"). Exsa UK and Universal are registered in the United Kingdom, Advansa in the Netherlands.

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Joint Ventures

The nature of the business of the Joint Ventures proportionally consolidated in these consolidated financial statements at 30 June 2008 and, for the purposes of these consolidated financial statements, their respective business segments are as follows:

Joint Ventures	Nature of business	Segment	Venturer
Avivasa Emeklilik ve Hayat A.Ş. ("Avivasa")	Pension	Finance	Aviva
Beksa Çelik Kord Sanayi ve Ticaret A.Ş. ("Beksa") (*)	Tire and tire reinforcement	Tire and tire reinforcement	Bekaert
Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. ("Brisa")	Tire and tire reinforcement	Tire and tire reinforcement	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
Olmuksa International Paper Sabancı Ambalaj Sanayi ve Ticaret A.Ş. ("Olmuksa")	Corrugated containers	Other	International Paper
Dönkasan Dönüşen Kağıt Hammaddeleri Sanayi ve Ticaret A.Ş. ("Dönkasan")	Paper	Other	International Paper and Kartonsan

(*) Group, signed a share sales agreement to sell its 49,99% share in Beksa as of 31 December 2007 on 23 May 2008. The shares were transferred to Beksa Bekaert Iberica Holding S.L. after the completion of sale transaction on 24 July 2008. Beksa is reclassified as non-current assets held for sale as at 30 June 2008.

(**) The Group purchased the shares of Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. from Enerjisa Enerji Üretim A.Ş in accordance with the authorization of Enerji Piyasası Düzenleme Kurulu. Enerjisa Enerji Üretim A.Ş. had 49,99% interest in Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. Effective from 31 March 2008, ETS is included in the scope of consolidation as a joint venture of the Group.

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"). This Communiqué is effective for the annual periods starting from 1 January 2008 and supersedes the Communiqué No: XI–25 "The Financial Reporting Standards in the Capital Markets". 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

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.

As the differences of the IAS/IFRS endorsed by the European Union from the ones issued by the IASB has not been announced by TASB as of date of preparation of these financial statements, the consolidated interim financial statements have been prepared within the framework of Communiqué XI, No: 29 and related promulgations to this Communiqué as issued by the CMB in accordance with the accounting and reporting principles accepted by the CMB ("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 required by the CMB on 14 April 2008 including the compulsory disclosures. Accordingly, required reclassifications have been made in the comparative consolidated financial statements (Note 2.1.4).

Holding, its Subsidiaries and Joint Ventures registered in Turkey maintain their books of accounts and prepare their statutory financial statements ("Statutory Financial Statements") in YTL 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 Basis of consolidation

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

b) Subsidiaries are companies in which the Holding has the power to control the financial and operating policies for the benefit of the Holding, either (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 New Turkish Lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (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 2008:

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	100,00	-	100,00	99,93
AEO	70,29	-	70,29	70,29
Akbank	40,85	15,97	56,82	36,80
Aksigorta	61,98	-	61,98	61,98
Bimsa	95,11	-	95,11	89,86
Bossa	50,12	17,68	67,80	50,12
Çimsa	52,74	1,42	54,16	52,74
Exsa	45,70	54,30	100,00	30,16
Exsa UK	100,00	-	100,00	99,09
Kordsa Global	91,11	-	91,11	91,11
Sapeksa	52,84	44,87	97,71	36,98
Sabancı Telekom	100,00	-	100,00	100,00
Teknosa	69,17	30,83	100,00	69,17
Temsa Global	48,71	51,28	99,99	47,66
Toyotasa Pazarlama	65,00	-	65,00	64,99
Tursa	99,52	-	99,52	98,46
Universal	100,00	-	100,00	93,02
Yünsa	59,37	11,50	70,87	58,80

The table below sets out all consolidated Subsidiaries and shows the proportion of ownership interest and effective interest of the Holding in these subsidiaries at 31 December 2007:

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	100,00	-	100,00	99,93
AEO	70,29	-	70,29	70,29
Akbank	40,85	14,91	55,76	36,79
Aksigorta	61,98	-	61,98	61,98
Bossa	50,12	17,68	67,80	50,12
Bimsa	95,11	-	95,11	90,10
Çimsa	52,74	1,42	54,16	51,86
Exsa	45,70	54,30	100,00	29,87
Exsa UK	100,00	-	100,00	99,09
Gıdasa	99,68	-	99,68	99,67
Pilsa Plastik Sanayi ve Ticaret A.Ş. ("Pilsa") **(*)**	51,23	48,77	100,00	51,23
Kordsa Global	91,11	-	91,11	91,11
Sapeksa	52,84	44,87	97,71	36,91
Sabancı Telekom	100,00	-	100,00	100,00
Teknosa	51,92	48,08	100,00	51,93
Temsa Global	48,71	51,28	99,99	47,66
Toyotasa Pazarlama	65,00	-	65,00	64,99
Tursa	99,52	-	99,52	98,46
Universal	100,00	-	100,00	92,99
Yünsa	59,37	13,66	73,03	58,80

(*) Group signed a share sales agreement with Wavin B.V registered in Netherlands on 21 November 2007 to sell its 51,23% share in Pilsa Plastik Sanayi A.Ş. as of 31 December 2007. Sale transaction was completed on 10 January 2008. Effective from this date, Pilsa was excluded from the scope of consolidation.

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (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 2008 and result of operations for the period ended 30 June 2008 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 interim financial statements (Note 6.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 2008:

Joint Ventures	Direct and indirect ownership interest by the Holding and its Subsidiaries %	Proportion of effective interest %
Akçansa	39,72	36,88
Avivasa	49,83	49,83
Beksa	49,99	49,99
Brisa	43,63	43,63
Carrefoursa	38,78	38,78
Diasa	40,00	40,00
Dönkasan	33,13	33,12
Enerjisa	50,00	50,00
ETS	49,99	49,99
Olmuksa	43,73	43,73

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 2007:

Joint Ventures	Direct and indirect ownership interest by the Holding and its Subsidiaries %	Proportion of effective interest %
Akçansa	39,72	36,88
Avivasa	49,83	49,83
Beksa	49,99	49,99
Brisa	43,63	43,63
Carrefoursa	38,78	38,78
Diasa	40,00	40,00
Dönkasan	33,13	33,12
Enerjisa	50,00	50,00
Olmuksa	43,73	43,73

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

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

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

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 11 ve Note 2.e).

Associates whose financial position at 30 June 2008 and result of operations for the period ended 30 June 2008 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 6.b).

The table below sets out all Associates and shows the total interest of the Holding in these associates at 30 June 2008 and 31 December 2007:

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

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

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 6.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 minority 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 minority interest and are not included in the Holding's net assets and profits attributable to shareholders of the Holding.

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

2.1.3 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.

2.1.4 Comparatives and restatement of prior year financial statements

Comparative information is reclassified in order to conform to the presentation of current period consolidated financial statements.

As a result of the correction in the calculations of rediscount of Insurance Receivables and Technical Reserves of Aksigorta, a subsidiary of the Group, the Retained Earnings and Minority Interests as of 31 December 2006 is decreased by YTL 11.236 and YTL 6.893, respectively.

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. The Group presented the consolidated balance sheet as of 30 June 2008 comparatively with the consolidated balance sheet as of 31 December 2007 and presented the consolidated statement of income, statement of cash flows and statement of change in equity for the interim period 1 January-30 June 2008 comparatively with the interim period 1 January - 30 June 2007.

The Group has performed reclassifications in the consolidated balance sheet as at 31 December 2007 and in the consolidated statement of income for the six month period ended 30 June 2007 in order to conform to presentation of financial statements as of 30 June 2008. Such reclassifications are explained as follow:

On the consolidated balance sheet as at 31 December 2007, government bonds denominated in foreign currency, government bonds ve Eurobonds amounting to YTL 145.541 classified under "Marketable Securities" are reclassified under "Cash and Cash Equivalents".

On the consolidated balance sheet as at 31 December 2007, loans given to customers amounting to YTL 25.455.494 classified under "Loans and Advances to Customer" and financial lease receivables amounting to YTL 318.478 classified under "Lease Receivables" are reclassified under "Receivables from Financial Operations"; receivables originated from insurance operations amounting to YTL 288.470 classified under "Trade Receivables" and "Due from Related Parties" are reclassified under "Receivables from Financial Operations".

On the consolidated balance sheet as at 31 December 2007, loans given to customers amounting to YTL 13.510.303 classified under non-current "Loans and Advances to Customer" and financial lease receivables amounting to YTL 332.682 classified under non-current "Lease Receivables" are reclassified under "Receivables from Financial Operations".

On the consolidated balance sheet as at 31 December 2007, taxes payable amounting to YTL 192.855 classified under "Provisions" is reclassified under "Income Taxes Payable".

On the consolidated balance sheet as at 31 December 2007, payables amounting to YTL 2.702 classified under "Lease Payables" and advances amounting to YTL 14.073 classified under "Advances Received" are reclassified under "Other Payables".

On the consolidated balance sheet as at 31 December 2007, payables originated from insurance operations amounting to YTL 21.559 classified under "Trade Payables" and payables amounting to YTL 11.040 classified under "Due to Related Parties" are reclassified under "Payables from Financial Operations".

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

On the consolidated balance sheet as at 31 December 2007, extraordinary reserves amounting to YTL 693.869 and legal reserves amounting to YTL 113.797 classified under "Profit Reserves" and; inflation adjustment related to legal reserves amounting to YTL 457.160 classified under "Inflation Adjustment to Shareholders' Equity" are reclassified under "Retained Earnings". Moreover, at the consolidated balance sheet as of 31 December 2007, YTL 196.900 classified under "Retained Earnings" is reclassified under "Restricted Reserves".

On the consolidated income statement for the six month period ended 30 June 2007, revenue related to discontinued operations amounting to YTL 499.624 classified under "Sales Revenue" and cost related to discontinued operations amounting to YTL 397.203 classified under "Cost of Sales", operating expenses amounting to YTL 84.053 classified under "Operating Expenses" and foreign exchange loss and interest expense amounting to YTL 10.589 classified under "Financial Expenses" are reclassified under "Discontinued Operations".

On the consolidated income statement for the six month period ended 30 June 2007, foreign exchange and interest income amounting to YTL 144.434 and YTL 46.236 classified under "Other Income" are reclassified under "Financial Income".

2.1.5 Convenience translation into English of consolidated financial statements originally issued in Turkish

The accounting principles described in Note 2 to the consolidated financial statements (defined as "CMB Financial Reporting Standards") differ from IFRS issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January - 31 December 2005. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

2.1.6 Information to be disclosed, required by the CMB

In accordance with the Communiqué No:XI-29 and the related interpretations, the hedged amount of the total foreign exchange position of the Group and total export and import amounts need to be disclosed at the notes to the financial statements.

2.2 Summary of significant accounting policies

2.2.1 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the balance sheet. Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments, whose maturity at the time of purchase is less than three months and conversion risk on value at the date of sale is immaterial (Note 5).

2.2.2 Sale and repurchase agreements

In the banking segment, securities sold subject to linked repurchase agreements ("repos") are retained in the financial statements as trading, available-for-sale or held to maturity financial assets and measured in accordance with the policies used in measuring the relevant class. The counter party liability is included in customer deposits and the difference between the sale and repurchase price is treated as interest and accrued over the life of the repo agreement using the effective yield method.

Securities purchased under agreements to resell ("reverse repos") are recorded as cash and cash equivalents. The difference between the sale and repurchase price is treated as interest and is accrued over the life of the reverse repo agreement using the effective yield method.

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

2.2.3 Reserve deposits with the Central Bank of the Republic of Turkey

Reserve deposits represent the minimum deposits maintained with the Central Bank of the Republic of Turkey (the "Central Bank"), as required by the Turkish Banking Law ("Banking Law"), calculated on the basis of customer deposits taken at the rates determined by the Central Bank. In accordance with the current legislation, the mandatory reserve deposit rates for New Turkish Lira and foreign currency deposits are 6% (31 December 2007: 6%) and 11% (31 December 2007: 11%), respectively. Interest income is recognised quarterly using the interest rates determined by the Central Bank.

2.2.4 Trade receivables and provision for doubtful receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortised cost. Trade receivables, net of unearned financial income, are measured at amortised cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount. The recoverable amount is the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income (Note 8).

2.2.5 Related parties

For the purpose of the consolidated financial statements, shareholders, key management personnel and Board members, in each case together with their families and companies controlled by or affiliated with them, Associates and Joint Ventures are considered and referred to as related parties. On consolidation, most of the related party activity is eliminated and the remainder of non-eliminated balances is disclosed in Note 31.

2.2.6 Inventories

Inventories are valued at the lower of cost or net realisable value. Cost elements included in inventory are materials, labour and an appropriate amount of factory overheads. The unit cost of inventories is determined on the moving weighted average basis (Note 10). Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

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

2.2.7 Financial Instruments

In accordance with IAS 39, in the banking segment the Group classifies its investments in debt and equity securities in the three following categories; assets held at fair value through profit or loss, held-to-maturity and, available-for-sale assets. Debt securities with fixed maturities, where management has both the intent and the ability to hold to the maturity are classified as "held-to-maturity financial assets". Investment securities intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in the interest rates, exchange rates or equity prices, or the client's servicing activity are classified as "available-for-sale financial assets". The appropriate classification of investments is determined at the time of the purchase and re-evaluated by management on a regular basis.

All investment securities are initially recognised at cost. Transaction costs are included in the initial measurement of debt securities. Available-for-sale debt and equity investment securities are subsequently re-measured at fair value if the fair values can be reliably measured.

Investments in which the Holding has an interest below 20% that do not have a quoted market price in active markets, for which other methods of making a reasonable estimate of fair value are clearly inappropriate or unworkable and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value.

Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are deferred in the equity until the financial asset is sold, collected or otherwise disposed of. Unrealised gains and losses arising from changes in the fair value of available for sale debt securities are the differences between the fair value of such securities and their amortised cost at the balance sheet date. When available for sale securities are sold, collected or otherwise disposed of, related deferred gains and losses in equity are released to the income statement.

Held to maturity investments are carried at amortised cost using the effective yield method.

Financial assets at fair value through profit or loss are securities, which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or included in a portfolio in which a pattern of short-term profit making exists. Financial assets at fair value through profit or loss are initially recognised at cost and subsequently re-measured at fair value based on quoted bid prices. All related realised and unrealised gains and losses are included in the income statement.

Interest received from financial assets at fair value through profit or loss is recognised in the income statement as part of interest income and dividend received is recognised in the income statement as part of dividend income. All purchases and sales of financial assets at fair value through profit or loss that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recognised at the trade date, which is the date that the banks commit to purchase or sell the assets.

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

2.2.8 Derivative financial instruments

Derivative financial instruments, including forward foreign exchange contracts and currency and interest rate swap instruments are initially recognised in the balance sheet at cost (including transaction costs) and are subsequently re-measured at their fair value. All derivative financial instruments are classified as financial assets at fair value through profit or loss. Fair values are obtained from quoted market prices and discounted cash flow models as appropriate. The fair value of over-the-counter forward foreign exchange contracts is determined based on the comparison of the original forward rate with the forward rate calculated in reference to the market interest rates of the related currency for the remaining period of the contract, discounted to 30 June 2008. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Changes in the fair value of derivatives at fair value through profit or loss are included in the income statement.

Certain derivative transactions, while providing effective economic hedges under the risk management position, do not qualify for hedge accounting under the specific rules under IAS 39 and are therefore treated as derivatives at fair value through profit or loss and their fair value gains and losses are reported in the income statement.

Gains and losses on forward foreign exchange contracts are calculated by valuing the contract with the spot exchange rate prevailing at the balance sheet date and comparing the amount arrived at with the original amount calculated on a straight line basis by using the spot rate prevailing at the beginning of the contracts. Gains and losses on interest rate swaps used for hedging purposes are recognised as income or expense on the same basis as the corresponding expense or income on the hedged position. Gains and losses on interest rate swaps are included in the interest income and expense as appropriate.

2.2.9 Investment property

Land and buildings that are held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business are classified as investment property and carried at cost less accumulated depreciation (except land) under the cost method less impairment charges, if any (Note 12). The cost of a self-constructed investment property is its cost at the date when the construction or development is complete. Until that date, the Group applies IAS 16 "Property, Plant and Equipment". At that date, the property becomes investment property and thus is transferred to investment property.

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

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

2.2.10 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation in the consolidated financial statements (Note 13). Depreciation is provided on property, plant and equipment on a straight-line basis. The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Years
Land improvements	4-50
Buildings	18-50
Machinery and equipment	2-25
Motor vehicles	2-15
Furniture and fixtures	3-10

Gains or losses on disposals of property, plant and equipment are determined with respect to the difference between collections received and carrying amounts of property, plant and equipment and are included in the related income and expense accounts, as appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset plus the residual value of the related assets.

Costs to property plant and equipment are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statements during the financial period in which they were incurred.

2.2.11 Intangible assets

Intangible assets consist of licences, computer software, development costs, purchased technology, mining rights, acquired rights of use, and other identifiable rights. Intangible assets are initially accounted at cost and amortised using the straight-line method over an estimated useful life that does not exceed 20 years (Note 14). The amortisation of mining rights commences when the extraction begins.

2.2.12 Non-current assets held for sale and discontinued operations

Non-current assets held for sale (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. These assets may be a component of an entity, a disposal group or an individual non-current asset. The sale of assets held for sale is expected to be occur within the following 12 months from the balance sheet date.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale, and: (a) represents a separate major line of business or geographical area of operations; (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired exclusively with a view to resale.

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount or fair value. If fair value is below the carrying value of asset, the related impairment is accounted for expense in consolidated income statement.

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

2.2.13 Shareholders' equity

In the restatement of shareholders' equity items, the addition of funds formed due to hyperinflation such as the revaluation value increase fund in share capital is not considered as a contribution from shareholders. Additions of legal reserves and retained earnings to share capital are considered as contributions by shareholders.

In the restatement of shareholders' equity items added to share capital the capital increase registry dates or the payment dates are considered. In the restatement of share premiums, the payment dates are considered (Note 19).

2.2.14 Research expenses and development costs

Research costs are expensed as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility and only if the cost can be measured reliably. Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent periods.

2.2.15 Borrowing costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between proceeds, net of transaction costs, and the redemption value is recognised in the income statement as financial expense over the period of the borrowings.

International Accounting Standard No 23 "Borrowing Costs" was revised on 29 March 2007 by the IASB. The revised IAS 23 is effective at 1 January 2009, yet voluntary early transition to the application right is reserved. The Group opted for early adoption and changed accounting policy, choosing the policy envisaged in IAS 23 related to borrowing costs at 1 January 2007. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. All other borrowing costs are charged to the income statement when they are incurred.

2.2.16 Deferred financing charges

Deferred financing charges (primarily comprising legal and other costs incurred in relation to obtaining long-term bank borrowings from financial institutions) are amortised using the effective interest method over the remaining life of the long-term bank borrowings.

2.2.17 Deferred income taxes

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to measure deferred income taxes.

Deferred income tax liabilities are recognised for all taxable temporary differences, whereas deferred income tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised (Note 24).

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

2.2.18 Employee benefits

Retirement benefits

Akbank's personnel are members of the "Akbank T.A.Ş. Personnel Pension Fund Foundation" ("Pension Fund"), established in accordance with the Social Security Law numbered 506, article No.20. The financial statements of the Pension Fund have been audited by an independent actuary in accordance with the 38th article of the Insurance Supervisory Law and the "Actuarial Regulation" based on the same article.

On 1 November 2005, Banking Law No.5411 ("New Law") which requires the transfer of the pension funds of the banks to the Social Security Institution within three years following the publication date, was published in the Official Gazette. However, President of the Turkish Republic applied to the Constitutional Court on 2 November 2005 for the abrogation of the related article of Banking Law, and this article was abrogated with the decision No E. 2005/39, K. 2007/33 dated 22 March 2007, which was published in the Official Gazette No 26479 dated 31 March 2007, and its execution was annulled at the publication date of the decision.

Following the publication of the reasoned ruling of the Constitutional Court in December 2007, the relevant commission of the Turkish Parliament began to work on a new law provision establishing the transfer of the pension funds. The law provision was drawn up as a draft in the first months of 2008 and the legislation processes are in progress as of the preparation date of these financial statements.

As of 30 June 2008, the pension fund has no technical or actuarial deficit which requires a provision, in accordance with the technical balance sheet report audited pursuant to the framework stated in the above first paragraph, and which was prepared in consideration of the draft law provisions mentioned above. Furthermore, Akbank management is of the opinion that the liability amount to arise during and after the transfer will be at a reasonable level that can be met by the Fund's assets and it will not cause any additional burden for Akbank.

Employment termination benefits

The provision for employment termination benefits represents the present value of the estimated total reserve of the future probable obligation of the Group arising from the retirement of the employees, completion of one year of service of the employees, employees' being calling up for military service or death of the employees calculated in accordance with the Turkish Labour Law (Note 17).

2.2.19 Provisions, contingent liabilities and assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in financial tables and are treated as contingent assets or liabilities.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. A contingent asset is disclosed where an inflow of economic benefit is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs.

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

2.2.20 Loans and advances to customers and provisions for loan impairment

Loans originated by providing money directly to the borrower or to a sub-participation agent at draw down are categorised as loans originated and are carried at amortised cost using the effective yield method. Costs incurred due to obtaining guarantees for originated loans are not considered as transaction costs and are charged to the income statement. Loans originated by providing money directly to banks such as time or demand deposits are classified as due from banks.

A credit risk provision for loan impairment is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and recoverable amount, being the present value of expected cash flows, including the amount recoverable from guarantees and collateral, discounted based on the interest rate at inception.

The provision made during the period is charged against the profit for the period. Loans that cannot be recovered are written off and charged against the allowance for loan losses. Such loans are written off after all the necessary legal proceedings have been completed and the amount of the loan loss is finally determined. Recoveries of amounts previously provided for are treated as a reduction from the provision for loan losses for the period.

2.2.21 Government grants

The Group benefits from research and development ("R&D") grants within the scope of the Communiqué No: 98/10 of The Scientific and Technological Research Council of Turkey ("TÜBİTAK") and Money Credit and Coordination Board related to R&D grants for its research and development projects given that such projects satisfy specific criteria with respect to the evaluation of TÜBİTAK Technology Monitoring and Evaluation Board.

The government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

The government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Accordingly, government grants are recognised as income when the related costs which they are intended to compensate were incurred. Similarly, grants related to depreciable assets are recognised as income over the periods and in the proportions in which depreciation on those assets is charged.

2.2.22 Insurance technical reserves

Unearned premiums reserve

Unearned premiums are those proportions of the premiums written in a year that relate to the period of risk subsequent to the balance sheet date for all policies with more than one year of maturity.

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

Claim provisions

Claims are recorded in the period in which they occur, based on reported claims or on the basis of estimates when not reported. The provision for claims outstanding is the total estimated ultimate cost of settling all claims arising from events, which have occurred up to the end of the accounting period. Full provision is made for outstanding claims, including claim settlements, reported at the end of the period according to the insurance expert's report, or according to the initial estimations of the insured and the expert.

Life assurance provision

The Subsidiaries dealing in life assurance are required to establish benefit reserves, which in the aggregate must be sufficient to provide for future guaranteed benefits as they become due. The life assurance provision is based on the level of premiums, as adjusted by commission, and administrative expenses and risk premiums that are computed on the basis of actuarial mortality assumptions, as approved by the Insurance Supervisory Office, which are applicable for Turkish insurance companies. The revenues obtained upon the investment activities in relation to the provisions held, are set aside as life assurance provision.

2.2.23 Leasing transactions

2.2.23.1 The Group as a lessee

Finance leases

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in leasing payables.

Obligations under finance leases are stated in the consolidated financial statements at the acquisition values of the related property, plant and equipment. The interest element of the finance cost is charged to the income statement over the lease period.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

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

2.2.23.2 The Group as a lessor

Finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income is recognised on a straight-line basis over the lease term.

2.2.24 Revenue recognition

Banking

Interest income and expense are recognised in the income statement for all interest-bearing instruments on an accrual basis using the effective yield method based on the actual purchase price until, in management's estimates and judgment, collection becomes doubtful. Interest income includes coupons earned on fixed income securities and accrued discount on treasury bills (Note 4.e).

Commission income and fees for various banking services are recorded as income at the time they affect the transactions to which they relate.

Insurance

Life:
Premium income represents premiums accrued on policies issued during the period, adjusted by the reserve for unearned premiums for annual life policies, during the period (Note 4.e).

Non-Life:
Premium income represents premiums on policies written during the period, net of cancellations, as adjusted by the reserve for unearned premiums.

Other segments

Revenues are recognised on an accrual basis at the time deliveries or acceptances are made, the amount of the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group, at the fair value of the consideration received or receivable. Net sales represent the invoiced value of goods shipped less sales returns and commission and excluding sales taxes. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised as interest income on a time proportion basis that takes into account the effective yield on the asset.

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

2.2.25 Earnings per share

Earnings per share for each class of share disclosed in these consolidated statements of income are determined by dividing the net income after translation adjustment attributable to that class of shares by the weighted average number of shares of that class that have been outstanding during the period concerned. As disclosed in Note 30 earnings per share are calculated in accordance with IAS 33 "Earnings Per Share".

2.2.26 Foreign currency transactions

Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. The consolidated financial statements are presented in New Turkish lira, which is the functional currency of the Holding.

Foreign currency transactions and balances

Income and expenses arising in foreign currencies have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into New Turkish lira at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from the settlement and translation of foreign currency items have been included in the consolidated income statement.

Foreign Group companies

The results of Group undertakings using a measurement currency other than New Turkish lira are first translated into New Turkish lira by using the average exchange rate for the period. The assets and liabilities of such Group undertakings are translated into Turkish lira by using the closing rate at the balance sheet date. Differences arising on retranslation of the opening net assets of such Group undertakings and differences between the average and year-end rates are included in translation reserve as a separate item in the shareholders' equity.

2.2.27 Business combinations

In accordance with IFRS 3 "Business Combinations" all business combinations are accounted for by applying the purchase method. If the acquisition cost is higher than the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is accounted for as goodwill. Prior to the acquisition, the fair value differences of the net assets are accounted as fair value reserve in equity. Goodwill recognised in a business combination is not amortised, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The Group performs the impairment test of goodwill at year-ends.

If the acquisition cost is lower than the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is accounted for as income in the related period (Note 3).

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

Partial share purchase-sale transactions with minority interests

The group applies a policy of treating transactions with minority interests as transactions with equity owners of the group. For purchases from minority interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to minority interests are also recorded in equity. For disposals to minority interests, differences between any proceeds received and the relevant share of minority interests are recorded in equity under retained earnings since there is no caption for these gains or losses in accordance with the CMB Financial Reporting Standards.

2.2.28 Use of estimates

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.

2.2.29 Segment reporting

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

A reportable segment is a business segment or a geographical segment identified based on the foregoing definitions for which segment information is required to be disclosed. A business segment or geographical segment should be identified as a reportable segment if a majority of its revenue is earned from sales to external customers and its revenue from sales to external customers and from transactions with other segments is 10% or more of the total revenue, external and internal, of all segments; or its segment result, whether profit or loss, is 10% or more of the combined result of all segments in profit or the combined result of all segments in loss, whichever is the greater in absolute amount; or its assets are 10% or more of the total assets of all segments.

The Group has selected business segments as the Group's primary segment reporting format based on the risks and returns on products produced and services rendered reflecting the primary source of the enterprise's risks and returns. Geographical segments have not been disclosed in these consolidated financial statements as the secondary segment reporting format on the grounds of materiality as the operations of the Group in geographical areas other than Turkey are not reportable geographical segments individually when compared with the overall consolidated financial statements.

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

NOTE 3 - BUSINESS COMBINATIONS

There has been no business combination in the period between 1 January and 30 June 2008.

The business combinations between the period 1 January and 30 June 2007 are as follows:

Enerjisa acquired Ere Holding A.Ş. and its subsidiaries (Ere Elektrik ve Ere HES) in consideration of YTL 44.342 on 25 May 2007. The fair values of identifiable assets, liabilities and contingent liabilities acquired and the cost of acquisition are as follows:

Property plant and equipment, net	75.759
Finance lease receivables	4.373
Other current assets/non-current assets	1.779
Financial liabilities	(32.289)
Deferred income tax liabilities	(3.271)
Other liabilities	(1.707)
Minority interest	(302)
Total net assets	44.342
Less: cost of acquisition	44.342

Akçansa, a joint venture of the Holding, acquired Ladik cement plant from Türkerler İnşaat Turizm Ticaret ve Sanayi A.Ş. in consideration of YTL 128.007 on 1 May 2007. The fair values of identifiable assets, liabilities and contingent liabilities acquired and the cost of acquisition are as follows:

Inventories	11.952
Property plant and equipment, net	66.086
Intangible assets, net	22.520
Other current assets/non-current assets	22
Provisions	(553)
Deferred income tax liabilities	(445)
Total net assets	99.582
Less: cost of acquisition	227.589
Goodwill	**128.007**
Goodwill attribute to the consolidated financial statements resulting from the acquisition completed by the joint venture	**47.209**

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

The Holding acquired 41,09% of shares of Oysa Çimento in consideration of YTL 45.294 on 30 April 2007. Oysa Çimento is consolidated as a subsidiary of the Holding effective from 30 April 2007. The fair values of identifiable assets, liabilities and contingent liabilities acquired and the cost of acquisition have been initially determined by the Group during the preparation of 30 June 2007 consolidated balance sheet and as foreseen in the context of IFRS 3 the final fair values of identifiable assets, liabilities and contingent liabilities determined within the twelve month period following 30 June 2007 are as follows:

Trade receivable	8.605
Inventories	3.317
Other current assets/non-current assets	286
Property plant and equipment, net	93.422
Intangible assets, net	5.106
Deferred income tax assets	(12.215)
Borrowings	(1.187)
Trade payables	(2.654)
Other liabilities	(6.883)
Revaluation fund	(4.379)
Minority interest	(38.124)
Total net assets	45.294
Less: cost of acquisition	45.294

NOTE 4 - SEGMENT REPORTING

a) External revenues:

	1 January- 30 June 2008	1 April- 30 June 2008	1 January- 30 June 2007	1 April- 30 June 2007
Finance	5.955.301	3.085.015	5.208.414	2.728.221
Tire and tire reinforcements	759.586	385.934	746.587	372.258
Automotive	928.093	521.853	854.941	469.563
Textile	369.033	187.843	398.120	193.928
Cement	451.910	290.574	406.527	253.129
Retail	1.021.842	523.465	894.649	467.226
Energy	106.683	52.331	78.429	28.610
Other	176.291	85.624	214.985	118.493
Total	**9.768.739**	**5.132.639**	**8.802.652**	**4.631.428**

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

NOTE 4 - SEGMENT REPORTING (Continued)

b) Segment assets:

	30 June 2008	31 December 2007
Tire and tire reinforcements	1.236.203	1.114.030
Automotive	1.034.579	762.455
Textile	809.025	1.175.351
Cement	1.335.657	1.196.379
Retail	777.493	817.134
Energy	582.963	550.632
Finance	85.947.852	72.887.608
Banking	84.711.277	71.777.679
Insurance	1.236.575	1.109.929
Other	568.476	685.328
Segment assets (*)	**92.292.248**	**79.188.917**
Non-current assets held for sale	512.769	582.068
Investment in associated companies	195.741	179.390
Unallocated assets	390.732	343.898
Less: intercompany eliminations and reclassifications	(925.465)	(915.664)
Total assets per consolidated financial statements	**92.466.025**	**79.378.609**

(*) Segment assets mainly comprise of operating assets.

c) Segment liabilities:

	30 June 2008	31 December 2007
Tire and tire reinforcements	237.307	218.941
Automotive	284.994	241.337
Textile	171.728	203.048
Cement	133.547	129.439
Retail	387.816	471.472
Energy	52.996	60.883
Finance	74.910.709	61.621.114
Banking	74.040.260	60.956.732
Insurance	870.449	664.382
Other	113.272	156.200
Segment liabilities (*)	**76.292.369**	**63.102.434**
Liabilities related with the assets held for sale	167.452	356.062
Unallocated liabilities	1.049.998	1.053.698
Less: intercompany eliminations and reclassifications	(1.469.989)	(1.198.539)
Total liabilities per consolidated financial statements	**76.039.830**	**63.313.655**

(*) Segment liabilities comprise of operating liabilities and exclude items such as taxation and certain corporate borrowings.

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

NOTE 4 - SEGMENT REPORTING (Continued)

Segmental analysis for the six-month period ended 30 June 2008

							Finance					
	Tire and tire reinforcements	Automotive	Textile	Cement	Retail	Energy	Banking	Insurance	Total finance	Other	Inter segment elimination	Total
External revenues	759.586	928.093	369.033	451.910	1.021.842	106.683	5.448.661	506.640	5.955.301	176.291	-	9.768.739
Inter segment revenues	2.697	287	2.905	67	2.121	46.059	24.796	2.787	27.583	7.897	(89.616)	-
Intra segment revenues	5.179	42	18	630	459	6.775	-	133	133	658.538	(671.774)	-
Total Revenues	**767.462**	**928.422**	**371.956**	**452.607**	**1.024.422**	**159.517**	**5.473.457**	**509.560**	**5.983.017**	**842.726**	**(761.390)**	**9.768.739**
External revenues	759.586	928.093	369.033	451.910	1.021.842	106.683	5.448.661	506.640	5.955.301	176.291	-	9.768.739
Inter segment revenues	2.697	287	2.905	67	2.121	46.059	24.796	2.787	27.583	7.897	(89.616)	-
Revenues	**762.283**	**928.380**	**371.938**	**451.977**	**1.023.963**	**152.742**	**5.473.457**	**509.427**	**5.982.884**	**184.188**	**(89.616)**	**9.768.739**
Cost of sales **(*)**	(595.122)	(790.692)	(329.192)	(314.041)	(803.938)	(129.127)	(3.333.418)	(499.492)	(3.832.910)	(154.534)	49.262	(6.900.294)
General administrative expenses	(31.992)	(14.350)	(15.011)	(18.499)	(108.973)	(10.561)	(1.067.068)	(62.036)	(1.129.104)	(23.013)	14.905	(1.336.598)
Sales, marketing and distribution expenses	(37.518)	(81.806)	(34.161)	(6.034)	(104.132)	(198)	-	-	-	(12.653)	1.784	(274.718)
Research and development expenses	(4.444)	(2.993)	(3.992)	-	-	-	-	-	-	-	-	(11.429)
Inter segment adjustment	-	(141)	-	(25)	-	-	(37.981)	(1.781)	(39.762)	(658)	39.762	(824)
Operating result	**93.207**	**38.398**	**(10.418)**	**113.378**	**6.920**	**12.856**	**1.034.990**	**(53.882)**	**981.108**	**(6.670)**	**16.097**	**1.244.876**
Other unallocated operating expenses												(29.728)
Other income/(expense) - net	(4.343)	(4.223)	1.220	(4.196)	119.447	(389)	168.098	(9.032)	159.066	(67.037)	-	199.545
Segment result	**88.864**	**34.175**	**(9.198)**	**109.182**	**126.367**	**12.467**	**1.203.088**	**(62.914)**	**1.140.174**	**(73.707)**	**16.097**	**1.414.693**

(*) In the banking segment cost of sales includes interest expenses, fee and commission expenses, provision for loan losses and other operating income. In the insurance segment cost of sales includes premium ceded to reinsurance.

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

NOTE 4 - SEGMENT REPORTING (Continued)

Segmental analysis for the period between 1 April and 30 June 2008

							Finance					
	Tire and tire reinforcements	Automotive	Textile	Cement	Retail	Energy	Banking	Insurance	Total finance	Other	Inter segment elimination	Total
External revenues	385.934	521.853	187.843	290.574	523.465	52.331	2.847.816	237.199	3.085.015	85.624	-	5.132.639
Inter segment revenues	1.064	233	1.486	25	1.478	22.999	9.326	1.973	11.299	3.470	(42.054)	-
Intra segment revenues	(3.985)	10	(349)	630	240	3.672	-	31	31	141.338	(141.587)	-
Total revenues	**383.013**	**522.096**	**188.980**	**291.229**	**525.183**	**79.002**	**2.857.142**	**239.203**	**3.096.345**	**230.432**	**(183.641)**	**5.132.639**
External revenues	385.934	521.853	187.843	290.574	523.465	52.331	2.847.816	237.199	3.085.015	85.624	-	5.132.639
Inter segment revenues	1.064	233	1.486	25	1.478	22.999	9.326	1.973	11.299	3.470	(42.054)	-
Revenues	**386.998**	**522.086**	**189.329**	**290.599**	**524.943**	**75.330**	**2.857.142**	**239.172**	**3.096.314**	**89.094**	**(42.054)**	**5.132.639**
Cost of sales **(*)**	(301.493)	(451.495)	(169.366)	(204.752)	(408.766)	(64.876)	(1.675.691)	(232.851)	(1.908.542)	(74.001)	33.205	(3.550.086)
General administrative expenses	(16.102)	(8.389)	(8.222)	(3.874)	(54.741)	(6.852)	(553.219)	(32.213)	(585.432)	(11.713)	8.137	(687.188)
Sales, marketing and distribution expenses	(19.095)	(48.253)	(17.857)	(2.907)	(49.210)	(89)	-	-	-	(6.208)	516	(143.103)
Research and development expenses	(2.020)	2.867	(2.186)	-	-	-	-	-	-	-	(21)	(1.360)
Inter segment adjustment	-	-	-	-	-	-	(7.561)	(1.139)	(8.700)	-	8.700	-
Operating result	**48.288**	**16.816**	**(8.302)**	**79.066**	**12.226**	**3.513**	**620.671**	**(27.031)**	**593.640**	**(2.828)**	**8.483**	**750.902**
Other unallocated operating expenses												(16.467)
Other income/(expense) - net	(3.135)	(1.702)	953	(4.819)	(1.046)	(252)	(29.197)	17.714	(11.483)	(68.141)	-	(89.625)
Segment result	**45.153**	**15.114**	**(7.349)**	**74.247**	**11.180**	**3.261**	**591.474**	**(9.317)**	**582.157**	**(70.969)**	**8.483**	**644.810**

(*) In the banking segment cost of sales includes interest expenses, fee and commission expenses, provision for loan losses and other operating income. In the insurance segment cost of sales includes premium ceded to reinsurance.

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

NOTE 4 - SEGMENT REPORTING (Continued)

Segmental analysis for the six-month period ended 30 June 2007

							Finance					
	Tire and tire reinforcements	**Automotive**	**Textile**	**Cement**	**Retail**	**Energy**	**Banking**	**Insurance**	**Total finance**	**Other**	**Inter segment elimination**	**Total**
External revenues	746.587	854.941	398.120	406.527	894.649	78.429	4.755.631	452.783	5.208.414	214.985	-	8.802.652
Inter segment revenues	2.633	296	9.704	159	3.332	90.995	26.714	1.684	28.398	9.491	(145.008)	-
Intra segment revenues	21.071	-	1.335	4.460	1.582	-	-	292	292	884.284	(913.024)	-
Total revenues	**770.291**	**855.237**	**409.159**	**411.146**	**899.563**	**169.424**	**4.782.345**	**454.759**	**5.237.104**	**1.108.760**	**(1.058.032)**	**8.802.652**
External revenues	746.587	854.941	398.120	406.527	894.649	78.429	4.755.631	452.783	5.208.414	214.985	-	8.802.652
Inter segment revenues	2.633	296	9.704	159	3.332	90.995	26.714	1.684	28.398	9.491	(145.008)	-
Revenues	**749.220**	**855.237**	**407.824**	**406.686**	**897.981**	**169.424**	**4.782.345**	**454.467**	**5.236.812**	**224.476**	**(145.008)**	**8.802.652**
Cost of sales **(*)**	(628.372)	(722.204)	(362.082)	(253.589)	(715.294)	(170.815)	(2.869.361)	(404.783)	(3.274.144)	(186.405)	166.873	(6.146.032)
General administrative expenses	(33.998)	(15.960)	(12.048)	(16.280)	(95.206)	(5.942)	(812.627)	(47.194)	(859.821)	(24.448)	11.284	(1.052.419)
Sales, marketing and distribution expenses	(42.534)	(73.940)	(32.214)	(3.837)	(82.335)	-	-	-	-	(11.711)	3.173	(243.398)
Research and development expenses	(3.263)	(3.547)	(4.573)	-	-	-	-	-	-	-	48	(11.335)
Inter segment adjustment	-	(369)	45	(50)	-	-	20.198	(456)	19.742	1.370	(19.531)	1.207
Operating result	**41.053**	**39.217**	**(3.048)**	**132.930**	**5.146**	**(7.333)**	**1.120.555**	**2.034**	**1.122.589**	**3.282**	**16.839**	**1.350.675**
Other unallocated operating expenses												(25.801)
Other income/(expense) - net	6.505	4.386	3.861	7.437	(22.733)	(3.474)	60.447	9.290	69.737	88.392	-	154.111
Segment result	**47.558**	**43.603**	**813**	**140.367**	**(17.587)**	**(10.807)**	**1.181.002**	**11.324**	**1.192.326**	**91.674**	**16.839**	**1.478.985**

(*) In the banking segment cost of sales includes interest expenses, fee and commission expenses, provision for loan losses and other operating income. In the insurance segment cost of sales includes premium ceded to reinsurance.

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

NOTE 4 - SEGMENT REPORTING (Continued)

Segmental analysis for the period between 1 April and 30 June 2007

	Tire and tire reinforcements	Automotive	Textile	Cement	Retail	Energy	Finance: Banking	Finance: Insurance	Finance: Total finance	Other	Inter segment elimination	Total
External revenues	372.258	469.563	193.928	253.129	467.226	28.610	2.513.101	215.120	2.728.221	118.493	-	4.631.428
Inter segment revenues	1.532	28	5.151	(48)	2.851	51.381	14.496	56	14.552	4.793	(80.240)	-
Intra segment revenues	10.300	-	886	3.498	1.165	-	-	45	45	318.013	(333.907)	-
Total revenues	**384.090**	**469.591**	**199.965**	**256.579**	**471.242**	**79.991**	**2.527.597**	**215.221**	**2.742.818**	**441.299**	**(414.147)**	**4.631.428**
External revenues	372.258	469.563	193.928	253.129	467.226	28.610	2.513.101	215.120	2.728.221	118.493	-	4.631.428
Inter segment revenues	1.532	28	5.151	(48)	2.851	51.381	14.496	56	14.552	4.793	(80.240)	-
Revenues	**373.790**	**469.591**	**199.079**	**253.081**	**470.077**	**79.991**	**2.527.597**	**215.176**	**2.742.773**	**123.286**	**(80.240)**	**4.631.428**
Cost of sales **(*)**	(315.069)	(393.875)	(176.537)	(149.671)	(368.783)	(80.659)	(1.529.586)	(191.292)	(1.720.878)	(104.003)	100.626	(3.208.849)
General administrative expenses	(15.806)	(7.594)	(6.484)	(11.970)	(47.777)	(3.317)	(441.821)	(26.174)	(467.995)	(12.831)	6.092	(567.682)
Sales, marketing and distribution expenses	(23.704)	(38.285)	(16.725)	(3.045)	(41.908)	-	-	-	-	(6.934)	359	(130.242)
Research and development expenses	(1.770)	(1.520)	(2.237)	-	-	-	-	-	-	-	24	(5.503)
Inter segment adjustment	-	(185)	22	(25)	-	-	16.542	689	17.231	685	(17.010)	718
Operating result	**17.441**	**28.132**	**(2.882)**	**88.370**	**11.609**	**(3.985)**	**572.732**	**(1.601)**	**571.131**	**203**	**9.851**	**719.870**
Other unallocated operating expenses												(14.153)
Other income/(expense) - net	4.327	3.976	4.533	12.576	(5.522)	(13)	51.611	7.153	58.764	71.489	-	150.130
Segment result	**21.768**	**32.108**	**1.651**	**100.946**	**6.087**	**(3.998)**	**624.343**	**5.552**	**629.895**	**71.692**	**9.851**	**855.847**

(*) In the banking segment cost of sales includes interest expenses, fee and commission expenses, provision for loan losses and other operating income. In the insurance segment cost of sales includes premium ceded to reinsurance.

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

NOTE 4 - SEGMENT REPORTING (Continued)

e) Operating results:

i) Banking:

	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Interest on loans	2.887.584	1.475.035	2.452.227	1.268.089
Interest on investment and trading securities	1.631.218	827.543	1.414.675	782.935
Commission income	716.924	417.654	635.965	345.831
Interest from other banks	152.585	77.893	172.315	72.821
Trading gain on securities	(3.562)	18.793	30.312	19.817
Other interest income	63.912	30.898	50.137	23.608
Total operating revenues	**5.448.661**	**2.847.816**	**4.755.631**	**2.513.101**
Less: commission income and trading gains on securities	(713.362)	(436.447)	(666.277)	(365.648)
Total interest income	**4.735.299**	**2.411.369**	**4.089.354**	**2.147.453**
Interest expense	(2.865.860)	(1.487.755)	(2.486.212)	(1.288.040)
Interest income - net	1.869.439	923.614	1.603.142	859.413
<u>Operating costs</u>				
Interest expense	(2.865.860)	(1.487.755)	(2.486.212)	(1.288.040)
Foreign exchange trading gain - net	90.487	27.364	38.546	21.126
Operating expense	(1.067.068)	(553.219)	(812.627)	(441.821)
Commission expense	(131.091)	(75.331)	(119.986)	(63.718)
Provision for loan losses	(440.139)	(138.204)	(254.797)	(167.916)
Total operating costs	**(4.413.671)**	**(2.227.145)**	**(3.635.076)**	**(1.940.369)**
Add: interest expense	2.865.860	1.487.755	2.486.212	1.288.040
Add: commission income and trading gain on securities	713.362	436.447	666.277	365.648
Other operating income/(expense)	168.098	(29.197)	60.447	51.611
Segment result	**1.203.088**	**591.474**	**1.181.002**	**624.343**

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

NOTE 4 - SEGMENT REPORTING (Continued)

ii) Insurance:

	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Gross premiums written	506.640	237.199	452.783	215.120
Outward reinsurance premiums	(201.934)	(92.977)	(195.888)	(80.860)
Change in the provision for unearned premiums net of reinsurance	(55.628)	(2.857)	(36.890)	(15.754)
Earned premiums, net of reinsurance	**249.078**	**141.365**	**220.005**	**118.506**
Claims paid	(283.000)	(132.599)	(261.795)	(139.319)
Claims paid - reinsures' share	97.525	44.557	135.524	76.378
Change in the provision for claims	(49.796)	(36.288)	(18.814)	(15.996)
Claims incurred, net of reinsurance	**(235.271)**	**(124.330)**	**(145.085)**	**(78.937)**
Change in life assurance provision	8.514	(2.092)	540	-
Commission expense - net	(14.167)	(9.761)	(26.232)	(14.996)
Technical income	8.154	5.182	49.228	24.573
General administrative expenses	(62.036)	(32.213)	(47.194)	(26.174)
General administrative expenses	(9.032)	17.714	9.290	7.153
Segment result	**(62.914)**	**(9.317)**	**11.324**	**5.552**

iii) Non-financial products:

	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Net sales	3.813.438	2.047.624	3.594.238	1.903.207
Cost of sales	(3.056.030)	(1.644.142)	(2.918.821)	(1.519.121)
Gross profit	757.408	403.482	675.417	384.086
Operating expenses	(523.368)	(262.687)	(473.132)	(249.585)
Other operating income/(expense)	40.479	(78.142)	84.374	91.366
Segment result	**274.519**	**62.653**	**286.659**	**225.867**

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

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 proportionally consolidated in the consolidated financial statements as expressed in Note 2, are as follows on a combined basis:

Balance Sheet	**30 June 2008**	**31 December 2007**
Current assets	945.010	577.200
Non-current assets	1.615.254	1.765.564
Non-current assets held for sale	77.278	68.019
Total assets	**2.637.542**	**2.410.783**
Current liabilities	607.323	530.118
Non-current liabilities	489.470	520.811
Liabilities associated with Non-current assets held for sale	25.448	23.351
Total liabilities	**1.122.241**	**1.074.280**
Minority interests	4.316	4.701
Shareholders' equity	1.510.984	1.331.802
Total liabilities, minority interests and, shareholders' equity	**2.637.541**	**2.410.783**

Income statement

	1 January - 30 June 2008	**1 April - 30 June 2008**	**1 January - 30 June 2007**	**1 April - 30 June 2007**
Operating profit	194.819	45.968	43.884	37.225
Financial (expense)/income- net	(16.749)	10.007	12.281	8.461
Income before tax and minority interests	178.070	55.975	56.165	45.686
Taxation on income	(23.927)	(8.291)	(15.008)	(8.134)
Income before minority interests	154.143	47.684	41.157	37.552
Minority interests	(78)	(81)	(260)	(148)
Net income for the period from continuing operations	**154.065**	**47.603**	**40.897**	**37.404**
Net income for the period from discontinued operations	1.458	1.092	100	2.758
Net income for the period	**155.523**	**48.695**	**40.997**	**40.162**

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

NOTE 4 - SEGMENT REPORTING (Continued)

g) Depreciation and amortisation charge, impairments and capital expenditures:

1 January - 30 June 2008

	Finance		Tire and tire							Discontinued	
	Banking	Insurance	enforcements	Automotive	Textile	Cement	Energy	Retail	Other	operations	Total
Depreciation and amortisation	56.490	3.080	34.208	9.565	17.168	35.838	12.009	17.684	12.812	14.912	213.766
Impairment of intangible assets	-	-	-	-	-	-	-	1.448	-	-	1.448
Capital expenditure	**52.320**	**2.371**	**34.993**	**34.605**	**20.690**	**27.246**	**34.403**	**21.661**	**7.536**	**4.290**	**240.115**

1 April - 30 June 2008

	Finance		Tire and tire							Discontinued	
	Banking	Insurance	enforcements	Automotive	Textile	Cement	Energy	Retail	Other	operations	Total
Depreciation and amortisation	35.340	1.550	17.612	7.403	7.701	16.998	5.845	8.841	6.406	7.428	115.124
Capital expenditure	**33.072**	**780**	**16.776**	**24.699**	**9.171**	**15.196**	**27.229**	**11.358**	**3.320**	**1.080**	**142.681**

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

NOTE 4 - SEGMENT REPORTING (Continued)

1 January - 30 June 2007

	Finance		Tire and tire							Discontinued	
	Banking	Insurance	enforcements	Automotive	Textile	Cement	Energy	Retail	Other	operations	Total
Depreciation and amortisation	54.874	2.294	37.216	7.930	15.824	25.687	17.676	17.166	12.903	28.604	220.174
Capital expenditure	**47.117**	**3.232**	**34.588**	**27.994**	**17.014**	**98.567**	**326.327**	**30.511**	**16.016**	**27.506**	**628.872**

1 April - 30 June 2007

	Finance		Tire and tire							Discontinued	
	Banking	Insurance	enforcements	Automotive	Textile	Cement	Energy	Retail	Other	operations	Total
Depreciation and amortisation	25.771	1.155	19.572	4.084	7.620	13.819	8.094	9.089	6.125	14.518	109.847
Capital expenditure	**39.039**	**2.094**	**21.646**	**17.773**	**12.084**	**62.784**	**316.608**	**20.065**	**17.268**	**11.356**	**520.717**

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

NOTE 5 - CASH AND CASH EQUIVALENTS

The analysis of cash and cash equivalents at 30 June 2008 and 31 December 2007 is as follows:

	30 June 2008	31 December 2007
Cash in hand		
- banking	1.152.378	1.095.189
- other companies	8.206	6.621
Banks - time deposits	2.873.862	898.347
Banks - demand deposits	561.296	749.684
Government bonds	2.342.447	-
Government bonds denominated in foreign currency	5	126.904
Eurobonds	20.228	15.045
Treasury bills	1.328	3.592
Due from reverse repo transactions	1.244	2.547
Other cash and cash equivalents	2.254	3.227
Total	**6.963.248**	**2.901.156**

Effective interest rates of USD, EUR denominated, and YTL time deposits are 2,26 % p.a. (31 December 2007: 4,13% p.a.), 4,07 % p.a. (31 December 2007:3,55% p.a.) and 18,00 % p.a. (31 December 2007: 17,50 % p.a.), respectively.

The analysis of maturities at 30 June 2008 and 31 December 2007 is as follows:

	30 June 2008	31 December 2007
Demand	1.724.134	1.854.721
Up to 3 month	5.239.114	1.046.435
Total	**6.963.248**	**2.901.156**

Akbank pledged its demand deposits amounting to YTL 146.449 (31 December 2007: YTL 156.172) as an off-shore cash reserve and payment accounts in connection with long-term securitised borrowings from foreign institutions in the amount of USD 2.411 million (31 December 2007: USD 2.586 million).

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

NOTE 6 - FINANCIAL ASSETS

a) Marketable securities:

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

	30 June 2008	31 December 2007
Government bonds denominated in foreign currency	2.059.392	4.550.781
Eurobonds	125.934	207.409
Government bonds	83.640	42.375
Mutual funds	27.348	26.617
Share certificates	4.323	4.637
Other	1.702	1.250
Total	**2.302.339**	**4.833.069**

Effective interest rates of USD, EUR and YTL denominated securities at fair value through profit and loss are 4,37 % p.a. (31 December 2007: 6,94% p.a.), 6,40% p.a. (31 December 2007: 6,43% p.a.) and 18,34% p.a. (31 December 2007: 17,43% p.a.), respectively.

The analysis of maturities at 30 June 2008 and 31 December 2007 is as follows:

Period remaining to contractual maturity dates:

	30 June 2008			31 December 2007		
	Banking	Other companies	Total	Banking	Other companies	Total
3 to 12 months	23.220	-	23.220	2.621.474	-	2.621.474
1 to 5 years	2.167.221	-	2.167.221	2.026.426	-	2.026.426
Over 5 years	78.524	-	78.524	152.664	-	152.664
No maturity	6.026	27.348	33.374	5.888	26.617	32.505
Total	**2.274.991**	**27.348**	**2.302.339**	**4.806.452**	**26.617**	**4.833.069**

Period remaining to contractual repricing dates:

	30 June 2008			31 December 2007		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	1.988.890	-	1.988.890	1.879.553	-	1.879.553
3 to 12 months	31.914	-	31.914	2.628.457	-	2.628.457
1 to 5 years	170.012	-	170.012	139.932	-	139.932
Over 5 years	78.149	-	78.149	152.622	-	152.622
No maturity	6.026	27.348	33.374	5.888	26.617	32.505
Total	**2.274.991**	**27.348**	**2.302.339**	**4.806.452**	**26.617**	**4.833.069**

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

NOTE 6 - FINANCIAL ASSETS (Continued)

b) Securities available-for-sale:	**30 June 2008**	**31 December 2007**
Debt securities		
- Government bonds	14.200.472	16.915.166
- Government bonds denominated in foreign currency	2.568.295	2.356.264
- Eurobonds	1.696.722	1.743.173
- Treasury bills	114.398	91.145
- Other bonds denominated in foreign currency	180.417	86.020
Sub-total	**18.760.304**	**21.191.768**
Equity securities		
- Listed	13.258	19.395
- Unlisted	51.465	29.447
Sub-total	**64.723**	**48.842**
Total securities available for sale	**18.825.027**	**21.240.610**

Effective interest rates of USD, EUR and YTL denominated available-for-sale debt securities are 5,35% p.a. (31 December 2007: 5,66% p.a.), 5,81% p.a. (31 December 2007: 6,26% p.a.) and 18,34% p.a. (31 December 2007: 18,81% p.a.) respectively.

The maturity analysis at 30 June 2008 and 31 December 2007 is as follows:

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

	30 June 2008			**31 December 2007**		
	Banking	**Other companies**	**Total**	**Banking**	**Other companies**	**Total**
Up to 3 months	5.122.092	7.635	5.129.727	6.417.304	-	6.417.304
3 to 12months	3.738.761	230.212	3.968.973	8.773.362	123.019	8.896.381
1 to 5 years	8.316.665	72.403	8.389.068	4.334.279	149.331	4.483.610
Over 5 years	1.213.243	59.293	1.272.536	1.315.221	79.252	1.394.473
No maturity	23.218	41.505	64.723	29.626	19.216	48.842
Total	**18.413.979**	**411.048**	**18.825.027**	**20.869.792**	**370.818**	**21.240.610**

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

NOTE 6 - FINANCIAL ASSETS (Continued)

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

	30 June 2008			31 December 2007		
	Banking	**Other companies**	**Total**	**Banking**	**Other companies**	**Total**
3 to 12 months	3.479.298	230.212	3.709.510	9.425.509	123.019	9.548.528
Current	**3.479.298**	**230.212**	**3.709.510**	**9.425.509**	**123.019**	**9.548.528**
1 to 5 years	11.044.170	72.403	11.116.573	7.201.002	149.331	7.350.333
Over 5 years	3.874.928	59.293	3.934.221	4.213.655	79.252	4.292.907
No maturity	23.218	41.505	64.723	29.626	19.216	48.842
Non-current	**14.942.316**	**173.201**	**15.115.517**	**11.444.283**	**247.799**	**11.692.082**
Total	**18.421.614**	**403.413**	**18.825.027**	**20.869.792**	**370.818**	**21.240.610**

The breakdown of available-for-sale equity securities at 30 June 2008 is as follows:

Listed	**Share (%)**	**Carrying amount**	**Business**
Ak Yatırım Ortaklığı A.Ş. (*)	65	12.893	Investment management
Others		365	-
Total		**13.258**	

Unlisted	**Share (%)**	**Carrying amount**	**Business**
Merter BV	25,00	24.239	Real estate
Liman İşletmeleri Nakliyat ve Tic. A.Ş.	5,53	8.358	Vessel transportation
Ak Portföy Yönetimi A.Ş. **(*)**	99,99	3.592	Portfolio management
Others		15.276	-
Total		**51.465**	

(*) The Group owns 65% and 99,99% of the shares of Ak Yatırım Ortaklığı A.Ş. and Ak Portföy Yönetimi A.Ş., respectively (31 December 2007: %65 and 99,99%). Due to the insignificance of the financial impact on the financial position and results of the Group, these companies were not consolidated and carried at cost less provision for diminution in value at 30 June 2008 and 31 December 2007 financial statements.

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

NOTE 6 - FINANCIAL ASSETS (Continued)

The breakdown of available-for-sale equity securities at 31 December 2007 is as follows:

Listed	Share (%)	Carrying amount	Business
Ak Yatırım Ortaklığı A.Ş.	65	19.302	Investment management
Others		93	-
Total		**19.395**	

Unlisted	Share (%)	Carrying amount	Business
Liman İşletmeleri Nakliyat ve Tic. A.Ş.	5,53	8.358	Vessel transportation
Ak Portföy Yönetimi A.Ş.	99,99	3.592	Portfolio management
Others		17.497	-
Total		**29.447**	

NOTE 7 - BORROWINGS

Short-term funds borrowed, bank borrowings and debt securities in issue:	30 June 2008	31 December 2007
Short-term	6.593.333	4.382.957
Short-term portion of long term	2.470.451	1.752.250
Total short term	**9.063.784**	**6.135.207**
Long-term funds borrowed, bank borrowing and debt securities in issue:		
Long-term	3.786.687	4.113.529
Total	**12.850.471**	**10.248.736**

Effective interest rates of USD, EUR and YTL denominated funds borrowed borrowings and debt securities in issue are 3,80% p.a. (31 December 2007: 5,79% p.a.), 4,98% p.a. (31 December 2007: 4,94% p.a.) and 16,03% p.a. (31 December 2007: 15,56% p.a.).

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

NOTE 7 - BORROWINGS (Continued)

The maturity schedule of short term borrowings at 30 June 2008 and 31 December 2007 is summarised below:

	30 June 2008	31 December 2007
Up to 3 months	4.332.143	1.771.610
3 to 12 months	4.731.641	4.363.597
1 to 5 year	2.799.091	3.047.458
Over 5 years	987.596	1.066.071
Total	**12.850.471**	**10.248.736**

The maturity schedule of long term borrowings at 30 June 2008 and 31 December 2007 is summarised below:

Period	30 June 2008
2009	970.286
2010	584.378
2011	699.829
2012	544.600
2013 and over	987.594
Total	**3.786.687**

Period	31 December 2007
2009	1.469.890
2010	529.039
2011	499.116
2012	549.413
2013 and over	1.066.071
Total	**4.113.529**

The repricing schedule of borrowings at 30 June 2008 and 31 December 2007 is summarised below:

	30 June 2008	31 December 2007
Up to 3 months	8.732.564	8.236.307
3 to 12 months	3.452.828	1.584.701
1 to 5 years	655.364	421.695
Over 5 years	9.715	6.033
Total	**12.850.471**	**10.248.736**

NOTE 7 - BORROWINGS (Continued)

Major borrowing transactions of Akbank at 30 June 2008 are as follows:

Funds borrowed:

a) Funds borrowed via West LB AG London Branch

At 30 June 2008, funds borrowed from foreign institutions include syndicated credit facilities in the amount of USD 500 million and EUR 1 billion with an interest rate of Libor + 0,6% p.a. and Euribor + 0,25% p.a. provided by 11 and 32 international banks with West LB AG, London Branch acting as the agent, which mature on 22 December 2008 and 26 September 2008 respectively.

b) Funds borrowed via UFJ Bank Limited

At 30 June 2008, funds borrowed from foreign institutions include syndicated credit facilities in the amount of EUR 500 million with an interest rate of Libor + 0,55% p.a. provided by 10 international banks with UFJ Bank Limited acting as the agent, maturing on 29 June 2009.

c) Funds borrowed via Bank of New York

At 30 June 2008, funds borrowed from foreign institutions include syndicated credit facilities in the amount of USD 550 million, with an interest rate of Libor + 0,43% p.a. provided by 16 international banks with Bank of New York acting as the agent, maturing on 18 December 2008.

d) Debt securities in issue

In November 1999, Akbank finalised a structured finance deal of USD 400 million by securitising its foreign currency denominated present and future remittances (worker remittances, cash against goods, cash against documents, letters of credits, cheque remittances and other third party payment orders) for the issue of floating-rate notes amounting to USD 400 million. Akbank obtained further tranches related with the same deal in the amount of USD 3.175 million between 2000 and 2008 June through the additional issue of floating-rate notes. Interest rates on the tranches vary between Libor + 0,16% p.a. and Libor + 1,1% p.a. At 30 June 2008, the outstanding principal amount of the securitisation deal amounts to USD 2.002 million after the repayment of USD 1.573 million between January 2000 and June 2008.

In December 2005, the Group finalised another structured finance deals with a total amount of USD 500 million by securitising its foreign currency denominated present and future remittances (credit card receivables). The interest rates varying between Libor + 0,16% and Libor +1,01%. As of 30 June 2008 the outstanding principal amount of the securitisation deal amount to USD 403 million after the repayment USD 23 million during the year 2008 and USD 74 million during the year 2007.

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

NOTE 8 - TRADE RECEIVABLES AND TRADE PAYABLES

Short-term and long-term trade receivables:	30 June 2008	31 December 2007
Trade receivables	1.044.544	1.034.504
Notes and cheques receivable	148.532	146.059
Due from related parties **(*)**	10.315	11.700
Sub-total	**1.203.391**	**1.192.263**
Less: doubtful receivables provision	(30.074)	(27.702)
Total	**1.173.317**	**1.164.561**

As of 30 June 2008, trade receivables of YTL 121.961 were past due but not impaired (31 December 2007: YTL 72.465). The aging analysis of these trade receivables is as follows:

	30 June 2008	31 December 2007
Up to 3 months	104.514	59.316
3 to 6 months	14.979	9.302
6 to 9 months	998	698
Over 9 months	1.470	3.149
Total (*)	**121.961**	**72.465**

(*) The above aging analysis of past due but not impaired receivables does not include receivables from insurance operations. As of 30 June 2008, receivables from insurance operations amounting to YTL 71.808 were past due but not impaired (31 December 2007: YTL 74.222).

As of 30 June 2008 and 31 December 2007 the aging analysis of overdue and impaired trade receivables is as follows

	30 June 2008	31 December 2007
Up to 3 months	1.217	1.820
3 to 6 months	2.685	2.261
6 to 9 months	57	2.267
Over 9 months	26.115	21.354
Total	**30.074**	**27.702**

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

NOTE 8 - TRADE RECEIVABLES AND TRADE PAYABLES (Continued)

Short-term and long-term trade payables:	**30 June 2008**	**31 December 2007**
Trade payables	890.684	931.057
Due to related parties **(*)**	7.280	11.040
Notes payable	-	172
Total	**897.964**	**942.269**

(*) Due from related parties and due to related parties are explained in Note 31 Related Party Disclosures.

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

Other receivables:	**30 June 2008**	**31 December 2007**
Receivables on cheques in clearance	363.068	331.920
Fund management fee accrual	55.370	35.070
Receivables from credit cards payments	7.753	6.742
Receivables from sale of chemical business segment	-	22.546
Others	397.532	220.973
Total	**823.723**	**617.251**

Other payables:	**30 June 2008**	**31 December 2007**
Payables related to credit card transactions	950.898	811.776
Payables on cheques in clearance	360.832	411.050
Other taxes and funds	192.982	171.938
Unearned commission income	165.636	148.269
Bonus liability to credit card customers	117.008	114.762
Export deposits and transfer orders	79.443	32.144
Payment orders to correspondent banks	35.224	20.171
Blocked deposits	32.812	26.056
Advances received	21.143	14.073
Payables due to acquisition of subsidiaries	19.439	35.614
Saving deposits insurance	18.721	18.035
Due to personnel	17.072	25.454
Lease payables	3.475	6.983
Income taxes payable to be offset	-	416.418
Others	690.844	545.616
Total	**2.705.529**	**2.798.359**

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

NOTE 10 - INVENTORIES

	30 June 2008	31 December 2007
Raw materials and supplies	348.288	394.186
Semi-finished goods	131.619	131.519
Finished goods and merchandise	602.647	565.157
Spare parts	203.374	106.711
Total	**1.285.928**	**1.197.573**

NOTE 11 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

	30 June 2008	Share (%)	31 December 2007	Share (%)
Philsa	167.520	25,00	152.804	25,00
Philip Morrissa	28.221	24,75	26.586	24,75
Total	**195.741**		**179.390**	

Income from associates is as follows:

	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Philsa	72.711	38.078	49.914	28.190
Philip Morrissa	17.015	8.630	14.992	7.246
Total	**89.726**	**46.708**	**64.906**	**35.436**

The summary financial information of associates is as follows:

	30 June 2008		31 December 2007	
	Total assets	Total liabilities	Total assets	Total liabilities
Philsa	1.417.068	746.989	1.402.815	791.598
Philip Morrissa	393.708	279.682	390.378	282.959
Total	**1.810.776**	**1.026.671**	**1.793.193**	**1.074.557**

Sales revenue	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Philsa (*)	3.226.149	1.653.796	2.764.911	1.431.549
Philip Morrissa	3.397.297	1.726.956	2.936.820	1.507.053

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

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

NOTE 11 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (Continued)

Net income	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Philsa	290.846	152.194	199.655	103.913
Philip Morrissa	68.746	34.870	60.577	27.983
Total	**359.592**	**187.064**	**260.232**	**131.896**

NOTE 12 - INVESTMENT PROPERTY

The movements in investment property, during the six-month periods ended 30 June 2008 and 2007 are as follows:

	1 January 2008	Additions	Transfer to non-current assets held for sale	30 June 2008
Cost:				
Land	70.826	599	(23.672)	47.753
Building	179.945	-	(9.404)	170.541
Total	**250.771**	**599**	**(33.076)**	**218.294**
Accumulated depreciation:				
Buildings	27.007	2.029	(1.191)	27.845
Net book value	**223.764**			**190.449**

	1 January 2007	Additions	Disposals	30 June 2007
Cost:				
Land	85.981	-	(3.400)	82.581
Buildings	223.467	-	(34.264)	189.203
Total	**309.448**	**-**	**(37.664)**	**271.784**
Accumulated depreciation:				
Buildings	32.010	2.392	(6.975)	27.427
Net book value	**277.438**			**244.357**

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

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment during the six month periods ended 30 June 2008 are as follows:

	1 January 2008	Currency translation differences	Additions	Disposals	Transfer to non-current assets held for sale	30 June 2008
Cost:						
Land and land improvements	375.613	2.108	3.518	(8.956)	(6.523)	365.760
Buildings	2.168.490	8.921	18.987	(43.758)	(102.687)	2.049.953
Machinery and equipment	3.671.982	9.415	95.224	(34.286)	(593.081)	3.149.254
Motor vehicles	131.143	494	11.590	(6.017)	(4.645)	132.565
Furniture and fixtures	1.392.502	2.952	57.316	(104.637)	(20.891)	1.327.242
	7.739.730	23.890	186.635	(197.654)	(727.827)	7.024.774
Construction in progress	187.097	4.101	34.341	(702)	(3.407)	221.430
Total	**7.926.827**	**27.991**	**220.976**	**(198.356)**	**(731.234)**	**7.246.204**
Accumulated depreciation:						
Land and land improvements	81.601	446	5.037	(1.881)	(4.059)	81.144
Buildings	735.635	4.430	24.332	(31.801)	(51.092)	681.504
Machinery and equipment	2.243.183	(21.072)	86.140	(29.787)	(469.008)	1.809.456
Motor vehicles	93.483	311	11.924	(4.437)	(2.719)	98.562
Furniture and fixtures	1.025.096	2.040	65.161	(104.521)	(13.965)	973.811
Total	**4.178.998**	**(13.845)**	**192.594**	**(172.427)**	**(540.843)**	**3.644.477**
Net book value	**3.747.829**					**3.601.727**

At 30 June 2008 there are mortgages amounting to YTL 62.678 on buildings held as security for bank borrowings and for legal requirements (31 December 2007: YTL 9.673).

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

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The movements in property, plant and equipment during the six month periods ended 30 June 2007 are as follows:

	1 January 2007	Currency translation differences	Additions	Disposals	Change in scope of consolidation	Transfer to non-current assets held for sale	Establishment of subsidiary	Business combination	30 June 2007
Cost:									
Land and land improvements	366.455	(4.474)	16.798	(2.324)	9.834	(12.499)	-	37.923	411.713
Buildings	2.113.270	(9.916)	69.082	(8.592)	20.164	(50.615)	12.545	8.635	2.154.573
Machinery and equipment	4.071.695	(7.161)	113.282	(50.516)	(219.639)	(170.466)	1.302	59.439	3.797.936
Motor vehicles	144.281	(370)	6.438	(14.942)	5.936	(6.873)	167	310	134.947
Furniture and fixtures	1.453.413	(1.840)	47.226	(38.958)	(315)	(26.927)	411	296	1.433.306
	8.149.114	(23.761)	252.826	(115.332)	(184.020)	(267.380)	14.425	106.603	7.932.475
Construction in progress	221.015	(3.928)	56.423	(1.329)	(4.165)	(4.924)	-	277	263.369
Total	**8.370.129**	**(27.689)**	**309.249**	**(116.661)**	**(188.185)**	**(272.304)**	**14.425**	**106.880**	**8.195.844**
Accumulated depreciation:									
Land and land improvements	79.953	(144)	5.065	(418)	(4.458)	(3.157)	-	2.107	78.948
Buildings	713.844	(2.242)	25.984	(4.515)	5.395	(9.811)	78	126	728.859
Machinery and equipment	2.364.957	11.851	100.711	(37.519)	(38.901)	(94.685)	478	4.534	2.311.426
Motor vehicles	104.979	(223)	6.367	(9.245)	5.818	(5.696)	66	133	102.199
Furniture and fixtures	1.067.185	(1.249)	70.008	(36.845)	(57)	(17.367)	271	123	1.082.069
Total	**4.330.918**	**7.993**	**208.135**	**(88.542)**	**(32.203)**	**(130.716)**	**893**	**7.023**	**4.303.501**
Net book value	**4.039.211**								**3.892.343**

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

NOTE 14 - INTANGIBLE ASSETS

The movements in intangible assets during the six month periods ended 30 June 2008 and 2007 are as follows:

	1 January 2008	Currency translation differences	Additions	Disposals	Change in scope of consolidation	Transfer to non-current assets held for sale	Establishment of subsidiary	Impairment	30 June 2008
Cost	513.624	4.299	18.540	(3.565)	-	(5.016)	-	(1.448)	526.434
Accumulated depreciation	149.075	1.547	19.143	(2.089)	-	(3.463)	-	-	164.213
Net book value	**364.549**								**362.221**

	1 January 2007	Currency translation differences	Additions	Disposals	Change in scope of consolidation	Transfer to non-current assets held for sale	Establishment of subsidiary	Impairment	30 June 2007
Cost	396.278	(6.219)	319.623	(47.897)	(227.833)	(11.410)	857	8.305	431.704
Accumulated depreciation	129.114	(3.281)	9.647	(47.536)	(1.644)	(4.573)	157	93	81.977
Net book value	**267.164**								**349.727**

At 30 June 2008, the cost of intangible assets includes hydro-electric plant licenses of YTL 141.834 and mining rights of YTL 97.544 (coal mine and stone quarry mine).

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

NOTE 15 - GOODWILL

The movements in goodwill during the six month periods ended 30 June 2008 and 2007 are as follows:

	30 June 2008	30 June 2007
1 January	327.412	281.452
Additions	-	48.342
Currency translation differences	(2.555)	(5)
30 June	**324.857**	**329.789**

NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Contingent Assets and Liabilities

Commitments - Banking segment	**30 June 2008**	**31 December 2007**
Letters of guarantee issued	4.006.507	3.415.879
Letters of credits	1.719.481	1.075.048
Foreign currency acceptance credits	57.764	46.857
Total	**5.783.752**	**4.537.784**

Commitments - Non-banking segments

Letters of guarantee issued	528.394	483.426
Other guarantees issued	293.966	308.405
Total	**822.360**	**791.831**

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 2008 and 31 December 2007 are as follows:

	30 June 2008	31 December 2007
Repurchase commitments	8.386.380	4.853.945
Resale commitments	1.244	3

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

NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Commitments to forward currency purchase/sale and swap transactions:

	30 June 2008	31 December 2007
Currency purchases		
EUR	157.452	50.176
YTL	115.757	67.201
JPY	44.507	49.278
USD	39.833	19.012
GBP	7.106	-
Total	**364.655**	**185.667**
Currency sales		
YTL	168.678	64.442
EUR	119.364	91.729
USD	57.389	18.750
Other	13.550	267
Total	**358.981**	**175.188**

	30 June 2008	31 December 2007
Money swap purchases		
EUR	5.202.731	1.711.827
USD	3.026.296	72.440
GBP	658.955	505.556
YTL	81.012	72.669
CHF	29.953	27.810
Other	111.123	103.940
Total	**9.110.070**	**2.494.242**
Money swap sales		
USD	5.838.735	1.605.084
YTL	3.056.026	75.165
EUR	93.847	759.084
GBP	44.214	21.062
JPY	10.457	23.008
Other	5.904	6.023
Total	**9.049.183**	**2.489.426**

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

NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

	30 June 2008	31 December 2007
Interest rate swap purchases		
YTL	2.545.000	1.965.000
USD	1.434.270	1.321.642
EUR	996.010	1.001.478
CHF	1.797	1.450
Total	**4.977.077**	**4.289.570**
Interest rate swap sales		
YTL	2.545.000	1.965.000
USD	1.434.270	1.321.717
EUR	996.010	1.001.394
CHF	1.797	1.457
Total	**4.977.077**	**4.289.568**

	30 June 2008	31 December 2007
Spot purchases	481.687	210.947
Spot sales	482.755	211.081
Money options purchases	770.834	388.882
Money options sales	769.658	392.841

	30 June 2008	31 December 2007
Futures purchases	4.445	27.577
Futures sales	344.276	26.104

The maturity analysis of the off-balance sheet assets in the Banking segment at 30 June 2008 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees	632.769	3.373.738	4.006.507
Letters of credits	1.281.368	438.113	1.719.481
Foreign currency acceptance credits	38.198	19.566	57.764
Total	**1.952.335**	**3.831.417**	**5.783.752**

The maturity analysis of the off-balance sheet assets in the Banking segment at 31 December 2007 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees	399.820	3.016.059	3.415.879
Letters of credits	707.006	368.042	1.075.048
Foreign currency acceptance credits	40.563	6.294	46.857
Total	**1.147.389**	**3.390.395**	**4.537.784**

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

NOTE 17- PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

Under Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. At 30 June 2008, the amount payable consists of one month's salary limited to a maximum of YTL 2,2 (31 December 2007: YTL 2,1) for each year of service.

There are no agreements for pension commitments other than the legal requirement as explained above.

The liability is not funded, as there is no funding requirement.

The reserve has been calculated by estimating the present value of the future probable obligation of the Holding arising from the retirement of the employees.

IAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly actuarial assumptions were used in the calculation of the total liability as these actuarial assumptions apply to each individual company's defined benefit plan and legal framework in which those companies operate.

Movements in the reserve for employment termination benefits for the periods ended 30 June 2008 and 2007 are as follows:

	30 June 2008	**30 June 2007**
Balances at 1 January	147.961	150.298
Change in scope of consolidation	-	1.378
Establishment of subsidiary	-	139
Transfer to non-current assets held for sale	(7.816)	(6.512)
Payments during the period	(19.836)	(9.286)
Charge for the period	26.515	15.858
30 June	**146.824**	**151.875**

Employee benefits

As disclosed in Note 2 to the consolidated financial statements, Akbank T.A.Ş. Tekaüt Sandığı Vakfı (the "Fund") is a separate legal entity and a foundation recognised by an official decree, founded on the basis of Social Insurance Law No: 506, temporary article No: 20, providing all qualified Akbank employees with pension and post retirement benefits. According to the temporary article numbered 38 of the Turkish Insurance Law, and the "Decree on Actuaries", the Fund is subject to the inspection of a listed actuary. There is no technical or actual deficit in the financial statements of the Fund as detailed in Note 2.2.18 necessitating the accounting of a provision.

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

NOTE 18 - OTHER CURRENT ASSETS AND SHORT TERM LIABILITIES

Other Current Assets:	**30 June 2008**	**31 December 2007**
Prepaid expenses	260.033	92.322
Job and salary advances given	143.237	7.435
Deductible Value Added Tax ("VAT")	92.654	80.960
Income accrual	21.199	13.955
Total	**517.123**	**194.672**

Other Current Liabilities:		
Expense accruals	232.775	214.629

NOTE 19 - EQUITY

The Holding's authorised and issued capital consists of 180.000.000.000 (31 December 2007: 180.000.000.000) shares of YKr 1 each.

The Holding's authorised and paid-in share capital and shareholding structure at 30 June 2008 and 31 December 2007 is as follows:

Shareholders:	**Share (%)**	**30 June 2008**	**Share (%)**	**31 December 2007**
Sabancı family members	61,39	1.104.916	61,31	1.103.566
Public quotation	21,56	388.136	21,64	389.486
Sakıp Sabancı Holding A.Ş.	14,81	266.578	14,81	266.578
Sabancı University	1,62	29.150	1,62	29.150
H.Ö. Sabancı Foundation	<1	11.220	<1	11.220
Share capital	**100,00**	**1.800.000**	**100,00**	**1.800.000**
Share premium		**21.670**		**21.670**

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.

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

NOTE 19 - EQUITY (Continued)

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 2008	**31 December 2007**
Legal reserves	218.899	196.900
Investments sales income	38.818	18.578
Total	**257.717**	**215.478**

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. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. However, this does not apply to Holding companies. Under the TCC, the legal reserves can only be used to offset loss and are not available for any other usage unless the loss exceeds 50% of paid-in share capital.

Dividend distribution is made by the Holding in New Turkish Lira in accordance with its Articles after deducting taxes and setting aside the legal reserves as discussed above. In accordance with the Articles, dividends may also be paid to the Board of Directors of the Holding in amounts of up to 4% and to Vaksa in the amount of 3%, in each case, of the distributable profits remaining after deducting taxes, legal reserves and the first dividend.

Public companies distribute dividends according to CMB regulations as follows:

In accordance with the decision no 4/138 of CMB on 8 January 2008 and effective from 1 January 2008 the minimum dividend distribution ratio for the publicly listed joint stock companies shall be applied as 20% (31 December 2007: 20%). Accordingly, it has been made possible that based on the decisions taken in general assemblies of the companies the distribution can be made in cash, non-cash by issuance of free shares with respect to the transfer of profits to the capital or a combination of both as partially in cash and non-cash. For the cases when the initial dividend determined is less than 5% of issued/paid in capital, it is allowed to retain the dividends within the companies. However, for those companies which are going to distribute dividends over the profits generated from 2007 operations and which increased their share capitals without distributing dividends in the previous year and thus have a distinguish of shares as "new" and "old" shares, it is enforced to make the distribution of initial dividends in cash.

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

NOTE 19 - EQUITY (Continued)

In accordance with the Communiqué No:XI-29 and related announcements of CMB, effective from 1 January 2008, "Share capital", "Restricted Reserves" and "Share Premiums" shall be carried at their statutory amounts. The valuation differences (such as inflation adjustment differences) shall be disclosed as follows:

- if the difference is arising due to the inflation adjustment of "Paid-in Capital" and not yet been transferred to capital should be classified under the "Inflation Adjustment To Share Capital";

- if the difference is due to the inflation adjustment of "Restricted Reserves" and "Share Premium" and the amount has not been utilised in dividend distribution or capital increase yet, it shall be classified under "Retained Earnings".

Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

Capital adjustment differences have no other use other than being transferred to share capital.

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 profit distribution is as follows:

	30 June 2008	31 December 2007
Capital	1.800.000	1.800.000
Share premium	21.670	21.670
Restricted reserves	257.717	215.478
Adjustment to Capital	3.426.761	3.426.761
Net income for the period	737.150	969.487
Retained earnings	2.989.849	2.255.488
Total shareholders' equity subject to dividend distribution	**9.233.147**	**8.688.884**
Translation reserve	(149.437)	(215.298)
Revaluation reserve	(138.419)	69.252
Shareholders' equity	**8.945.291**	**8.542.838**

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

NOTE 20 - DISCONTINUED OPERATIONS

The Holding signed an agreement with Akkardan Sanayi ve Ticaret A.Ş. on 5 August 2008 to sell its 50,12% share in Bossa, a subsidiary of Group.

The difference between Bossa's carrying amount in the consolidated interim financial statements at 30 June 2008 and the share sale price is calculated as YTL 57.708 and included as an impairment loss under other expenses in the consolidated interim statement of income.

The summary income statement of Bossa for the period 1 January-30 June 2008 is as follows:

Revenues	191.782
Expenses	(163.080)
Profit before taxation	28.702
Taxation	(4.497)
Net income for the period	**24.205**

At 30 June 2008 the balances of assets and liabilities classified as non-current assets held for sale which were disposed from consolidated financial statements as a result of sale transaction are as follows:

Assets	**374.812**
Cash and cash equivalents	38.589
Trade receivables	82.081
Inventories	53.540
Tangible and intangible assets	191.009
Other current assets	8.026
Deferred income tax asset	1.567
Liabilities	**142.004**
Financial liabilities	30.876
Trade payables	24.209
Other liabilities	8.725
Provision for employment termination benefit	7.816
Provision for discontinued operations	57.708
Deferred income tax liability	12.670
Net assets	**232.808**

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

NOTE 20 - DISCONTINUED OPERATIONS (Continued)

The Holding signed an agreement with Bekaert Iberica Holding S.L on 23 May 2008 to sell its 49,99% share in Beksa. Sale transaction will be completed after the approval of the regulatory authorities. There is no impairment loss which may occur as a result of this transaction.

	30 June 2008
Revenues	38.402
Expenses	(34.706)
Profit before taxation	3.696
Taxation	(2.143)
Net income for the period	**1.553**

At 31 December 2007 and 30 June 2008, the balances of assets and liabilities classified as non-current assets held for sale which will be disposed from consolidated financial statements as a result of sale transaction are as follows:

	30 June 2008	**31 December 2007**
Assets	**77.278**	**68.019**
Cash and cash equivalents	3.127	4.793
Trade receivables	13.502	10.469
Inventories	14.989	10.718
Tangible and intangible assets	44.222	40.231
Other current assets	1.262	816
Deferred income tax asset	176	992
Liabilities	**25.448**	**23.351**
Financial liabilities	20.047	17.142
Trade payables	2.195	4.123
Other liabilities	2.099	2.034
Deferred income tax liability	1.107	52
Net assets	**51.830**	**44.668**

Carrefoursa, a joint venture of the Holding, classified Bayrampaşa Hypermarket and Mall and Maltepe Mall as non-current assets held for sale in the balance sheet as of 30 June 2008. Carrying amount of these assets in the consolidated balance sheet of the Group as of 30 June 2008 is YTL 71.768. The Group made provision, amounting to YTL 15.561 for the possible loss as a result of sales of Bayrampaşa Hypermarket and Mall and Maltepe Mall in the consolidated financial statements.

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

NOTE 20 - DISCONTINUED OPERATIONS (Continued)

The Holding signed an agreement with MGS Marmara Gıda Sanayi ve Ticaret A.Ş on 14 August 2007 to sell its 99.65% share in Gıdasa. In accordance with the agreement, sale transaction was completed after the grant of necessary permissions on 3 March 2008. Loss which occurred as a result of sale transaction, amounting to YTL 8.844 is included in the consolidated statements of income (Note 23).

The summary income statement of Gıdasa for the period 1 January-3 March 2008 is as follows:

	3 March 2008
Revenues	76.737
Expenses	(66.605)
Profit before taxation	10.132
Taxation	(1.718)
Net income for the period	**8.414**

At 31 December 2007 the balances of assets and liabilities classified as non-current assets held for sale which were disposed as a result of sale transaction are as follows:

Assets	**288.671**
Cash and cash equivalents	1.597
Trade receivables (net)	59.343
Inventories (net)	56.012
Other current assets	23.911
Property, plant and equipment (net)	140.272
Intangible assets (net)	7.440
Financial Assets	96
Liabilities	**286.141**
Financial liabilities	165.508
Trade payables (net)	69.315
Other liabilities	23.556
Provision for employment termination benefit	3.488
Provision for discontinued operations	20.227
Deferred income tax liability	4.047
Net assets	**2.530**

The Holding signed an agreement with Wavin B.V. located in Netherland on 21 November 2007 to sell its 51,23% share in Pilsa. Sale transaction was completed on 10 January 2008, in consideration of USD 41.000.000 and collection was received. Gain which occurred as a result of this transaction, amounting to YTL 7.096 is included in the consolidated interim statements of income (Note 23).

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

NOTE 20 - DISCONTINUED OPERATIONS (Continued)

At 31 December 2007 the balances of assets and liabilities classified as non-current assets held for sale which were disposed from consolidated financial statements as a result of sale transaction are as follows:

Assets	**134.494**
Cash and cash equivalents	36.562
Trade receivables (net)	43.493
Inventories (net)	20.785
Property, plant and equipment and intangible assets (net)	31.621
Deferred income tax asset	560
Other Assets	1.473
Liabilities	**46.570**
Financial liabilities	14.318
Trade payables (net)	12.999
Other liabilities	17.172
Deferred income tax liability	2.081
Net assets	**87.924**

DİPNOT 21 - REVENUE

	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Finance	5.955.301	3.085.015	5.208.414	2.728.221
Non-finance	3.813.438	2.047.624	3.594.238	1.903.207
Total	**9.768.739**	**5.132.639**	**8.802.652**	**4.631.428**

NOTE 22 - EXPENSES BY NATURE

Allocation of marketing, selling and distribution, general administrative and research and development expenses on nature basis for the six month periods ended 30 June 2008 and 2007 are as follows:

	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Personnel costs	594.878	294.727	459.591	241.430
Amortization expenses	92.974	51.278	79.952	38.922
Taxes and duties	89.909	40.482	26.431	12.998
IT expenses	84.321	45.092	145.574	73.332
Advertisement expenses	82.983	49.278	63.468	39.900
Repair and maintenance expenses	53.079	33.957	33.934	16.913
Communication expenses	50.295	32.083	37.515	18.842
Rent expense	45.508	23.249	32.761	17.109
Consultancy expenses	45.824	22.482	14.615	319
Outsourced services	13.397	6.942	8.926	4.055
Other	499.305	248.548	430.186	253.760
Total	**1.652.473**	**848.118**	**1.332.953**	**717.580**

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

NOTE 23 - OTHER OPERATING INCOME/EXPENSES AND GAINS/LOSSES

Other income:	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Fixed asset sales income, net **(*)**	144.562	31.686	14.225	14.680
Provisions reversed and recoveries from prior year's expense	132.727	-	-	-
Gain on sale of subsidiary	7.096	-	-	-
Gain on sale of Enerjisa shares	-	-	83.596	83.596
Insurance indemnity income	-	-	10.233	10.233
Research, development and support premiums	-	-	9.230	9.230
Other	-	-	62.776	36.228
Total	**284.385**	**31.686**	**180.060**	**153.967**

Other expenses:	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Impairment **(**)**	(57.708)	(57.708)	-	-
Loss on sale of subsidiary	(8.844)	(297)	-	-
Idle time expenses	(7.182)	(4.574)	(5.402)	(3.585)
Provision expenses **(***)**	(5.618)	(5.618)	(20.547)	(252)
Other	(5.488)	(53.114)	-	-
Total	**(84.840)**	**(121.311)**	**(25.949)**	**(3.837)**

(*) On 28 January 2008, Carrefoursa, a joint venture of the Holding, sold Merter Mall Project which was classified as non-current assets held for sale in the balance sheet as of 31 December 2007 to joint venture of MultiTurkmall GYO Yatırım İnşaat and Ticaret A.Ş. and Apollo Real Estate in consideration of YTL 464,3 million and as a result of this transaction, fixed asset sales income amounting to YTL 318,7 million has occurred. Share of income belong the Group is YTL 123.578.

On 30 April 2007, Oysa, a subsidiary of the Holding (Oysa was merged with Çimsa in 2007), sold its grinding and ready-mixed concrete facilities in Antakya to Adana Çimento Sanayi T.A.Ş. As a result of this transaction, fixed assets sales income amounting to YTL 12.527 has occurred.

(**) The Holding signed an agreement with Akkardan Sanayi ve Ticaret A.Ş. on 5 August 2008 to sell its 50,12% share in Bossa. The difference between Bossa's carrying amount in the consolidated interim financial statements at 30 June 2008 and the share sale price is calculated as YTL 57.708 and included as an impairment loss under other expenses in the consolidated interim statement of income.

(***) In 2005, Carrefoursa awarded a call option concerning the Bayrampaşa Hipermarket ve Ticaret Merkezi to a company. During the six month period ended at 30 June 2007, the owner of the option decided to exercise the option in two years, by fulfilling all of the conditions stated in the option agreement and committed to buy Bayrampaşa Hipermarket ve Ticaret Merkezi. Carrefoursa provided a provision of YTL 50.816 for the expected losses on sale of property, plant and equipment that it will incur upon the completion of the sale transaction (total amount of loss attributable to the Group is YTL 19.706).

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

NOTE 24 - FINANCIAL INCOME/EXPENSES

	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Financial income				
Foreign exchange income	284.674	102.631	138.519	104.533
Interest income	46.360	23.530	32.517	10.259
Total	**331.034**	**126.161**	**171.036**	**114.792**
Financial expense				
Foreign exchange losses	201.941	52.943	131.477	106.706
Interest expense	61.398	32.038	49.632	15.098
Other financial expenses	7.476	5.303	14.138	8.983
Total	**270.815**	**90.284**	**195.247**	**130.787**

Financial expenses relate to segments other than banking.

NOTE 25 - INCOME TAX ASSETS AND LIABILITIES

	30 June 2008	31 December 2007
Corporation and income taxes currently payable	175.890	693.925
Less: prepaid taxes	(99.687)	(501.070)
Total taxes payable	**76.203**	**192.855**

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 2008 is 20% (2007: 20%). Corporation tax is payable at a rate of 20% on the total income of the Holding after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, and investment allowance, etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19,8% on an investment incentive allowance utilised within the scope of the Income Tax Law transitional article 61).

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.

NOTE 25 - INCOME TAX ASSETS AND LIABILITIES (Continued)

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

In Turkey, there is no procedure for a final and definitive agreement on tax 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 participation in subsidiaries

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

Preferential right certificate sales and issued premiums exemption

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

Exemption for participation into foreign subsidiaries

The participation income of corporations participating in 10% or more of the capital of a limited liability or joint stock company which does not have its legal or business 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).

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

NOTE 25 - INCOME TAX ASSETS AND LIABILITIES (Continued)

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 allowance

The investment allowance application which had been in force for a significant period of time was abolished by Law No.5479 dated 30 March 2006. However, in accordance with the temporary article 69 of the Income Tax Law, income and corporate taxpayers can deduct the investment allowance amounts that they could not offset against 2005 gains which were present as of 31 December 2005, in accordance with the legislation (including the provisions related to tax rates) in force as of 31 December 2005 from their income related to the years 2006, 2007 and 2008 as well as the following amounts;

a) investment started after 1 January 2006, within the scope of investment incentive share certificates granted prior to 24 April 2003 in accordance with the appendices 1,2,3,4,5, and 6 of Income Tax Law numbered 193 prior to the change with the law numbered 4842 dated 9 April 2003,

b) investment allowances being granted before 1 January 2006, which presents an economic and technical integrity with the investments, in accordance with the Income Tax Law numbered 193 abolished article No.19 of Corporate Income Tax Law numbered 193,

Accordingly, gains of the above nature which are in the profit/loss figures are taken into consideration, in the calculation of corporate tax.

Apart from the above mentioned exceptions in the determination of the corporate tax base, allowances cited in the articles 8, 9 and 10 of Corporate Tax Law and article 40 of Income Tax Law are taken into consideration.

Total taxes payable for the period ended 30 June 2008 and 2007 were reconciled to current period tax charge as follows:

	30 June 2008	**30 June 2007**
Corporation and income taxes currently payable	175.890	371.878
Tax charge to equity relating to financial assets fair value reserve	117.227	(41.129)
Translation gain	(15)	73
Current year tax charge	293.102	330.822
Tax adjustment to previous years	(224.709)	(270.001)
Deferred taxation	(1.383)	(9.251)
Taxation on income	**67.010**	**51.570**

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

NOTE 25 - INCOME TAX ASSETS AND LIABILITIES (Continued)

The reconciliation of the current year tax charge is as follows:

	30 June 2008	30 June 2007
Statutory income before taxation	1.982.993	2.343.122
Disallowable expenses	573.436	472.009
Dividend income	(617.938)	(503.578)
Investment sales income	(29.965)	(81.961)
Investment allowances	(55.847)	(18.232)
Carry forward tax losses	(12.278)	(2.238)
Other exempt income	(1.077.963)	(409.368)
Corporation tax base	762.438	1.799.754
Withholding tax base	55.847	14.119
Effective tax charge 21,62% (2007: 20,57%)	164.855	370.255
Withholding tax charge over investment allowance including fund	11.035	1.623
Tax charge to equity relating to financial assets fair value reserve	117.227	(41.129)
Effective tax charge including fund	293.117	330.749
Foreign currency translation difference	(15)	73
Current income tax	**293.102**	**330.822**

Akbank has filed three lawsuits the total of which is YTL 754.303 against the Ministry of Finance regarding the correction of corporate tax paid in 2001, 2002, and 2003 with reference to the provision "Legal and optional reserves and losses subject to decrease of capital, shall be offset against tax base in determination of income of the banks in the framework of principles specified in the paragraph 7 of article 14 of the repealed Corporate Tax Law 5422" in the financial statements dated 31 December 2001, in accordance with the temporary article 4, added by the Law No.4743 to the Banking Law No.4389, which was annulled on 1 November 2005.

As a result of the assessment of whole legal and administrative process Akbank board of Directors has agreed upon with the Ministry of Finance, in scope of the article 3 of the "Act on collection of some public receivables through settlement" published in the Official Gazette No.26800 dated 27 February 2008.

Accordingly, Akbank resigned from the lawsuits described in the first paragraph, as the result of the calculations, total amount of receivables of Akbank from the Ministry of Finance related to those lawsuits has been confirmed as YTL 494.710. The remaining amount amounting to YTL 224.709 after deducting the amount of YTL 270.001 which was offset against other tax debts is offset against current income tax.

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

NOTE 25 - INCOME TAX ASSETS AND LIABILITIES (Continued)

Deferred income 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 in the recognition of revenue and expenses in different reporting periods for CMB Financial Reporting Standards and tax purposes.

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%. For the group companies which are using investment allowances as a deduction from the corporate tax base, the rate is 30% until 31 December 2008 (31 December 2007: 20%).

The composition of cumulative temporary differences and the related deferred income tax assets and liabilities in respect of items for which deferred income tax has been provided at 30 June 2008 and 31 December 2007 using the enacted tax rates, is as follows:

	30 June 2008		31 December 2007	
	Cumulative temporary difference	Deferred tax assets/ (liabilities)	Cumulative temporary difference	Deferred tax assets/ (liabilities)
Deferred income tax assets:				
Difference between tax base and carrying value of:				
- Property, plant and equipment	(53.355)	10.671	(39.188)	8.332
- Inventories	(25.317)	5.188	(37.018)	7.530
Provision for loan losses	(436.549)	87.310	(293.625)	58.725
Provision for employment termination benefits	(116.748)	24.578	(122.752)	25.965
Expense accruals	(54.480)	10.844	(76.305)	15.261
Provision for law suits	(25.842)	5.245	(41.398)	8.309
Carry forward tax losses	(45.689)	10.486	(37.121)	8.158
Insurance technical reserve	(14.179)	2.836	(5.652)	1.130
Other temporary differences	(106.445)	21.649	(84.945)	17.317
Deferred income tax assets		**178.807**		**150.727**
Deferred income tax liabilities:				
Difference between tax base and carrying value of:				
- Property, plant and equipment	721.664	(154.090)	725.434	(166.033)
- Inventories	719	(144)	2.639	(527)
Reversal of country risk provision	129.932	(51.973)	99.360	(39.744)
Valuation difference on investment securities	15.110	(3.022)	14.396	(2.875)
Deferred financing charges	4.527	(905)	5.289	(1.058)
Other temporary differences	123.741	(24.816)	63.715	(13.211)
Deferred income tax liabilities		**(234.950)**		**(223.448)**
Deferred income tax assets/(liabilities), net		**(56.143)**		**(72.721)**

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

NOTE 25 - INCOME TAX ASSETS AND LIABILITIES (Continued)

Implications of net presentation form for the consolidated balance sheet of the Group are reflected, in consequence of joint ventures and subsidiaries as an independent tax payers, presented their deferred income tax assets and liabilities as a net, however temporary differences, deferred income tax assets and liabilities shown in the table above are prepared on the basis of the gross value of items.

Deferred income tax assets:	**30 June 2008**	**31 December 2007**
To be recovered after one year	66.754	65.499
To be recovered within one year	112.053	85.228
Total	**178.807**	**150.727**

Deferred income tax liabilities:	**30 June 2008**	**31 December 2007**
To be recovered after more than one year	174.043	160.961
To be recovered within one year	60.907	62.487
Total	**234.950**	**223.448**

At 30 June 2008 the Group has not recognized deferred income tax assets over carry forward tax losses in the amount of YTL 121.688 which can be offset against future taxable profits for a period of five years. The amount of the carry forward tax losses and the last fiscal periods that they can be utilized as of 30 June 2008 is presented below:

2010	60.783
2012	41.565
2013	19.340
Total	**121.688**

The movements in deferred income tax liabilities for the periods ended at 30 June 2008 and 2007 are as follows:

	30 June 2008	**30 June 2007**
Balances at 1 January	(72.721)	(66.819)
Business combinations	-	(3.370)
Effect of change in scope of consolidation	-	8.682
Establishment of subsidiary	-	(57)
Effect of currency translation	4.092	2.526
Transfer to non-current assets held for sale	11.103	(22.720)
Charged to statement of income	1.383	9.251
Balances at 30 June	**(56.143)**	**(72.507)**

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

NOTE 26 - DERIVATIVE FINANCIAL INSTRUMENTS

30 June 2008	**Fair values**	
Derivatives held for trading	**Assets**	**Liabilities**
Foreign exchange derivatives		
Currency forwards	32.877	16.589
Currency swaps	50.388	101.183
Total over-the-counter derivatives	**83.265**	**117.772**
Interest rate derivatives		
Interest rate swaps	56.168	26.631
Total derivatives held for trading	**139.433**	**144.403**

31 December 2007	**Fair values**	
Derivatives held for trading	**Assets**	**Liabilities**
Foreign exchange derivatives		
Currency forwards	35.154	13.414
Currency swaps	25.625	18.445
Total over-the-counter derivatives	**60.779**	**31.859**
Interest rate derivatives		
Interest rate swaps	20.503	73.732
Total derivatives held for trading	**81.282**	**105.591**

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

NOTE 27 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS

a) Banking

Loans and advances to customers	**30 June 2008**	**31 December 2007**
Consumer loans and credit cards receivables	14.276.692	12.549.666
Small-scale enterprises	3.588.301	3.350.936
Financial institutions	3.586.003	3.058.770
Construction	3.297.362	2.053.527
Other manufacturing industries	2.955.854	1.992.545
Project finance loans	2.778.496	2.434.204
Chemicals	2.283.655	1.102.932
Mining	1.710.390	1.391.498
Food and beverage, wholesale and retail	1.638.326	1.358.464
Telecommunication	924.206	355.305
Agriculture and forestry	923.034	760.626
Health care and social services	739.682	449.819
Textile	706.180	573.772
Electronics	672.064	581.826
Automotive	593.683	642.714
Tourism	342.351	196.671
Other	7.493.336	6.406.147
Sub-total	**48.509.615**	**39.259.422**
Non-performing loans	954.686	1.007.628
Total loans and advances to customers	49.464.301	40.267.050
Allowance for loan losses	(1.380.682)	(1.301.253)
Net loans and advances to customers	**48.083.619**	**38.965.797**

Effective interest rates of USD, EUR and YTL denominated loans and advances to customers are 5,11% p.a. (31 December 2007: 6,49% p.a.), 6,27% p.a. (31 December 2007: 5,90% p.a.) and 20,17% p.a. (31 December 2007: 21,13% p.a.), respectively.

The movement of loan loss provision of banking segment as of 30 June 2008 by class is as follows:

	Corporate	**Commercial**	**Credit Card**	**Total**
Balance at 1 January	691.209	233.946	376.098	1.301.253
Gross provisions	336.707	144.656	165.592	646.955
Recoveries	(83.618)	(74.018)	(53.964)	(211.600)
Written-off	(186.881)	(132.116)	(36.929)	(355.926)
30 June 2008	**757.417**	**172.468**	**450.797**	**1.380.682**

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

NOTE 27 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

The movement of loan loss provision of banking segment as of 30 June 2007 by class is as follows:

	Corporate	Commercial	Credit Card	Total
Balance at 1 January	357.092	106.796	323.219	787.107
Gross provisions	195.746	69.092	140.729	405.567
Recoveries	(47.966)	(29.936)	(97.767)	(175.669)
Written-off	(7.001)	(1.761)	(12.842)	(21.604)
30 June 2007	**497.871**	**144.191**	**353.339**	**995.401**

The maturity schedule of loans and advances to customers at 30 June 2008 and 31 December 2007 are summarised below:

	30 June 2008	31 December 2007
Up to 3 months	18.754.487	15.226.822
3 to 12 months	12.914.920	10.228.672
Current	31.669.407	25.455.494
1 to 5 year	13.165.088	10.981.329
Over 5 year	3.249.124	2.528.974
Non-current	16.414.212	13.510.303
Total	**48.083.619**	**38.965.797**

The aging analysis of loans and advances past due but not impaired related to banking segment as of 30 June 2008 and 31 December 2007 are as follows:

	Corporate	Commercial	Credit Card	Total
Up to 1 month	466.023	565.599	336.792	1.368.414
1 to 2 months	193.460	240.953	81.842	516.255
2 to 3 months	113.324	95.960	26.695	235.979
30 June 2008	**772.807**	**902.512**	**445.329**	**2.120.648**

	Corporate	Commercial	Credit Card	Total
Up to 1 month	460.938	519.698	240.286	1.220.922
1 to 2 months	167.522	231.686	84.419	483.627
2 to 3 months	96.593	87.311	25.305	209.209
31 December 2007	**725.053**	**838.695**	**350.010**	**1.913.758**

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

NOTE 27 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

The repricing schedule of loans and advances to customers at 30 June 2008 and 31 December 2007 is summarised below:

	30 June 2008	**31 December 2007**
Up to 3 months	24.996.715	20.121.877
3 to 12 months	15.588.217	12.285.621
1 to 5 year	6.617.565	5.816.734
Over 5 year	881.122	741.565
Total	**48.083.619**	**38.965.797**

Long-term and the short-term lease receivables of Ak Finansal Kiralama A.Ş. as a subsidiary of Akbank at 30 June 2008 and 31 December 2007 are summarised below.

Financial lease receivables::	**30 June 2008**	**31 December 2007**
Gross investment in finance leases	942.713	779.730
Less: unearned finance income	(144.972)	(118.585)
Total investment in finance leases	**797.741**	**661.145**
Less: provision for impairment	(21.614)	(9.985)
Net investment in finance leases	**776.127**	**651.160**

Lease receivables represent the principal lease balances for lease agreements. The maturity schedule as of 30 June 2008 and 31 December 2007 of lease receivables is summarised below:

	30 June 2008	**31 December 2007**
Up to 1 year	202.399	318.478
1 to 5 year	507.636	321.048
Over 5 year	66.092	11.634
Total	**776.127**	**651.160**

Application of discounted rate for financial leasing operations was abolished by the article 2, paragraph 1 of the written decree published by the Council of Ministers in the Official Gazette dated 30 December 2007 No.2007/13033, which requires "In financial leasing operations, Value Added Tax ("VAT") rate of goods subject to transaction is applied." Application of New VAT rates is effective for the financial leasing agreements which were issued after the date of publish of the decree of Council of Ministers in the Official Gazette.

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

NOTE 27 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

b) Insurance

	30 June 2008	31 December 2007
Receivables from insurance operations (net)	368.041	288.470

NOTE 28 - PAYABLES FROM FINANCE SECTOR OPERATIONS

a) Banking

	30 June 2008			31 December 2007		
	Demand	**Time**	**Total**	**Demand**	**Time**	**Total**
Savings deposits	4.611.102	29.267.739	33.878.841	3.307.696	26.768.405	30.076.101
Commercial deposits	2.840.607	8.537.907	11.378.514	2.778.315	5.615.589	8.393.904
Bank deposits	135.891	2.355.179	2.491.070	153.252	1.786.712	1.939.964
Funds deposited under repo transactions	-	8.274.778	8.274.778	-	4.780.933	4.780.933
Other	715.706	1.044.150	1.759.856	952.182	1.326.385	2.278.567
Total	**8.303.306**	**49.479.753**	**57.783.059**	**7.191.445**	**40.278.024**	**47.469.469**

Effective interest rates of USD, EUR and YTL denominated customer deposits are 3,06% p.a. (31 December 2007: 3,86% p.a.), 3,95 % p.a. (31 December 2007: 3,40% p.a.) and 16,04% p.a. (31 December 2007: 14,97% p.a.), respectively

As at 30 June 2008 and 31 December 2007, the contractual maturity date and contractual repricing schedules based on the remaining period of banking customer deposits are as follows:

	30 June 2008	31 December 2007
Demand	8.303.306	7.191.445
Up to three months	46.032.365	37.527.274
Between 3 and 12 months	3.051.587	2.179.855
Between 1 and 5 years	279.597	398.258
Over 5 years	116.204	172.637
Total	**57.783.059**	**47.469.469**

b) Insurance

	30 June 2008	31 December 2007
Payables from insurance operations (net)	94.842	32.599

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

NOTE 29 - MUTUAL FUNDS

At 30 June 2008, the Group manages 19 (31 December 2007: 18) mutual funds ("Funds") and 19 pension funds which were established under Capital Markets Board Regulations. At 31 December 2007, the Funds' investment portfolio includes government bonds, treasury bills and share certificates of YTL 4.479.342 (31 December 2007: YTL 4.548.184). In accordance with the Funds' statute, the Group purchases and sells marketable securities for the Funds, markets their participation certificates, provides other services and charges management fees ranging from 0,00275% - 0,01375%. At 30 June 2008, management fees and commissions earned by the Group amounted to YTL 68.872 (30 June 2007: YTL 54.799).

NOTE 30 - EARNINGS PER SHARE

Earnings per share for each class of share disclosed in these consolidated statements of income is determined by dividing the net income after translation adjustment attributable to that class of share by the weighted average number of shares of that class that have been outstanding during the year.

	1 January - 30 June 2008	**1 April - 30 June 2008**	**1 January - 30 June 2007**	**1 April - 30 June 2007**
Earnings per share in full YTL				
- ordinary share ('000)	3,97	1,38	3,32	2,19
Weighted average number of shares with YTL 1,000 face value each				
- ordinary shares	180.000.000.000	180.000.000.000	180.000.000.000	180.000.000.000

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and revaluation surplus calculated before 1 January 2004. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and for each earlier year. When the number of ordinary shares outstanding increases as a result of bonus shares after the balance sheet date but before the issue of financial statements, the earnings per share calculation is based on the new number of shares. No bonus shares were issued during the period 1 January - 30 June 2008.

The earnings attributable to each class of shares for each period are as follows:

	Vaksa share	**Ordinary shares**	**Total**
1 January - 30 June 2008	22.114	715.036	737.150
1 April - 30 June 2008	7.661	247.706	255.367
1 January - 30 June 2007	18.476	597.403	615.879
1 April - 30 June 2007	12.177	393.739	405.916

There were no differences between the basic and diluted earnings per share for any class of shares for any of these periods.

(*) In the six-month period ended 30 June 2008, Bossa purchased usufruct shares for YTL 3.096.

(**) In the six-month period ended 30 June 2007, Pilsa and Kordsa purchased usufruct shares for YTL 6.557 and YTL 14.532, respectively.

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

NOTE 31 - RELATED PARTY DISCLOSURES

Due from related parties included in Trade receivables are as follows:

Due from related parties:	**30 June 2008**	**31 December 2007**
Brisa	3.585	3.143
Akçansa	1.029	540
Diasa	334	49
Olmuksa	236	341
Carrefoursa	143	187
Beksa	-	87
Other	4.988	7.353
Total	**10.315**	**11.700**

Due to related parties included in Trade payables are as follows:

Due to related parties:	**30 June 2008**	**31 December 2007**
Enerjisa	5.311	4.542
Brisa	1.429	5.076
Olmuksa	181	187
Other	359	1.235
Total	**7.280**	**11.040**

Executive management personnel compensation:	**30 June 2008**	**30 June 2007**
Executive management personnel compensation	37.056	33.126

NOTE 32 - FINANCIAL RISK MANAGEMENT

32.1 Financial Instruments and Financial Risk Management

32.1.1 Financial Risk Management

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

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

NOTE 32 - FINANCIAL RISK MANAGEMENT (Continued)

32.1.1.1 Foreign Exchange Risk

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency assets and liabilities to local currency. These risks are monitored and limited by 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 Euro, US dollar and UK pound.

The foreign exchange risk of Group companies other than that of the banking segment is as follows (please refer to 32.1.1.1 for the foreign exchange risk of the Banking segment).

At 30 June 2008, if the Euro had strengthened/weakened by 10% against the YTL with all other variables held constant, income before tax and minority interest would have been YTL 5.118 (30 June 2007: YTL 26.836) lower/higher, mainly as a result of foreign exchange losses/gains on the translation of Euro assets and liabilities.

At 30 June 2008, if the US dollar had strengthened/weakened by 10% against the YTL with all other variables held constant, income before tax and minority interest would have been YTL 12.952 (30 June 2007: YTL 27.167 lower/higher) higher/lower, mainly as a result of foreign exchange losses/gains on the translation of US dollar assets and liabilities.

At 30 June 2008, if the GBP had strengthened/weakened by 10% against the YTL with all other variables held constant, income before tax and minority interest would have been YTL 5.355 (30 June 2007: YTL 31.811) higher/lower, mainly as a result of foreign exchange gains/losses on translation of GBP assets and liabilities.

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

NOTE 32 - FINANCIAL RISK MANAGEMENT (Continued)

Foreign currency denominated assets and liabilities held by the Group before consolidation eliminations at 30 June 2008 and 31 December 2007 terms of YTL are as follows:

	30 June 2008	31 December 2007
Assets	35.111.188	29.809.256
Liabilities	(37.991.094)	(29.779.885)
Net foreign currency balance sheet position	**(2.879.906)**	**29.371**
Net foreign currency position of banking segment off-balance sheet derivative financial instruments	2.861.362	(9.333)
Net foreign currency balance sheet and off-balance sheet position	**(18.544)**	**20.038**

	30 June 2008				
	USD	**EUR**	**GBP**	**Other**	**Total**
Cash and cash equivalents	1.816.379	3.280.889	63.711	74.436	5.235.415
Derivative financial instruments	50.314	10.183	-	319	60.816
Reserve deposits at Central Bank	1.693.942	-	-	-	1.693.942
Receivables from financial operations	13.475.379	7.037.891	61.784	66.256	20.641.310
Financial assets	4.223.785	2.410.591	-	-	6.634.376
Trade receivables	178.606	393.932	31.637	41.909	646.084
Other current assets	23.755	127.926	12.368	35.196	199.245
Total foreign currency denominated assets	**21.462.160**	**13.261.412**	**169.500**	**218.116**	**35.111.188**
Borrowings	7.021.004	5.936.751	11.153	59.867	13.028.775
Customer deposits	11.252.974	11.868.433	724.300	203.120	24.048.827
Derivative financial instruments	53.231	18.202	-	521	71.954
Trade payables	106.304	227.366	2.172	53.296	389.138
Other payables	205.593	127.616	13.405	105.786	452.400
Total foreign currency denominated liabilities	**18.639.106**	**18.178.368**	**751.030**	**422.590**	**37.991.094**
Net balance sheet position	**2.823.054**	**(4.916.956)**	**(581.530)**	**(204.474)**	**(2.879.906)**
Net foreign currency position of off-balance sheet derivative financial instruments	**(2.564.532)**	**4.655.903**	**612.130**	**157.861**	**2.861.362**
Net foreign currency balance sheet and off-balance sheet position	**258.522**	**(261.053)**	**30.600**	**(46.613)**	**(18.544)**

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

NOTE 32 - FINANCIAL RISK MANAGEMENT (Continued)

	31 December 2007				
	USD	**EUR**	**GBP**	**Other**	**Total**
Cash and cash equivalents	1.147.776	2.016.418	45.106	54.129	3.263.429
Derivative financial instruments	28.891	17.991	-	-	46.882
Reserve deposits at Central Bank	-	1.545.654	-	-	1.545.654
Receivables from financial operations	9.666.557	5.581.617	26.165	42.568	15.316.907
Financial assets	6.754.187	2.189.459	-	-	8.943.646
Trade receivables	190.310	287.179	54.196	38.716	570.401
Other current assets	19.580	71.415	3.026	28.316	122.337
Total foreign currency denominated assets	**17.807.301**	**11.709.733**	**128.493**	**163.729**	**29.809.256**
Borrowings	6.215.537	4.187.420	11.844	52.928	10.467.729
Customer deposits	9.831.632	8.130.777	556.830	165.601	18.684.840
Derivative financial instruments	19.658	29.093	-	-	48.751
Trade payables	95.512	180.400	16.642	46.446	339.000
Other payables	99.963	97.595	7.052	34.955	239.565
Total foreign currency denominated liabilities	**16.262.302**	**12.625.285**	**592.368**	**299.930**	**29.779.885**
Net balance sheet position	**1.544.999**	**(915.552)**	**(463.875)**	**(136.201)**	**29.371**
Net foreign currency position of off-balance sheet derivative financial instruments	**(1.453.798)**	**789.723**	**492.446**	**162.296**	**(9.333)**
Net foreign currency balance sheet and off-balance sheet position	**91.201**	**(125.829)**	**28.571**	**26.095**	**20.038**

	USD	
	30 June 2008	**30 June 2007**
Total export amount	633.800	632.700
Total import amount	978.100	817.600

Ratio of the total hedging of foreign currency exposure

	30 June 2008	**31 December 2007**
USD	115%	110%
EUR	73%	93%
GBP	23%	22%

32.1.1.2 Interest Rate Risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rate expose the Group to fair value interest rate risk. During 2008 and 2007, the Group's borrowings at variable rate are denominated in YTL, US dollar and Euro.

NOTE 32 - FINANCIAL RISK MANAGEMENT (Continued)

32.1.1.3 Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business the Group aims to maintaining flexibility in funding by keeping committed credit lines available.

A major objective of Akbank's asset and liability management is to ensure that sufficient liquidity is available to meet Akbank's commitments to customers and to satisfy Akbank's own liquidity needs. The ability to fund the existing and prospective debt requirements is managed by maintaining sufficient cash and marketable securities.

The primary funding sources of Akbank are equity placed in interest bearing assets, well-distributed and stable deposits and medium to long term borrowings obtained from international markets.

In spite of a substantial portion of deposits from individuals being short-term, diversification of these deposits by number and type of depositors together with the past experience of Akbank indicate that these deposits will provide a long-term and stable source of funding for Akbank.

32.1.1.4 Credit Risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by credit ratings and by limiting the aggregate risk to any individual counterparty. The credit risk is generally highly diversified due to the large number of entities comprising the customer base and their dispersion across many different industries.

The credit risk on all products of Akbank including placements to customers, commitments and letters of credit is managed by detailed loan policies and procedures.

Akbank rates all borrowers and third parties in order to assess the quality of loans provided. The credit risk analysis is based on the Basel II Advanced Risk Decisioning and Monitoring approach (Advanced IRB).

Scoring systems calculate the risk of default for different types of customers and form different rating systems for corporate, commercial, Small and Medium size Enterprise, customer and credit card loans.

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

NOTE 32 - FINANCIAL RISK MANAGEMENT (Continued)

The credit risk analysis on loans and advances by credit rating at 30 June 2008 is as follows:

30 June 2008	Corporate	Consumer	Credit Card	Total
Investment grade	33.076.274	9.301.419	4.126.239	46.503.932
Standard monitoring	1.094.680	670.321	240.682	2.005.683
Loans under follow-up	676.543	193.433	84.710	954.686
Total	34.847.497	10.165.173	4.451.631	49.464.301
General provision	(193.781)	(56.333)	(175.882)	(425.996)
Specific provision	(676.543)	(193.433)	(84.710)	(954.686)
Total provision	(870.324)	(249.766)	(260.592)	(1.380.682)
Loans and advances, net	**33.977.173**	**9.915.407**	**4.191.039**	**48.083.619**

The credit risk analysis on loans and advances by credit rating at 31 December 2007 is as follows:

31 December 2007	Corporate	Consumer	Credit Card	Total
Investment grade	25.654.604	8.137.838	3.651.369	37.443.811
Standard monitoring	953.145	626.211	236.255	1.815.611
Loans under follow-up	526.434	200.743	280.451	1.007.628
Total	27.134.183	8.964.792	4.168.075	40.267.050
General provision	(131.591)	(33.254)	(128.780)	(293.625)
Specific provision	(526.434)	(200.743)	(280.451)	(1.007.628)
Total provision	(658.025)	(233.997)	(409.231)	(1.301.253)
Loans and advances, net	**26.476.158**	**8.730.795**	**3.758.844**	**38.965.797**

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

NOTE 32 - FINANCIAL RISK MANAGEMENT (Continued)

The maximum exposure of the banking segment to credit risk is as follows:

	30 June 2008	31 December 2007
Due from banks	3.340.562	1.572.712
Loans and advances	48.083.619	38.965.797
loans to individuals	14.106.446	12.489.639
- credit cards	4.191.039	3.758.844
- consumer loans	9.915.407	8.730.795
loans and advances to corporate customers	33.977.173	26.476.158
Lease receivables	776.127	651.160
Trading securities	2.274.991	4.813.851
Derivative financial instruments	139.433	81.282
Financial assets	20.785.622	21.005.426
Other assets	617.418	432.724
Total	**76.017.772**	**67.522.952**

Moody's rating analysis of trading securities and available for sale financial assets in the banking segment at 30 June 2008 and 31 December 2007 is as follows:

30 June 2008	Fair value through profit or loss	Available for sale financial assets	Total
Aaa	-	49.268	49.268
A1, A2, A3	-	92.812	92.812
Baa1, Baa2, Baa3	-	77.979	77.979
Ba3 **(*)**	2.293.230	20.537.698	22.830.928
B1, B2, B3	-	9.626	9.626
Total	**2.293.230**	**20.767.383**	**23.060.613**

31 December 2007	Fair value through profit or loss	Available for sale financial assets	Total
Aaa	-	6.072	6.072
A1, A2, A3	-	46.344	46.344
Baa1, Baa2, Baa3	-	23.260	23.260
Ba3 **(*)**	4.813.851	20.929.750	25.743.601
Total	**4.813.851**	**21.005.426**	**25.819.277**

(*) Government bond and treasury bills of Turkish Treasury.

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

NOTE 32 - FINANCIAL RISK MANAGEMENT (Continued)

The geographical distribution of financial assets of the banking segment at 30 June 2008 and 31 December 2007 is as follows:

30 June 2008	**Turkey**	**US**	**European Union**	**Non-European Union**	**Total**
Due from other banks	114.932	342.775	2.811.088	71.767	3.340.562
Loans and advances	**45.592.501**	**434.624**	**1.508.108**	**548.386**	**48.083.619**
Loans and advances to customers	**14.106.446**	**-**	**-**	**-**	**14.106.446**
- credit cards	4.191.039	-	-	-	4.191.039
- consumer loan	9.915.407	-	-	-	9.915.407
Loans and advances to corporate customers	**31.486.055**	**434.624**	**1.508.108**	**548.386**	**33.977.173**
Lease receivables	776.127	-	-	-	776.127
Trading securities	2.274.991	-	-	-	2.274.991
Derivative financial instruments	13.157	702	125.574	-	139.433
Financial assets	20.555.938	-	229.684	-	20.785.622
Other assets	492.359	-	125.059	-	617.418
Total	**69.820.005**	**778.101**	**4.799.513**	**620.153**	**76.017.772**

31 December 2007	**Turkey**	**US**	**European Union**	**Non-European Union**	**Total**
Due from other banks	212.038	426.407	884.123	50.144	1.572.712
Loans and advances	**38.092.236**	**11.441**	**405.239**	**456.881**	**38.965.797**
Loans and advances to customers	**12.489.639**	**-**	**-**	**-**	**12.489.639**
- credit cards	3.758.844	-	-	-	3.758.844
- consumer loan	8.730.795	-	-	-	8.730.795
Loans and advances to corporate customers	**25.602.597**	**11.441**	**405.239**	**456.881**	**26.476.158**
Lease receivables	651.160	-	-	-	651.160
Trading securities	4.813.851		-	-	4.813.851
Derivative financial instruments	42.422	-	38.860	-	81.282
Financial assets	20.919.296	110	86.020	-	21.005.426
Other assets	380.514	-	52.210	-	432.724
Total	**65.111.517**	**437.958**	**1.466.452**	**507.025**	**67.522.952**

32.1.1.5 Value at Risk

Akbank considers foreign exchange risk and interest rate risk as two significant factors of market risk. The Risk Management Committee sets risk limits for market risk and closely monitors the risk limits in the light of market conditions. The determined limits are subject to an approval mechanism and authority limitations which enhance the control effectiveness. The market risk is measured based on investment securities portfolio and an analysis of market risk that also includes the foreign exchange risk is reported to the Risk Management Committee of Akbank.

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

NOTE 32 - FINANCIAL RISK MANAGEMENT (Continued)

The table (*) below represents average market risk table at 30 June 2008 and 31 December 2007 calculated in accordance with the "Standard Method for Market Risk Calculations" as set out in Section 3 of the "Regulation Regarding Measurement and Evaluation of the Bank's Capital Adequacy Ratio", published in the Official Gazette No.26333 dated 1 November 2006, "Calculation of Market Risk with the Standard Method".

	30 June 2008			31 December 2007		
	Average	**High**	**Low**	**Average**	**High**	**Low**
Interest rate risk	165.878	186.283	145.473	173.305	193.594	167.506
Foreign exchange risk	28.825	36.124	21.525	51.996	62.026	39.077
Equities risk	625	667	584	1.445	954	598
Total (**)	**195.328**	**223.074**	**167.582**	**226.746**	**256.574**	**207.181**
Total amount subject to market risk	**2.441.600**	**2.788.425**	**2.094.775**	**2.834.325**	**3.207.175**	**2.589.763**

(*) The table above has been prepared using Akbank's consolidated financial statements prepared in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, related to the 5411 numbered Banking Law which refers to "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all "Turkish Accounting Standards" or "TAS") published by the Banking Regulation and Supervision Agency.

(**) Total balance represents the total capital to be employed for market risk.

32.1.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. Net debt is calculated as the total liability less cash and cash equivalents and tax liabilities (current period and deferred income tax liabilities).

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

NOTE 32 - FINANCIAL RISK MANAGEMENT (Continued)

The net liability/invested capital ratios at 30 June 2008 and 31 December 2007 are as follows:

	30 June 2008	**31 December 2007**
Total liability	75.581.853	62.749.391
Cash and cash equivalents	(6.963.248)	(2.901.156)
Net liability	68.618.605	59.848.235
Equity	16.426.195	16.064.954
Invested capital	85.044.800	75.913.189
Net liability/invested capital ratio	81%	79%

NOTE 33 - FINANCIAL INSTRUMENTS

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Holding and its Subsidiaries and Joint Ventures using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Holding and its Subsidiaries and Joint Ventures could realise in a current market exchange.

For all other segments other than those of the banking segment the following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value.

<u>Financial assets</u>

The fair value of the foreign currency denominated amounts, which are translated by using the exchange rates prevailing at period-end, is considered to approximate their fair value.

The fair values of certain financial assets carried at cost including cash and due from banks, deposits with banks and other financial assets are considered to approximate their respective carrying values due to their short-term nature. The fair value of investment securities has been estimated based on the market prices at balance sheet dates.

The trade receivables along with the related allowances for uncollectibility are carried at amortised cost using the effective yield method, and hence are considered to approximate their fair values.

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

NOTE 33 - FINANCIAL INSTRUMENTS (Continued)

Financial liabilities

The fair value of short-term funds borrowed and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Long-term borrowings, which are principally at variable rates and denominated in foreign currencies, are translated at year-end exchange rates and accordingly their carrying amounts approximate their fair values.

Trade payables are stated at their fair values and accordingly their carrying amounts approximate their fair values.

Derivative financial instruments

The fair value of forward foreign exchange contracts and currency/interest rate swaps is estimated based on quoted market rates prevailing at the balance sheet date.

The carrying value and fair value of financial assets and liabilities in the banking segment at 30 June 2008 and 31 December 2007 are as follows:

	30 June 2008		31 December 2007	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Due from banks	3.340.562	3.340.562	2.667.900	2.667.900
Loans and advances to customers	48.083.619	48.531.239	38.965.797	39.368.261
Trading securities	2.274.991	2.274.991	4.813.851	4.813.851
Available for sale financial assets	20.785.622	20.785.622	21.005.426	21.005.426
Other financial assets	-	-	812.293	812.293
Total financial assets	**74.484.794**	**74.932.414**	**68.265.267**	**68.667.731**
Deposits from other banks	2.747.946	2.747.946	1.939.964	1.939.964
Repo agreements	8.300.358	8.300.358	5.885.513	5.885.513
Other deposits	46.869.512	56.228.760	48.418.300	48.145.497
Funds borrowed	12.119.174	12.119.174	9.645.144	9.645.144
Total financial liabilities	**70.036.990**	**79.396.238**	**65.888.921**	**65.616.118**

NOTE 34 - EVENTS AFTER BALANCE SHEET DATE

1. In accordance with the share transfer agreement signed on 5 August 2008, Group, sold its 50,12% share in its subsidiary, Bossa, to Akkardan Sanayi ve Ticaret A.Ş for a consideration of USD 76.433.000. The transfer of the shares will be realized after the grant of necessary permissions.

2. The procedures of the share purchase agreement signed on 23 May 2008 to sell the 49,99% share of Group in its joint venture Beksa to Bekaert Iberica Holding S.L. has been completed on 24 July 2008 and the share price amounting to EUR 39.402.875 was collected in cash.

3. Holding, purchased Akçansa shares from Aksigorta in accordance with the decision dated 17 July 2008 and the effective rate of interest of the Holding in Akçansa is increased from 32,24% to 39,72%.

4. Holding, Verbund and Enerjisa joint venture group has won the privatization tender of Privatization Agency of Republic of Turkey concerning Başkent Elektrik Dağıtım A.Ş which is owned by Türkiye Elektrik Dağıtım A.Ş on 1 July 2008 with the highest bid of USD 1.2 billion. The transfer of the shares will be realized after the grant of necessary permissions.

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