HACI ÖMER SABANCI HOLDİNG A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 30 JUNE 2007
TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT

PRICEWATERHOUSECOOPERS

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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 interim balance sheet of Hacı Ömer Sabancı Holding A.Ş. and its subsidiaries (together, the "Group") as of 30 June 2007 and the related consolidated interim 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").

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 the Group as at 30 June 2007, 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, measurement principles and disclosure requirements for retirement benefits and presentation of basic financial statements and the notes to them. 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

Istanbul, 3 September 2007

HACI ÖMER SABANCI HOLDİNG A.Ş.

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AT 30 JUNE 2007 AND 31 DECEMBER 2006

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

	Notes	(Reviewed) 30 June 2007	31 December 2006
ASSETS			
Current assets		**43.671.155**	**45.080.012**
Cash and cash equivalents	4	3.211.571	4.855.781
Marketable securities (net)	5	5.508.223	6.635.388
Financial assets (net)			
- Available for sale	16.a	5.829.822	7.370.306
- Held-to-maturity	16.b	13.200	8.152
Derivative financial instruments	44	56.987	91.005
Reserve deposits with the Central Bank of the Republic of Turkey		2.661.723	2.692.777
Loans and advances to customers	45	22.595.270	20.081.532
Trade receivables (net)	7	1.556.367	1.409.384
Lease receivables (net)	8	140.901	209.060
Due from related parties (net)	9	12.294	21.616
Other receivables (net)	10	411.261	377.423
Biological assets (net)	11	-	-
Inventories (net)	12	1.256.311	1.262.648
Non-current assets held for sale	35	344.991	-
Receivables from construction contracts work in progress (net)	13	-	-
Deferred income tax assets	14	-	-
Other current assets	15	72.234	64.940
Non-current assets		**33.235.628**	**22.136.438**
Loans and advances to customers	45	12.010.620	9.303.174
Trade receivables (net)	7	32.567	30.147
Lease receivables (net)	8	435.833	278.153
Due from related parties (net)	9	-	-
Other receivables (net)	10	36.551	37.859
Financial assets (net)			
- Available for sale	16.a	15.666.372	7.296.683
- Held-to-maturity	16.b	-	-
- Investments	16.c	157.355	181.814
Goodwill/negative goodwill (net)	17	367.880	281.452
Investment properties (net)	18	244.357	277.438
Property, plant and equipment (net)	19	3.804.559	4.039.211
Intangible assets (net)	20	344.663	267.164
Deferred income tax assets	14	134.871	143.343
Other non-current assets	15	-	-
Total Assets		**76.906.783**	**67.216.450**

These consolidated interim financial statements have been approved by the Board of Directors on 3 September 2007 and signed on its behalf by Nedim Bozfakioğlu and Cezmi Kurtuluş.

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

CONSOLIDATED BALANCE SHEETS
AT 30 JUNE 2007 AND 31 DECEMBER 2006

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

	Notes	(Reviewed) 30 June 2007	31 December 2006
LIABILITIES			
Current liabilities		**55.662.675**	**47.739.897**
Short-term borrowings (net)	6	4.203.072	3.757.903
Current portion of long-term borrowings (net)	6	862.405	693.027
Banking customer deposits	46	46.937.210	40.152.004
Derivative financial instruments	44	71.482	74.341
Lease payables (net)	8	2.649	4.022
Other financial liabilities (net)	10	-	-
Insurance technical reserves		274.220	223.325
Trade payables (net)	7	920.054	977.413
Due to related parties (net)	9	25.824	8.199
Advances received	21	27.139	19.107
Liabilities directly associated with non-current assets held for sale	35	342.253	-
Construction contracts progress billings (net)	13	-	-
Provisions	23	200.786	122.456
Current liabilities	15	198.534	217.020
Deferred income tax liabilities	14	-	-
Other current liabilities (net)	10	1.597.047	1.491.080
Non-current liabilities		**6.333.402**	**7.625.168**
Long-term borrowings (net)	6	5.469.797	6.766.744
Banking customer deposits	46	308.705	377.115
Lease payables (net)	8	3.706	2.983
Other financial liabilities (net)	10	-	-
Trade payables (net)	7	-	1.444
Due to related parties (net)	9	-	-
Advances received	21	-	-
Insurance technical reserves		58.856	59.802
Provisions	23	151.875	150.298
Deferred income tax liabilities	14	202.224	210.162
Government grants	30	-	-
Other payables (net)	10	138.239	56.620
MINORITY INTERESTS	**24**	**7.543.965**	**4.997.041**
- Sabancı family members		2.263.178	2.094.194
- Others		5.280.787	2.902.847
SHAREHOLDERS' EQUITY		**7.366.741**	**6.854.344**
Share capital	**25**	**1.800.000**	**1.800.000**
Treasury shares	**25**	**-**	**-**
Capital reserves	**26**	**3.925.925**	**3.861.820**
Share premium		21.670	21.670
Share cancellation gains		-	-
Revaluation fund		8.858	10.496
Fair value reserve of financial assets		11.476	(54.267)
Inflation adjustment to shareholders' equity		3.883.921	3.883.921
Profit reserves	**27**	**302.099**	**329.042**
Legal reserves		113.797	92.463
Statutory reserves		-	-
Extraordinary reserves		478.007	478.007
Special reserves		-	-
Investment and property sales income to be added to the share capital		-	-
Translation reserve		(289.705)	(241.428)
Net income for the period		**615.879**	**494.049**
Retained earnings	**28**	**722.838**	**369.433**
Total liabilities and shareholders' equity		**76.906.783**	**67.216.450**
Commitments and contingent assets and liabilities	31		

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

UNAUDITED CONSOLIDATED STATEMENT OF INCOME FOR THE SIX-MONTH AND THREE-MONTH PERIODS ENDED 30 JUNE 2007 AND 2006

(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 2007	1 April - 30 June 2007	1 January - 30 June 2006	1 April - 30 June 2006
OPERATING REVENUE	**36**	**9.302.276**	**4.893.366**	**8.086.046**	**4.247.868**
Sales (net)	36	9.302.276	4.893.366	8.086.046	4.247.868
Cost of sales (-)		(6.542.028)	(3.418.055)	(5.705.612)	(3.083.367)
GROSS PROFIT		**2.760.248**	**1.475.311**	**2.380.434**	**1.164.501**
Operating expenses (-)	37	(1.417.006)	(759.995)	(1.291.714)	(717.159)
OPERATING PROFIT		**1.343.242**	**715.316**	**1.088.720**	**447.342**
Other income	38	370.057	283.000	335.870	222.699
Other expenses (-)	38	(89.697)	(66.529)	(12.966)	(10.260)
Financial expenses (-)	39	(205.836)	(136.550)	(293.976)	(250.197)
Income from associates	16	64.906	35.436	86.246	53.973
INCOME BEFORE MONETARY LOSS, MINORITY INTEREST AND TAX		**1.482.672**	**830.673**	**1.203.894**	**463.557**
Monetary gain/(loss)	40	-	-	-	-
PROFIT/LOSS OF MINORITY INTEREST	**24**	**(814.109)**	**(530.050)**	**(537.594)**	**(154.289)**
- Sabancı family members		(199.947)	(139.944)	(228.240)	(70.278)
- Others		(614.162)	(390.106)	(309.354)	(84.011)
INCOME BEFORE TAX		**668.563**	**300.623**	**666.300**	**309.268**
Taxation on income	41	(52.684)	105.293	(347.100)	(179.995)
NET INCOME FOR THE PERIOD		**615.879**	**405.916**	**319.200**	**129.273**
Earnings per share - thousands of ordinary shares (YTL)	42	3,32	2,19	1,72	0,70

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

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2007 AND 2006

(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 in excess of par value	Revaluation reserve	Fair value reserve of financial assets	Inflation adjustment to shareholders equity	Legal reserves	Extraordinary reserves	Translation reserve	Net income for the period	Retained earnings	Total
Balances at 1 January 2006	**1.800.000**	**21.670**	**12.455**	**92.213**	**3.883.921**	**76.136**	**567.538**	**(361.560)**	**689.765**	**17.021**	**6.799.159**
Transfers	-	-	-	-	-	16.327	179.794	-	(689.765)	493.644	-
Effect of change in the effective rate of subsidiaries	-	-	-	-	-	-	-	-	-	8.291	8.291
Purchase of usufruct shares (Note 42)	-	-	-	-	-	-	-	-	-	(269.325)	(269.325)
Dividends paid	-	-	-	-	-	-	-	-	-	(134.760)	(134.760)
Transfer from revaluation reserve	-	-	(2.040)	-	-	-	-	-	-	2.040	-
Available for sale investments net fair value losses, net of tax	-	-	-	(270.552)	-	-	-	-	-	-	(270.552)
Currency translation differences	-	-	2.746	-	-	-	-	179.160	-	-	181.906
Net income for the period	-	-	-	-	-	-	-	-	319.200	-	319.200
Balances at 30 June 2006	**1.800.000**	**21.670**	**13.161**	**(178.339)**	**3.883.921**	**92.463**	**747.332**	**(182.400)**	**319.200**	**116.911**	**6.633.919**
Balances at 1 January 2007	**1.800.000**	**21.670**	**10.496**	**(54.267)**	**3.883.921**	**92.463**	**478.007**	**(241.428)**	**494.049**	**369.433**	**6.854.344**
Transfers	-	-	-	-	-	21.334	-	-	(494.049)	472.715	-
Effect of change in the effective rate of subsidiaries	-	-	-	-	-	-	-	-	-	89.540	89.540
Purchase of usufruct shares (Note 42)	-	-	-	-	-	-	-	-	-	(21.089)	(21.089)
Dividends paid	-	-	-	-	-	-	-	-	-	(189.399)	(189.399)
Transfer from revaluation reserve	-	-	(1.638)	-	-	-	-	-	-	1.638	-
Available for sale investments net fair value gains, net of tax	-	-	-	65.743	-	-	-	-	-	-	65.743
Currency translation differences	-	-	-	-	-	-	-	(48.277)	-	-	(48.277)
Net income for the period	-	-	-	-	-	-	-	-	615.879	-	615.879
Balances at 30 June 2007	**1.800.000**	**21.670**	**8.858**	**11.476**	**3.883.921**	**113.797**	**478.007**	**(289.705)**	**615.879**	**722.838**	**7.366.741**

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 2007 AND 2006

(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 2007	1 January - 30 June 2006
Income before taxation and minority interests		1.482.672	1.203.894
Adjustments to reconcile income before taxation and outside interest to net cash provided by operating activities:			
Depreciation and amortisation		220.174	241.727
Provision for loan losses		208.394	129.117
Impairment of non-current assets held for sale	35	60.694	-
Remeasurement of derivatives at fair value		31.159	(76.713)
Change in employment termination benefits reserve	23	15.858	29.423
Goodwill charge to the income statement	17	-	10.902
Impairment charge on property, plant and equipment and investment property		-	2.603
Currency translation adjustment		(33.971)	44.338
Insurance technical reserves		(55.164)	(61.906)
Income from associates		(64.906)	(86.246)
Income on sale of subsidiaries	38	(83.596)	-
Other		(22.052)	(38.368)
Net cash provided by operating activities before changes in operating assets and liabilities		**1.759.262**	**1.398.771**
Changes in operating assets and liabilities:			
Increase in trade receivable		(226.562)	(438.452)
(Increase)/decrease in due from related parties		(6.980)	92
Increase in inventory		(45.652)	(253.719)
Decrease/(increase) in other receivables and other current assets		198.715	(362.954)
Increase in lease receivables		(85.148)	(160.296)
(Decrease)/increase in trade payables		(18.471)	105.217
Increase in due to related parties		58.459	3.012
Increase in insurance technical reserve		105.113	110.525
Increase in other liabilities and advances received		232.068	543.953
Changes in assets and liabilities in banking segment			
Decrease/(increase) in marketable securities		1.127.163	(801.103)
Increase in loans		(5.429.578)	(5.761.435)
Increase in customer deposits		6.716.796	1.547.828
Decrease in reserve with the Central Bank of the Republic of Turkey		31.054	2.023.228
		2.656.977	**(3.444.104)**
Income taxes paid		(299.816)	(476.472)
Employment termination benefits paid	23	(9.286)	(18.016)
Net cash provided/(used in) by operating activities		**4.107.137**	**(2.539.821)**
Cash flows from investing activities:			
Capital expenditures		(628.872)	(377.986)
Investment in available-for-sale and held-to-maturity securities (non-banking segments)		(6.663.579)	1.125.329
Cash used in business combinations		(173.571)	-
Establishment of subsidiary		24.454	-
Change due to change in scope of consolidation		60.947	-
Proceeds from sale of subsidiary		160.317	-
Partial disposal of a subsidiary		131.671	25.950
Proceeds from sale of property, plant and equipment		73.736	64.402
Dividends received		94.863	40.412
Net cash by (used in)/provided investing activities		**(6.920.034)**	**878.107**
Cash flows from financing activities:			
(Decrease)/increase in short term funds borrowed, bank borrowings and debt securities in issue		(184.418)	2.697.799
Decrease in finance lease payables		(650)	(1.845)
Dividends paid		(189.399)	(134.760)
Acquisition of usufruct shares	42	(21.089)	(269.325)
Dividends paid to outside interests	24	(492.729)	(374.283)
Increase in share capital of outside interests		200.000	7.083
Increase in share premium of outside interests		1.700.000	-
Change in the effective rate of subsidiaries		156.972	25.950
Net cash provided by financing activities		**1.168.687**	**1.950.619**
Net (decrease)/increase in cash and cash equivalents		**(1.644.210)**	**288.905**
Cash and cash equivalents at the beginning of the period	**4**	**4.855.781**	**4.255.300**
Cash and cash equivalents at the end of the period	**4**	**3.211.571**	**4.544.205**

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

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 25). The address of the registered office is as follows:

Sabancı Center, 4. Levent, Istanbul, Turkey.

Subsidiaries

The business nature of the business of the Subsidiaries consolidated in these consolidated interim financial statements and, for the purposes of these consolidated interim financial statements, their respective business segments at 30 June 2007 are as follows:

Subsidiaries	Nature of business	Business segment
Akbank T.A.Ş. ("Akbank")	Banking	Finance
Sabancı Bank Limited ("Sabank") **(1)**	Banking	Finance
Ak Uluslararası Bankası A.Ş. ("Ak Uluslararası")	Banking	Finance
Ak Emeklilik A.Ş. ("Ak Emeklilik")	Pension	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 Termo Mekanik Sanayi ve Ticaret A.Ş. ("Temsa")	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
Oysa Çimento Sanayi ve Ticaret A.Ş. ("Oysa") **(2)**	Cement and clinker	Cement
Gıdasa Sabancı Gıda Sanayi ve Ticaret A.Ş. ("Gıdasa")	Food and beverage	Food
Teknosa İç ve Dış Ticaret A.Ş. ("Teknosa")	Trade	Retailing
Exsa Export Sanayi Mamülleri 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 processing systems	Other
Pilsa Plastik Sanayi ve Ticaret A.Ş. ("Pilsa")	Plastics	Other

(1) Akbank NV, a subsidiary of Akbank operating in the Netherlands, and Sabank has applied to the Crown Court of United Kingdom in order to receive the authorisation for the transfer of assets and liabilities. Following the approval by the Court, the assets and liabilities of Sabancı Bank Limited relating to banking operations will be transferred to the London branch of Akbank NV.

(2) The Group acquired 41,09% shares of Oysa Çimento which is owned by Oyak Group on 30 April, 2007. The company is consolidated as a Subsidiary of the Holding effective from this date.

(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)

For the purposes of segment information, Holding's stand-alone financial statements have been included within the "Other" business segment (Note 33).

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

Joint Ventures

The nature of the business of the Joint Ventures proportionally consolidated in these consolidated interim financial statements at 30 June 2007 and, for the purposes of these consolidated interim financial statements, their respective business segments are as follows:

Joint Ventures	Nature of business	Segment	Venturer
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	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	Olmuksa and Kartonsan

(*) The Group sold a portion of its investment in Enerjisa to Elektrizitätswirtschafts-Aktiengesellschaft ("Verbund") on 31 May 2007. At 31 December 2006, the Group had a direct and indirect ownership of 94,44% on Enerjisa and after the partial sale of shares to Verbund, Enerjisa became a joint venture with a shareholding structure of 49,99%-49,99% by each venturers. Effect from 1 June 2007, Enerjisa is included in the scope of consolidation as a joint venture.

All the Joint Ventures are registered in Turkey.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Financial Reporting Standards

Preparation of consolidated interim financial statements

The consolidated interim financial statements of the Company have been prepared in accordance with the accounting and reporting principles issued by the CMB ("CMB Financial Reporting Standards"). The CMB issued a comprehensive set of accounting principles in Communiqué No: XI-25 "The Accounting Standards in the Capital Markets" (the "Communiqué"). In the aforementioned Communiqué, it has been stated that applying the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") is accepted as an alternative to conform to the CMB Financial Reporting Standards. However, the Communiqué is effective for financial statements covering the first interim period after 10 January 2005. The CMB also issued the Communiqué No: XI-27 "Changes in the Accounting Standards in the Capital Markets" stating that applying International Financial Reporting Standards is in line with the requirements stated in the Communiqué.

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.

These consolidated interim financial statements and the related notes have been presented in accordance with the formats required by the CMB.

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 interim 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.

(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 Basis of consolidation

a) The consolidated interim 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 interim financial statements, and are prepared in accordance with CMB Financial Reporting Standards as explained in Note 2.1. The result of operations of Subsidiaries, Joint Ventures and Associates are included or excluded in these consolidated interim 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.

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 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	36,73
Ak Emeklilik	99,41	-	99,41	61,61
Aksigorta	61,98	-	61,98	61,98
Bossa	50,12	23,14	73,26	50,12
Bimsa	95,11	-	95,11	90,10
Çimsa	50,80	2,06	52,86	49,82
Exsa	45,70	54,30	100,00	27,71
Exsa UK	100,00	-	100,00	99,06
Gıdasa	99,68	-	99,68	99,67
Pilsa	51,23	48,77	100,00	51,23
Kordsa Global	91,11	-	91,11	91,11
Oysa Çimento (*)	82,18	-	82,18	61,56
Sabank	100,00	-	100,00	56,35
Sapeksa	52,84	44,87	97,71	36,42
Sabancı Telekom	100,00	-	100,00	100,00
Teknosa	51,92	48,08	100,00	51,91
Temsa	48,70	51,29	99,99	47,65
Toyotasa Pazarlama	65,00	-	65,00	65,00
Tursa	99,52	-	99,52	98,46
Universal	100,00	-	100,00	92,77
Yünsa	59,37	14,74	74,11	58,80

(*) The Group acquired 41,09% shares of Oysa Çimento which is owned by Oysa Group on 30 April, 2007. The company is consolidated as a subsidiary of the Holding effective from that date.

(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 effective interest of the Holding in these subsidiaries at 31 December 2006:

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	45,74	23,55	69,29	40,05
Ak Emeklilik	99,41	-	99,41	61,61
Aksigorta	61,98	-	61,98	61,98
Bossa	50,12	23,14	73,26	50,12
Bimsa	95,11	-	95,11	90,10
Çimsa	50,80	2,06	52,86	49,82
Enerjisa	94,44	-	94,44	90,79
Exsa	45,70	54,30	100,00	27,71
Exsa UK	100,00	-	100,00	99,06
Gıdasa	99,68	-	99,68	99,67
Pilsa	51,23	48,77	100,00	51,23
Kordsa Global	91,11	-	91,11	91,11
Sabank	100,00	-	100,00	58,50
Sapeksa	52,84	44,87	97,71	34,84
Sabancı Telekom	100,00	-	100,00	100,00
Teknosa	51,92	48,08	100,00	51,91
Temsa	48,70	51,29	99,99	47,65
Toyotasa Pazarlama	65,00	-	65,00	65,00
Tursa	99,52	-	99,52	98,46
Universal	100,00	-	100,00	92,77
Yünsa	59,37	14,74	74,11	54,13

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 2007 and result of operations for the period ended 30 June 2007 are insignificant to the overall consolidated interim 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 16.a).

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.

(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 the Joint Ventures and shows the proportion of ownership interest and effective interest of the Holding in these Joint Ventures at 30 June 2007:

Joint Ventures	Direct and indirect ownership interest by the Holding and its Subsidiaries %	Proportion of effective interest %
Akçansa	39,72	36,88
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 (*)	49,99	49,99
Olmuksa	43,73	43,73

(*) Enerjisa, which is owned by Group with an ownership percentage of 94,44% at 31 December 2006, was partly sold to Verbund on 31 May 2007. With a shareholding structure of 49,99%-49,99%, the company is consolidated as a Joint-Venture of Sabancı Holding effective from this date.

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 2006:

Joint Ventures	Direct and indirect ownership interest by the Holding and its Subsidiaries %	Proportion of effective interest %
Akçansa	39,72	36,88
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
Olmuksa	43,73	43,73
Oysa Çimento	41,09	20,47

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

d) Investments in Associates are accounted for by the equity method of accounting. These are entities over which the Holding generally has between 20% and 50% of voting rights, or over which the Holding has significant influence, but which it does not control. Unrealised gains that result from intercompany transactions between the Holding and its Associates are eliminated on consolidation, whereas unrealised losses are eliminated unless they do not address any impairment. Equity accounting is discontinued when the carrying amount of the investment in an Associate reaches zero, unless the Holding has incurred obligations or guaranteed obligations in respect of the Associates. Such Associates are accounted at fair value if the fair value can be determined objectively; otherwise, they are accounted at cost (Note 16.c and Note 2.e).

(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)

Associates whose financial position at 30 June 2007 and result of operations for the period ended 30 June 2007 are insignificant to the overall consolidated interim financial statements are not accounted for by the equity method of accounting. Such Associates are classified as available for sale equity securities (Note 16.a).

The table below sets out all Associates and shows the total interest of the Holding in these associates at 30 June 2007 and 31 December 2006:

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

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 16.a and 16.c).

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, Vaksa Hacı Ömer Sabancı Vakfı (the "Vaksa"), 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 interim financial statements their interests are treated as outside interests and are not included in the Holding's net assets and profits attributable to shareholders of the Holding.

(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)

2.3 Comparatives and restatement of prior period's financial statements

The sales revenue, cost of sales, other income and expenses of the retail industry segment at 30 June 2006 is offset as shown below for the purpose of consistent presentation of the financial information with the comparative period.

Sales (net)	(39.425)
Cost of sales	49.688
Other income and expenses	(4.510)
Financial expenses	(5.753)

2.4 Offsetting

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

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

The accounting principles described in Note 2 to the consolidated financial statements (defined as "CMB Accounting 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, measurement principles and disclosure requirements for retirement benefits and presentation of basic financial statements and the notes to them. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies other than Group accounting which is described in Note 2, followed in the preparation of the accompanying consolidated interim financial statements are summarised below:

3.1 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 (Note 4).

3.2 Sale and repurchase agreements

In the banking segment, securities sold subject to linked repurchase agreements ("repos") are retained in the interim 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 loans to banks. 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.

3.3 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 2006: 6%) and 11% (31 December 2006: 11%), respectively. Interest income is recognised quarterly using the interest rates determined by the Central Bank. The above mentioned interest rates at 30 June 2007 are 13,12% for YTL, 2,53% for USD and 1,97% for Euro.

3.4 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 7).

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5 Related parties

For the purpose of the consolidated interim 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 are disclosed in Note 9.

3.6 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 weighted average basis (Note 12). Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

3.7 Investment securities

In accordance with IAS 39, in the banking segment the Group classifies its investments in debt and equity securities in the three following categories; held-to-maturity, available-for-sale assets and assets held at fair value through profit or loss. 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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

3.8 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 2007. 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.

(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 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 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 18). 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.

3.10 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation in the consolidated interim financial statements (Note 19). 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.

3.11 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 20). The amortisation of mining rights commences when the extraction begins.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 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 25).

3.13 Research 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.

3.14 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.

3.15 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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.16 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 tax liabilities are recognised for all taxable temporary differences, whereas deferred 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 14 and 41).

3.17 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. In accordance with the New Law, the actuarial calculation of the liability should be performed by a commission including representatives from various institutions. The specified liability is to be paid in annual instalments for a period not exceeding 15 years. However on 2 November 2005, the President of the Turkish Republic applied to the Constitutional Court of Turkey for abrogation of the relevant article in the New Law. 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.

According to the technical balance sheet report prepared using the technical interest rate of 10,24% in accordance with the written decree published by the Council of Ministers in the Official Gazette dated 15 December 2006 No.26377 for the purpose of determining principles and procedures to be applied during the transfer, the "Pension Fund" has no technical or actual deficit at 31 December 2006. In addition, Akbank management envisions that the liability amount to be calculated at the transfer date within the framework stated above will be commensurate with the assets of the Fund and will not be a burden for Akbank. Moreover, in accordance with the article 58 and temporary article 7 of the Banking Law, banks cannot transfer any resources to these foundations for financing their deficits at 1 January 2008. The Banking Regulation and Supervision Agency ("BRSA") expressed its opinion regarding the announcement of temporary article 23, paragraph 1 of the Banking Law that the cancellation of the transfer of the Fund by the SSK will not have any impact on the measurement principles of the existing liability of the Bank calculated based on the above mentioned methodology in the subsequent periods.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The retirement right is calculated annually by independent actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using expected real interest rates for New Turkish Lira.

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 23.b).

3.18 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.

3.19 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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.20 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.

3.21 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.

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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.22 Leasing transactions

3.22.1 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 interim 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.

3.22.2 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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.23 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 33.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 33.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.

3.24 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 42 earnings per share are calculated in accordance with IAS 33 "Earnings Per Share".

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.25 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 interim 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 interim 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 period-end rates are included in translation reserve as a separate item in the shareholders' equity.

3.26 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 32).

3.27 Use of estimates

The preparation of consolidated interim 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 interim 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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.28 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 interim 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 interim financial statements.

3.29 Financial instruments and financial risk management

3.29.1 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.

3.29.1.1 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 through obtaining positions within the approved limits (Note 29). The Group aims to lower foreign exchange risk arising from assets and liabilities by using swap and forward derivative instruments

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 3.29.1.5 for the foreign exchange risk of the Banking segment).

At 30 June 2007, if the Euro had strengthened/weakened by 10% against the YTL with all other variables held constant, post-tax profit for the period would have been YTL 26.836 (2006: YTL 28.872) lower/higher, mainly as a result of foreign exchange losses/gains on the translation of Euro assets and liabilities.

At 30 June 2007, if the US dollar had strengthened/weakened by 10% against the YTL with all other variables held constant, post-tax profit for the period would have been YTL 27.167 (2006: YTL 23.606) lower/higher, mainly as a result of foreign exchange losses/gains on the translation of US dollar assets and liabilities.

At 30 June 2007, if the GBP had strengthened/weakened by 10% against the YTL with all other variables held constant, post-tax profit for the period would have been YTL 31.811 (2006: (YTL 12.819) higher/lower, mainly as a result of foreign exchange gains/losses on translation of GBP assets and liabilities.

3.29.1.2 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 2007 and 2006, the Group's borrowings at variable rate are denominated in YTL, US dollar, Euro and UK pounds.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

At 30 June 2007, for Group companies in non-banking business segment, if interest rates on YTL denominated borrowings had been 10% higher/lower with all other variables held constant, post-tax profit for the year would have been YTL 877 (2006: YTL 464) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings. (Please refer to 3.29.1.5 for banking segment.)

At 30 June 2007, for Group companies in non-banking business segment, if interest rates on US dollar-denominated borrowings had been 10% higher/lower with all other variables held constant, post-tax profit for the year would have been YTL 448 (30 June 2006: YTL 310) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings

At 30 June 2007, for Group companies in non-banking business segment, if interest rates on Euro-denominated borrowings had been 10% higher/lower with all other variables held constant, post-tax profit for the year would have been YTL 858 (30 June 2006: YTL 396) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings

At 30 June 2007, for Group companies in non-banking business segment, if interest rates on UK pound-denominated borrowings had been 10% higher/lower with all other variables held constant, post-tax profit for the year would have been YTL 93 (30 June 2006: YTL 47) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

3.29.1.3 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 the Bank's asset and liability management is to ensure that sufficient liquidity is available to meet the Bank's commitments to customers and to satisfy the Bank'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 the bank 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 the Bank indicate that these deposits will provide a long-term and stable source of funding for the Bank.

(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 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.29.1.4 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, SME, consumer and credit card loans.

The credit risk analysis on loans and advances by credit rating at 30 June 2007 and 31 December 2006 is as follows:

30 June 2007	Corporate	Commercial	SME (*)	Consumer	Credit Card	Total
Investment grade	4.568.036	1.774.697	1.346.442	2.061.300	124.079	9.874.554
Standard monitoring	3.159.489	1.308.984	1.547.005	2.694.465	1.053.724	9.763.667
Special monitoring	1.842.234	1.206.759	1.315.188	1.942.913	1.524.876	7.831.970
Sub-standard	1.660.943	1.361.374	1.457.415	443.001	705.523	5.628.256
Other	-	171.542	1.252.693	83.208	-	1.507.443
Total	**11.230.702**	**5.823.356**	**6.918.743**	**7.224.887**	**3.408.202**	**34.605.890**

31 December 2006	Corporate	Commercial	SME (*)	Consumer	Credit Card	Total
Investment grade	3.531.468	1.427.816	1.201.833	1.719.299	136.949	8.017.365
Standard monitoring	3.004.724	1.013.631	1.289.977	2.252.049	1.160.437	8.720.818
Special monitoring	1.243.401	1.353.035	1.078.712	1.593.100	1.125.787	6.394.035
Sub-standard	1.099.124	1.225.430	1.322.472	285.092	686.648	4.618.766
Other	-	389.978	1.124.323	119.421	-	1.633.722
Total	**8.878.717**	**5.409.890**	**6.017.317**	**5.968.961**	**3.109.821**	**29.384.706**

(*) SME represents small and medium sized enterprises.

(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 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The provision calculated on loans on the basis of credit ratings at 30 June 2007 is as follows:

	Loans and advances	**Loan loss provision**
Investment grade	9.874.554	74.750
Standard monitoring	9.763.667	68.774
Special monitoring	7.831.970	55.167
Sub-standard	5.628.256	39.645
Other	1.507.443	10.618
Loans under follow up	746.547	746.547
Total	**35.352.437**	**995.501**

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

	30 June 2007	**31 December 2006**
Due from banks	1.748.016	2.296.140
Loans and advances to customers	**34.605.890**	**29.384.706**
loans to individuals	**10.633.089**	**9.078.782**
- credit cards	3.408.202	3.109.821
- consumer loans	7.224.887	5.968.961
loans and advances to corporate, commercial and SME loans	**23.972.801**	**20.305.924**
- corporate	11.230.702	8.878.717
- SMEs	6.918.743	6.017.317
- commercial	5.823.356	5.409.890
Financial leasing receivables	574.615	487.213
Trading securities	5.476.467	6.560.696
Derivative financial instruments	56.987	83.863
Investment securities	21.342.467	14.495.662
Other assets	237.677	167.510
Total	**64.042.119**	**53.475.790**

The credit risk exposure related to off-balance sheet items is as follows:

	30 June 2007	**31 December 2006**
Financial guarantees	3.126.237	2.997.014
Loan commitments and other credit related liabilities	1.000.405	931.930
Total	**4.126.642**	**3.928.944**

(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 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

At 30 June 2007, the aging analysis of past due loans and advances for which no loan loss provision has been provided is as follows:

	Corporate	Commercial	SME	Consumer loan	Credit card	Total
Up to 1 month	7.976	73.221	446.653	246.663	120.515	895.028
1 to 2 months	63	21.477	97.638	170.573	66.640	356.391
2 to 3 months	44	7.290	79.572	97.312	17.597	201.815
Total	**8.083**	**101.988**	**623.863**	**514.548**	**204.752**	**1.453.234**

Please refer to Note 7 for segments other than banking.

Moody's rating analysis of trading securities and assets held for sale in the banking segment at 30 June 2007 and 31 December 2006 is as follows:

30 June 2007	**Treasury bills**	**Government bonds**	**Eurobond**	**Corporate bonds**	**Total**
Aaa	-	-	6.360	-	6.360
Ba1	-	-	-	8.935	8.935
Ba2	-	-	-	8.938	8.938
Ba3	2.886	24.696.539	2.095.275	-	26.794.700
Total	**2.886**	**24.696.539**	**2.101.635**	**17.873**	**26.818.933**

31 December 2006	**Treasury bills**	**Government bonds**	**Eurobond**	**Corporate bonds**	**Total**
Aaa	-	-	6.524	-	6.524
A1, A2, A3	-	-	-	33.103	33.103
Ba1	-	-	-	9.422	9.422
Ba2	-	-	-	9.313	9.313
Ba3	3.327	20.209.939	784.729	-	20.997.995
Total	**3.327**	**20.209.939**	**791.253**	**51.838**	**21.056.357**

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

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The geographical distribution of financial assets of the banking segment at 30 June 2007 and 31 December 2006 is as follows:

30 June 2007	Turkey	US	European Union	Non-European Union	Total
Due from banks	4.636	305.727	1.418.907	18.746	1.748.016
Loans and advances	**33.691.980**	**93.543**	**768.282**	**52.085**	**34.605.890**
loans and advances to customers	**10.633.089**	**-**	**-**	**-**	**10.633.089**
- credit cards	3.408.202	-	-	-	3.408.202
- consumer loan	7.224.887	-	-	-	7.224.887
Loans and advances to corporate, SMEs and commercial entities	**23.058.891**	**93.543**	**768.282**	**52.085**	**23.972.801**
- corporate	10.432.290	93.543	652.784	52.085	11.230.702
- SME	6.918.743	-	-	-	6.918.743
- commercial	5.707.858	-	115.498	-	5.823.356
Leasing receivable	574.615	-	-	-	574.615
Trading assets	5.476.467	-	-	-	5.476.467
Derivative instruments	25.398	1.819	29.611	159	56.987
Investment securities available for sale	21.318.233	-	24.234	-	21.342.467
Other assets	209.615	-	28.062	-	237.677
Total	**61.300.944**	**401.089**	**2.269.097**	**70.989**	**64.042.119**

31 December 2006	Turkey	US	European Union	Non-European Union	Total
Due from banks	125.785	230.590	1.934.257	5.508	2.296.140
Loans and advances	**28.579.046**	**76.553**	**674.592**	**54.515**	**29.384.706**
loans and advances to customers	**9.078.782**	**-**	**-**	**-**	**9.078.782**
- credit cards	3.109.821	-	-	-	3.109.821
- consumer loan	5.968.961	-	-	-	5.968.961
Loans and advances to corporate, SMEs and commercial entities	**19.500.264**	**76.553**	**674.592**	**54.515**	**20.305.924**
- corporate	8.177.780	76.553	569.869	54.515	8.878.717
- SME	6.017.317	-	-	-	6.017.317
- commercial	5.305.167	-	104.723	-	5.409.890
Leasing receivable	487.213	-	-	-	487.213
Trading assets	6.560.696	-	-	-	6.560.696
Derivative instruments	20.316	127	62.646	774	83.863
Investment securities available for sale	14.437.300	-	58.362	-	14.495.662
Other assets	137.337	-	30.173	-	167.510
Total	**50.347.693**	**307.270**	**2.760.030**	**60.797**	**53.475.790**

(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 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.29.1.5 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 enhances 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.

The table **(*)** below represents average market risk table at 30 June 2007 and 31 December 2006 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 2007			**31 December 2006**		
	Average	**High**	**Low**	**Average**	**High**	**Low**
Foreign exchange risk	61.942	62.026	61.858	54.133	80.543	44.482
Interest rate risk	179.596	193.594	165.598	115.334	139.821	55.296
Equities risk	2.227	954	3.499	3.895	1.952	7.847
Total capital to be employed for market risk	**243.765**	**256.574**	**230.955**	**173.362**	**222.316**	**107.625**
Total amount subject to market risk	**3.047.063**	**3.207.175**	**2.886.938**	**2.167.025**	**2.778.950**	**1.345.313**

(*) 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.

3.29.2 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 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 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The net liability/invested capital ratios at 30 June 2007 and 31 December 2006 are as follows:

	30 June 2007	31 December 2006
Total liability	61.593.066	55.032.447
Cash and cash equivalents	(3.211.571)	(4.855.781)
Net liability	58.381.496	50.176.666
Equity	7.366.741	6.854.344
Invested capital	65.748.236	57.031.010
Net liability/invested capital	89%	88%

3.29.3 Fair value of financial assets and liabilities

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, judgement 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.

Financial assets

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 are carried at amortised cost using the effective yield method, and hence are considered to approximate their fair values.

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.

(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 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term borrowings, which are principally at variable rates and denominated in foreign currencies, are translated at period-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 2007 and 31 December 2006 are as follows:

	30 June 2007		**31 December 2006**	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Due from banks	1.748.016	1.748.016	2.296.140	2.296.140
Loans and advances to customers	34.605.890	35.566.564	29.384.706	30.267.413
Trading securities	5.533.453	5.533.453	6.644.559	6.644.559
Financial assets held for sale	21.342.467	21.342.467	14.495.662	14.495.662
Other financial assets	812.293	812.293	654.723	654.723
Total financial assets	**64.042.119**	**65.002.793**	**53.475.790**	**54.358.497**
Deposits from banks	1.821.142	1.821.142	1.749.353	1.749.353
Repo agreements	5.885.513	5.885.513	5.238.228	5.238.228
Other deposits	40.426.017	40.232.789	33.920.903	33.714.986
Funds borrowed	9.691.287	9.691.287	9.905.126	9.905.126
Total financial liabilities	**57.823.959**	**57.630.731**	**50.813.610**	**50.607.693**

(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 - CASH AND CASH EQUIVALENTS

The analysis of cash and cash equivalents at 30 June 2007 and 31 December 2006 are as follows:

	30 June 2007	31 December 2006
Cash in hand		
- banking	1.051.835	1.864.589
- other companies	38.876	10.877
Banks - time deposits	1.736.630	2.644.076
Banks - demand deposits	378.013	327.074
Due from reverse repo transactions	1.433	27
Other cash and cash equivalents	4.784	9.138
Total	**3.211.571**	**4.855.781**

Effective interest rates of USD, EUR denominated, and YTL time deposits are 5,36% p.a. (31 December 2006: 5,27% p.a.), 3,98% p.a. (31 December 2006: 3,37% p.a.) and 17,50% p.a. (31 December 2006: 18,39% p.a.), respectively.

The analysis of maturities at 30 June 2007 and 31 December 2006 is as follows:

	30 June 2007	31 December 2006
Demand	1.473.508	2.211.678
Up to 3 month	1.736.433	2.641.294
3 to 12 months	1.630	32
1 to 5 years	-	2.777
Total	**3.211.571**	**4.855.781**

Akbank pledged its demand deposits an off-shore cash reserve and payment accounts in connection with long-term securitised borrowings from foreign institutions in the amount of USD 2.765 million (2006: USD 2.811 million). The details of demand deposits unavailable for use at the balance sheet date are as follows:

	30 June 2007	31 December 2006
Regarding long term securitised borrowings	-	70.540
Regarding debt securities in issue	116.149	29.548
Total	**116.149**	**100.088**

(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 - MARKETABLE SECURITIES

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

	30 June 2007	31 December 2006
Government bonds denominated in foreign currency	5.160.669	6.415.387
Eurobonds	250.040	108.973
Government bonds	62.871	33.008
Mutual funds	24.644	22.608
Share certificates	7.113	47.273
Treasury bills	2.886	7.647
Other	-	492
Total	**5.508.223**	**6.635.388**

Effective interest rates of USD, EUR and YTL denominated securities at fair value through profit and loss are 7,27% p.a. (31 December 2006: 6,93% p.a.), 5,77% p.a. (31 December 2006: 5,35% p.a.) and 19,17% p.a. (31 December 2006: 17,85% p.a.), respectively.

The analysis of maturities at 30 June 2007 and 31 December 2006 is as follows:

Period remaining to contractual maturity dates:

	30 June 2007			31 December 2006		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	13.822	-	13.822	8.650	-	8.650
3 to 12 months	3.015.739	-	3.015.739	931.571	-	931.571
1 to 5 years	2.251.483	-	2.251.483	5.544.903	-	5.544.903
Over 5 years	195.422	-	195.422	75.571	-	75.571
No maturity	7.113	24.644	31.757	47.765	26.928	74.693
Total	**5.483.579**	**24.644**	**5.508.223**	**6.608.460**	**26.928**	**6.635.388**

Period remaining to contractual repricing dates:

	30 June 2007			31 December 2006		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	2.097.601	-	2.097.601	2.204.855	-	2.204.855
3 to 12 months	3.023.337	-	3.023.337	4.156.458	-	4.156.458
1 to 5 years	158.288	-	158.288	123.811	-	123.811
Over 5 years	197.240	-	197.240	75.571	-	75.571
No maturity	7.113	24.644	31.757	47.765	26.928	74.693
Total	**5.483.579**	**24.644**	**5.508.223**	**6.608.460**	**26.928**	**6.635.388**

(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 - FUNDS BORROWED, BORROWINGS AND DEBT SECURITIES IN ISSUE

Short-term funds borrowed, bank borrowings and debt securities in issue:	30 June 2007	31 December 2006
Short-term	4.203.072	3.757.903
Short-term portion of long term	862.405	693.027
Total short term	5.065.477	4.450.930
Long-term funds borrowed, bank borrowings and debt securities in issue:		
Long-term	5.469.797	6.766.744
Total	**10.535.274**	**11.217.674**

Effective interest rates of USD, EUR and YTL denominated funds borrowed borrowings and debt securities in issue are 5,78% p.a. (31 December 2006: 6,14% p.a.), 4,50% p.a. (31 December 2006: 4,11% p.a.) and 15,72% p.a. (31 December 2006: 15,65% p.a.), respectively.

The maturity schedule at 30 June 2007 and 31 December 2006 is summarised below:

	30 June 2007	31 December 2006
Up to 3 months	3.619.235	1.236.933
3 to 12 months	1.446.242	3.213.997
1 to 5 year	4.233.915	5.173.734
Over 5 year	1.235.882	1.593.010
Total	**10.535.274**	**11.217.674**

The maturity schedule of long term borrowings at 30 June 2007 is summarised below:

Period	30 June 2007
1 July 2008 – 30 June 2009	2.515.421
1 July 2009 – 30 June 2010	573.152
1 July 2010 – 30 June 2011	580.299
1 July 2011 and over	1.800.925
Total	**5.469.797**

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

NOTE 6 - FUNDS BORROWED, BORROWINGS AND DEBT SECURITIES IN ISSUE (Continued)

The maturity schedule of long term borrowings at 31 December 2006 is summarised below:

Period	**31 December 2006**
1 January 2008 – 31 December 2008	2.291.302
1 January 2009 – 31 December 2009	1.613.404
1 January 2010 – 31 December 2010	657.823
1 January 2011 and over	2.204.215
Total	**6.766.744**

The repricing schedule of borrowings at 30 June 2007 and 31 December 2006 is summarised below:

	30 June 2007	**31 December 2006**
Up to 3 months	8.740.580	8.963.008
3 to 12 months	1.258.363	1.729.505
1 to 5 years	510.015	503.297
Over 5 years	26.316	21.864
Total	**10.535.274**	**11.217.674**

Major borrowing transactions of Sabancı Holding and Subsidiaries operating in banking business segment at 30 June 2007 are as follows:

Funds borrowed:

a) Funds borrowed from West LB AG London Branch

At 30 June 2007, funds borrowed from foreign institutions include syndicated credit facilities in the amount of USD 500 million with an interest rate of Libor + 0,6% p.a. provided by 11 international banks with West LB AG, London Branch acting as the agent, which mature on 30 December 2008.

b) Funds borrowed via UFJ Bank Limited

At 30 June 2007, funds borrowed from foreign institutions include syndicated credit facilities in the amount of USD 1.250 million and Euro 500 million, with an interest rate of Libor + 0,4% p.a. and Libor + 0,55% p.a. provided by 27 and 10 international banks with UFJ Bank Limited acting as the agent, maturing on 28 September 2007 and 29 June 2009 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 6 - FUNDS BORROWED, BORROWINGS AND DEBT SECURITIES IN ISSUE (Continued)

c) Funds borrowed from Bank of New York

At 30 June 2007, 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 (international payment orders, cash against goods, letter of credit reimbursement rights, cash against documents and other amounts in deposit accounts) for the issue of floating-rate notes. Akbank obtained further tranches related with the same deal in the amount of USD 2.125 million between January 2000 and June 2007. Interest rates on the tranches vary between Libor + 0,25% p.a. and Libor + 1,1% p.a. At 30 June 2007, the outstanding principal amount of the securitisation deal amounts to USD 1.276 million after the repayment of USD 1.322 million between January 2000 and June 2007.

NOTE 7 - TRADE RECEIVABLES AND TRADE PAYABLES

Short-term and long-term trade receivables:	**30 June 2007**	**31 December 2006**
Trade receivables	1.403.446	1.248.703
Notes and cheques receivable	222.661	226.721
Sub-total	1.626.107	1.475.424
Less: doubtful receivables provision	(37.173)	(35.893)
Total	**1.588.934**	**1.439.531**

As of 30 June 2007, trade receivables of YTL 195.336 were past due but not impaired (31 December 2006: YTL 169.253). The aging analysis of these trade receivables is as follows:

	30 June 2007	**31 December 2006**
Up to 3 months	157.747	139.709
3 to 6 months	22.789	11.009
6 to 9 months	2.300	6.551
Over 9 months	12.502	11.984
Total (*)	**195.338**	**169.253**

(*) Amount of YTL 119.316 of past due trade receivables, is related to insurance business segment (31 December 2006: YTL 88.678).

(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 - TRADE RECEIVABLES AND TRADE PAYABLES (Continued)

As of 30 June 2007, trade receivables of YTL 37.173 were impaired (31 December 2006: YTL 35.893). The aging of these receivables is as follows:

	30 June 2007	31 December 2006
Up to 3 months	13.665	13.786
3 to 6 months	2.041	1.153
6 to 9 months	973	348
Over 9 months	20.494	20.606
Total	**37.173**	**35.893**

Short-term and long-term trade payables:	**30 June 2007**	**31 December 2006**
Trade payables	917.056	974.194
Notes payable	2.998	4.663
Total	**920.054**	**978.857**

NOTE 8 - LEASE RECEIVABLES AND LEASE PAYABLES

Long-term and the short-term lease receivables of Ak Finansal Kiralama A.Ş. as a subsidiary of Ak Uluslararası at 30 June 2007 and 31 December 2006 are summarised below.

Financial lease receivables:	**30 June 2007**	**31 December 2006**
Gross investment in finance leases	691.426	584.163
Less: unearned finance income	(106.324)	(90.409)
Total investment in finance leases	585.102	493.754
Less: provision for impairment	(8.368)	(6.541)
Net investment in finance leases	**576.734**	**487.213**

(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 - LEASE RECEIVABLES AND LEASE PAYABLES (Continued)

Lease receivables represent the principal lease balances for lease agreements. The maturity schedule as of 30 June 2007 and 31 December 2006 of lease receivables is summarised below.

	30 June 2007
1 July 2007 – 30 June 2008	140.901
1 July 2008 – 30 June 2009	220.311
1 July 2009 – 30 June 2010	131.289
1 July 2010 – 30 June 2011	62.073
1 July 2011 and over	22.160
Total	**576.734**

	31 December 2006
1 January 2007 – 31 December 2007	209.060
1 January 2008 – 31 December 2008	159.425
1 January 2009 – 31 December 2009	81.734
1 January 2010 – 31 December 2010	31.289
1 January 2011 and over	5.705
Total	**487.213**

Lease payables at 30 June 2007 and 31 December 2006 are summarised below:

Lease payables:	**30 June 2007**	**31 December 2006**
Current	2.649	4.022
Non-current	3.706	2.983
Total	**6.355**	**7.005**

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

NOTE 9 - DUE TO AND DUE FROM RELATED PARTIES

Due from related parties:	**30 June 2007**	**31 December 2006**
Brisa	4.458	4.162
Akçansa	491	1.869
Carrefoursa	405	3.153
Olmuksa	166	230
Beksa	108	718
Diasa	62	778
Others	6.604	10.706
Total	**12.294**	**21.616**

Due to related parties:	**30 June 2007**	**31 December 2006**
Brisa	8.093	4.968
Enerjisa	5.641	-
Olmuksa	345	1.640
Others	11.745	1.591
Total	**25.824**	**8.199**

Executive management personnel compensation:	**30 June 2007**	**30 June 2006**
Executive management personnel compensation	33.126	34.752

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

Other receivables:	**30 June 2007**	**31 December 2006**
Receivables from sale of chemical business segment	63.909	67.432
Deductible Value Added Tax ("VAT")	62.798	76.463
Receivables on cheques in clearance	55.968	42.662
Job advances given	13.778	6.334
Receivables from credit cards payments	6.864	5.682
Others	244.495	216.709
Total	**447.812**	**415.282**

(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 - OTHER RECEIVABLES AND PAYABLES (Continued)

Other payables:	**30 June 2007**	**31 December 2006**
Payables related to credit card transactions	695.523	674.807
Unearned commission income	276.330	60.604
Other taxes and funds	156.522	162.440
Bonus liability to credit card customers	120.901	105.886
Import deposits and transfer orders	62.803	123.199
Payables on cheques in clearance	44.051	42.100
Payment orders to correspondent banks	29.384	24.365
Due to personnel	20.419	17.962
Saving deposits insurance	8.769	8.202
Others	320.584	328.135
Total	**1.735.286**	**1.547.700**

NOTE 11 - BIOLOGICAL ASSETS

None (31 December 2006: None).

NOTE 12 - INVENTORIES

	30 June 2007	**31 December 2006**
Raw materials and supplies	403.493	427.015
Semi-finished goods	132.055	139.905
Finished goods and merchandise	611.726	594.837
Spare parts	109.037	100.891
Total	**1.256.311**	**1.262.648**

NOTE 13 – CONSTRUCTION CONTRACT RECEIVABLES AND PROGRESS BILLING

None (31 December 2006: None).

(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 - DEFERRED INCOME TAX ASSETS AND LIABILITIES

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% (31 December 2006: 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.

The composition of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred tax has been provided at 30 June 2007 and 31 December 2006 using the enacted tax rates, is as follows:

	30 June 2007		31 December 2006	
	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	(35.191)	7.453	(61.671)	12.542
- Inventories	(36.258)	7.366	(28.991)	6.257
Provision for loan losses	(248.954)	49.791	(196.781)	39.937
Provision for employment termination benefits	(127.728)	26.621	(125.544)	26.762
Expense accruals	(48.649)	9.730	(51.747)	10.349
Investment allowances exemption	(162.548)	7.053	(170.835)	7.898
Provision for law suits	(29.260)	5.852	(29.081)	5.897
Insurance technical reserve	(10.045)	2.009	(6.724)	1.345
Carry forward tax losses	(4.304)	1.600	(87.810)	18.175
Other	(79.515)	17.396	(68.196)	14.181
Deferred income tax assets		134.871		143.343
Deferred income tax liabilities:				
Difference between tax base and carrying value of:				
- Property, plant and equipment	647.658	(145.077)	592.842	(146.261)
- Inventories	2.512	(502)	2.258	(452)
Reversal of country risk provision	101.653	(40.661)	107.298	(42.919)
Deferred financing charges	6.049	(1.210)	13.626	(2.725)
Valuation difference on investment securities	2.885	(572)	5.693	(1.139)
Other	68.786	(14.202)	82.971	(16.666)
Deferred income tax liabilities		(202.224)		(210.162)
Deferred income tax assets/(liabilities), net		**(67.353)**		**(66.819)**

(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 - DEFERRED INCOME TAX ASSETS AND LIABILITIES (Continued)

Deferred income tax assets:	**30 June 2007**	**31 December 2006**
To be recovered after one year	63.375	82.469
To be recovered within one year	71.496	60.874
Total	**134.871**	**143.343**

Deferred income tax liabilities:	**30 June 2007**	**31 December 2006**
To be recovered after more than one year	153.881	160.584
To be recovered within one year	48.343	49.578
Total	**202.224**	**210.162**

The movements in deferred income tax assets for the periods ended at 30 June 2007 and 2006 are as follows:

	30 June 2007	**30 June 2006**
Balance at 1 January-as previously reported	(66.819)	84.206
Effect of business combination	-	10.200
Balance at 1 January-as restated	(66.819)	94.406
Business combinations	(3.370)	-
Change in consolidation scope	8.682	-
Acquisition of subsidiary	(57)	-
Fair value increase of financial assets	-	639
Currency translation differences	2.526	1.430
Transfer to non-current assets held for sale	(22.720)	-
Deferred income tax credit/(charge)	14.405	(104.490)
Balance at 30 June	**(67.353)**	**(8.015)**

(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 - OTHER CURRENT/NON-CURRENT ASSETS AND OTHER CURRENT/NON - CURRENT LIABILITIES

Other Current/Non-Current Assets	30 June 2007	31 December 2006
Prepaid expenses	72.075	51.409
Income accrual	159	13.531
Total	**72.234**	**64.940**

Other Current/Non-Current Liabilities		
Expense accruals	198.534	217.020

NOTE 16 - FINANCIAL ASSETS

a) Securities available-for-sale:	30 June 2007	31 December 2006
Debt securities		
- Government bonds	15.791.513	11.055.781
- Government bonds denominated in foreign currency	3.737.660	2.740.723
- Eurobonds	1.851.595	765.835
- Treasury bills	55.369	46.813
- Mutual Funds	1.741	8.764
- Other bonds denominated in foreign currency	17.873	6.525
Sub-total	**21.455.751**	**14.624.441**
Equity securities		
- Listed	14.310	15.804
- Unlisted	26.133	26.744
Sub-total	**40.443**	42.548
Total securities available-for-sale	**21.496.194**	**14.666.989**

Effective interest rates of USD, EUR and YTL denominated available-for-sale debt securities are 6,54% p.a. (31 December 2006: 7,28% p.a.), 6,25% p.a. (31 December 2006: 4,54% p.a.) and 18,89% p.a. (31 December 2006: 18,20% p.a.) 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 16 - FINANCIAL ASSETS (Continued)

The maturity analysis at 30 June 2007 and 31 December 2006 is as follows:

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

	30 June 2007			31 December 2006		
	Banking	**Other companies**	**Total**	**Banking**	**Other companies**	**Total**
Up to 3 months	6.736.018	-	6.736.018	5.700.494	4.590	5.705.084
3 to 12months	3.500.338	70.521	3.570.859	5.336.096	72.188	5.408.284
1 to 5 years	9.623.815	41.022	9.664.837	3.149.918	40.471	3.190.389
Over 5 years	1.482.296	-	1.482.296	309.154	8.671	317.825
No maturity	24.489	17.695	42.184	23.925	21.482	45.407
Total	**21.366.956**	**129.238**	**21.496.194**	**14.519.587**	**147.402**	**14.666.989**

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

	30 June 2007			31 December 2006		
	Banking	**Other companies**	**Total**	**Banking**	**Other companies**	**Total**
Up to 3 months	2.061.254	1.315	2.062.569	2.061.223	4.590	2.065.813
3 to 12 months	3.696.732	70.521	3.767.253	5.232.305	72.188	5.304.493
Current	5.757.986	71.836	5.829.822	7.293.528	76.778	7.370.306
1 to 5 years	13.121.949	34.488	13.156.437	6.892.980	40.471	6.933.451
Over 5 years	2.462.532	5.218	2.467.750	309.154	8.671	317.825
No maturity	24.488	17.697	42.185	23.925	21.482	45.407
Non-current	15.608.969	57.403	15.666.372	7.226.059	70.624	7.296.683
Total	**21.366.955**	**129.239**	**21.496.194**	**14.519.587**	**147.402**	**14.666.989**

(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 - FINANCIAL ASSETS (Continued)

The breakdown of available-for-sale equity securities at 30 June 2007 is as follows:

Listed	**Share (%)**	**Carrying amount**	**Business**
Ak Yatırım Ortaklığı A.Ş.(*)	57	14.232	Investment management
Others		78	
Total		**14.310**	

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		14.183	
Total		**26.133**	

(*) The Group owns 57% and 99,99% of the shares of Ak Yatırım Ortaklığı A.Ş. and Ak Portföy Yönetimi A.Ş., respectively (31 December 2006: 47% 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 2007 and 31 December 2006.

The breakdown of available-for-sale equity securities at 31 December 2006 is as follows:

Listed	**Share (%)**	**Carrying amount**	**Business**
Ak Yatırım Ortaklığı A.Ş.	47	14.765	Investment management
Others		1.039	-
Total		**15.804**	

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		14.794	-
Total		**26.744**	

b) Securities held-to-maturity:	**30 June 2007**	**31 December 2006**
Debt securities		
- Treasury bills	9.144	8.152
- Government bonds	4.056	
Total	**13.200**	**8.152**

(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 - FINANCIAL ASSETS (Continued)

c) Investment in associates:

	30 June 2007	Share (%)	31 December 2006	Share (%)
Philsa	131.962	25,00	153.901	25,00
Philip Morrissa	25.393	24,75	27.913	24,75
Total	**157.355**		**181.814**	

Income from associates is as follows:

	1 January - 30 June 2007	1 April - 30 June 2007	1 January - 30 June 2006	1 April - 30 June 2006
Philsa	49.914	28.190	68.568	44.335
Philip Morrissa	14.992	7.246	17.678	9.638
Total	**64.906**	**35.436**	**86.246**	**53.973**

The summary financial information of Associates is as follows:

	30 June 2007		31 December 2006	
	Total assets	Total liabilities	Total assets	Total liabilities
Philsa	1.085.585	557.737	1.085.496	469.892
Philip Morrissa	318.413	215.816	328.813	216.035
Total	**1.403.998**	**773.553**	**1.414.309**	**685.927**

Sales revenue	1 January - 30 June 2007	1 April - 30 June 2007	1 January - 30 June 2006	1 April - 30 June 2006
Philsa **(*)**	2.764.911	1.431.549	2.742.504	1.496.608
Philip Morrissa	2.936.820	1.507.053	3.018.492	1.590.951

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

Net income	1 January - 30 June 2007	1 April - 30 June 2007	1 January - 30 June 2006	1 April - 30 June 2006
Philsa	199.655	103.913	190.234	101.010
Philip Morrissa	60.577	27.983	57.581	54.410
Total	**260.232**	**131.896**	**247.815**	**155.420**

(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 - GOODWILL/NEGATIVE GOODWILL (NET)

The movements in goodwill during the six-month periods ended 30 June 2007 and 2006 are as follows:

	30 June 2007	30 June 2006
1 January	281.452	290.968
Adjustment to goodwill provisionally accounted	-	6.150
1 January - restated	281.452	297.118
Additions (Note 32)	86.433	-
Charged to income statement	-	(10.902)
Currency translation differences	(5)	6.971
30 June	**367.880**	**293.187**

NOTE 18 - INVESTMENT PROPERTY (NET)

The movements in investment property during the six-month periods ended 30 June 2007 and 2006 are as follows

	1 January 2007	Additions	Disposals	30 June 2007
Cost:				
Land	85.981	-	(3.400)	82.581
Building	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**

	1 January 2006	Additions	Disposals	30 June 2006
Cost:				
Land	88.266	-	-	88.266
Building	229.628	-	-	229.628
Total	317.894	-	-	317.894
Accumulated depreciation:				
Building	26.929	2.664	-	29.593
Net book value	**290.965**			**288.301**

(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 - PROPERTY, PLANT AND EQUIPMENT (NET)

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 a subsidiary	Business combination	30 June 2007
Cost:									
Land and land improvements	366.455	(4.474)	16.798	(2.324)	(21.744)	(12.499)	-	37.923	380.135
Buildings	2.113.270	(9.916)	69.082	(8.592)	(7.779)	(50.615)	12.545	8.635	2.126.630
Machinery and equipment	4.071.695	(7.161)	113.282	(50.516)	(247.902)	(170.466)	1.302	59.439	3.769.673
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)	(271.804)	(267.380)	14.425	106.603	7.844.691
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)**	**(275.969)**	**(272.304)**	**14.425**	**106.880**	**8.108.060**
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**								**3.804.559**

At 30 June 2007 there are mortgages amounting to YTL 11.688 on buildings held as security for bank borrowings and for legal requirements (31 December 2006: USD 32.000 and YTL 89.647).

(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 - PROPERTY, PLANT AND EQUIPMENT (NET) (Continued)

The movements in property, plant and equipments during the six month periods ended 30 June 2006 are as follows:

	1 January 2006	Currency translation differences	Additions	Disposals	Impairment	30 June 2006
Cost:						
Land and land improvements	317.292	3.850	4.300	(2.288)	-	323.154
Buildings	2.012.984	12.524	28.361	(18.148)	-	2.035.721
Machinery and equipment	4.789.203	143.499	119.942	(166.387)	(2.603)	4.883.654
Motor vehicles	136.140	1.270	3.276	(6.619)	-	134.067
Furniture and fixtures	1.357.827	5.018	32.870	(20.610)	-	1.375.105
	8.613.446	166.161	188.749	(214.052)	(2.603)	8.751.701
Construction in progress	181.395	11.093	52.367	(30.150)	-	214.705
Total	**8.794.841**	**177.254**	**241.116**	**(244.202)**	**(2.603)**	**8.966.406**
Accumulated depreciation:						
Land and land improvements	64.485	610	3.586	(115)	-	68.566
Buildings	669.397	6.631	30.726	(10.109)	-	696.645
Machinery and equipment	2.719.257	19.385	121.191	(156.899)	-	2.702.934
Motor vehicles	103.938	707	5.238	(5.570)	-	104.313
Furniture and fixtures	1.008.320	3.821	59.309	(18.557)	-	1.052.893
Total	**4.565.397**	**31.154**	**220.050**	**(191.250)**	**-**	**4.625.351**
Net book value	**4.229.444**					**4.341.055**

(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 - INTANGIBLE ASSETS

The movements in intangible assets during the six month periods ended 30 June 2007 and 2006 are as follows:

	1 January 2007	Currency translation differences	Additions	Disposals	Change in the scope of consolidation	Transfer to non-current assets held for sale	Establishment of a subsidiary	Business combinations	30 June 2007
Cost	396.278	(6.219)	319.623	(47.897)	(232.897)	(11.410)	857	8.305	426.640
Accumulated depreciation	(129.114)	3.281	(9.647)	47.536	1.644	4.573	(157)	(93)	(81.977)
Net book value	**267.164**								**344.663**

	1 January 2006	Currency translation differences	Additions	Disposals	Change in the scope of consolidation	Transfer to non-current assets held for sale	Establishment of subsidiary	Business combinations	30 June 2006
Cost	299.047	24.710	136.869	(272)	-	-	-	-	460.354
Accumulated depreciation	(99.782)	(8.483)	(19.013)	94	-	-	-	-	(127.184)
Net book value	**199.265**								**333.170**

At 30 June 2007, the cost of intangible assets includes hydro-electric plant licenses of YTL 164.814, and mining rights of YTL 91.405 (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 21 - ADVANCES RECEIVED

	30 June 2007	31 December 2006
Advances received from customers	27.139	19.107

NOTE 22 - RETIREMENT PLANS

As disclosed in Note 3 to the consolidated interim 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. Acccording 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 necessitating the accounting of a provision.

NOTE 23 - PROVISIONS

a) Income taxes payable

	30 June 2007	31 December 2006
Corporation and income taxes currently payable	378.146	379.892
Less: prepaid taxes	(177.360)	(257.436)
Total taxes payable	**200.786**	**122.456**

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 interim 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 01 January 2006. The corporation tax rate of the fiscal year 2007 is 20% (2006: 20%). Corporation tax is payable at a rate of 20% on the total income of the Company 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.

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.

NOTE 23 - PROVISIONS (Continued)

In accordance with Tax Law No: 5024 "Law Related to Changes in Tax Procedural Law, Income Tax Law and Corporate Tax Law" that was published in the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004, the income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish lira. In accordance with the provisions of the aforementioned Law provisions, in order to apply inflation adjustment, the cumulative inflation rate (TURKSTAT WPI) over the last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as these conditions were not fulfilled in the year 2007, 2006 and 2005.

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).

NOTE 23 - PROVISIONS (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 following amounts from their income related to the years 2006, 2007 and 2008 as well as the investment allowance amounts 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.

a) In the scope of the investment incentive certificates prepared related to the applications before 24 April 2003, investments to be made after 1 January 2006 in the scope of the certificate for the investments started in accordance with the additional 1st, 2nd, 3rd, 4th, 5th and 6tharticles prior to the abrogation of Income Tax Law No.193, with Law No.4842.

b) In the scope of the abolished 19th article of Income Tax Law No.193, the investment allowance amounts to be calculated in accordance with the legislation in force at 31 December 2005 for investments which were started before 1 January 2006 and which display an economical and technical integrity.

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 abovementioned 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.

b) 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 who retires after completing 25 years of service (20 years for women) and 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.

(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 - PROVISIONS (Continued)

At 30 June 2007, the amount payable consists of one month's salary limited to a maximum of YTL 1.960,69 (31 December 2006: YTL 1.857,44) 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 2007 and 206 are as follows:

	30 June 2007	30 June 2006
Balances at 1 January	150.298	142.373
Change in the scope of consolidation	1.378	-
Establishment of a subsidiary	139	-
Transfer to liabilities directly associated with non-current assets held for sale	(6.512)	-
Payments during the period	(9.286)	(18.016)
Charge for the period	15.858	29.423
Balances at 30 June	**151.875**	**153.780**

NOTE 24 - MINORITY INTEREST

	30 June 2007	30 June 2006
Balances at 1 January	4.997.041	4.856.918
Increase in share premium	1.700.000	-
Capital increase	200.000	7.083
Effect of change in the effective rate of subsidiaries	199.103	17.659
Establishment of a subsidiary	10.222	-
Change in the scope of consolidation	27.174	-
Currency translation differences	(15.992)	33.998
Dividends paid	(492.729)	(374.283)
Non-cash capital increase correction	-	(15.946)
Available for sale investments net fair value change, post tax	105.037	(411.871)
Net income for the period	814.109	537.594
Balances at 30 June	**7.543.965**	**4.651.152**

(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 - CAPITAL/ADJUSTMENT TO SHARE CAPITAL

The Holding's authorised and issued capital consists of 180.000.000.000 (31 December 2006: 180.000.000.000) shares of YKr1 each.

The Holding's authorised and paid-in share capital and shareholding structure at 30 June 2007 and 31 December 2006 is as follows:

Shareholders:	Share (%)	30 June 2007	Share (%)	31 December 2006
Sabancı family members	61,31	1.103.566	58,36	1.050.566
Public quotation	22,26	400.714	25,21	453.714
Sakıp Sabancı Holding A.Ş.	14,81	266.578	14,81	266.578
Sabancı University	1,62	29.142	1,62	29.142
Share capital	**100,00**	**1.800.000**	**100,00**	**1.800.000**
Share premium		**21.670**		**21.670**

NOTE 26 - CAPITAL RESERVES

At 30 June 2007 and 31 December 2006, the restated amounts and the shareholders' equity restatement differences of equity accounts are as follows:

30 June 2007	Historical amount	Restated amount	Restatement difference
Share capital	1.800.000	5.226.761	3.426.761
Share premium	21.670	300.122	278.452
Legal reserves	113.797	196.900	83.103
Extraordinary reserves	478.007	573.612	95.605
Total	**2.413.474**	**6.297.395**	**3.883.921**

31 December 2006	Historical amount	Restated amount	Restatement difference
Share capital	1.800.000	5.226.761	3.426.761
Share premium	21.670	300.122	278.452
Legal reserves	92.463	175.566	83.103
Extraordinary reserves	478.007	573.612	95.605
Total	**2.392.140**	**6.276.061**	**3.883.921**

NOTE 27 - PROFIT RESERVES

Retained earnings, as per the statutory financial statements other than legal reserves, are available for distribution, subject to the legal reserve requirement referred to below.

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 Communiqué XI/25, effective from 1 January 2004, companies are obliged to distribute at least 30% of their distributable profit, which is calculated based on the financial statements prepared in accordance with CMB. Based on the decision of the General Assembly, the distribution of a minimum of 30% of the distributable profit can be made as cash or as bonus shares or as a combination of a certain percentage of cash and bonus shares. The income of the Subsidiaries, Joint Ventures and Associated companies of the Holding is not taken into consideration in the calculation of dividends of the parent company, if they have not declared dividends in their general assemblies.

For the purposes of profit distribution in accordance with related CMB regulations, items of statutory shareholders' equity such as share capital, share premium, legal reserves, other reserves, special reserves and extraordinary reserves, are presented at their historical amounts. The difference between the inflated and historical amounts of these items is presented in shareholders' equity in total as restatement difference.

The restatement difference of shareholders' equity can only be netted off against prior years' losses and used as an internal source in capital increases where extraordinary reserves can be netted off against prior years' losses, or used in the distribution of bonus shares and distribution of dividends to shareholders.

(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 - PROFIT RESERVES (Continued)

In accordance with the above explanation, the composition of the Holding's shareholders' equity, which is considered as the basis for profit distribution is as follows:

	30 June 2007	31 December 2006
Capital	1.800.000	1.800.000
Share premium	21.670	21.670
Legal reserves	113.797	92.463
Extraordinary reserves	478.007	478.007
Shareholders' equity restatement difference	3.883.921	3.883.921
Net income	615.879	494.049
Retained earnings	722.838	369.433
Total shareholders' equity subject to dividend distribution	7.636.112	7.139.543
Translation reserve	(289.705)	(241.428)
Revaluation reserve	8.858	10.496
Fair value reserve	11.476	(54.267)
Shareholders' equity per consolidated interim financial statements	**7.366.741**	**6.854.344**

NOTE 28 - RETAINED EARNINGS

	30 June 2007
Balance at 1 January 2007	369.433
Effect of change in the effective rate of subsidiaries	89.540
Transfer of 2006 net income	472.715
Purchase of usufruct shares	(21.089)
Dividends paid	(189.399)
Transfer from revaluation fund	1.638
Balance at 30 June 2007	**722.838**

NOTE 29 - FOREIGN CURRENCY POSITION

Foreign currency denominated assets and liabilities held by the Group before consolidation eliminations at 30 June 2007 and 31 December 2006 are as follows:

	30 June 2007	31 December 2006
Assets	30.829.952	28.753.189
Liabilities	(31.351.578)	(29.276.764)
Net foreign currency position	**(521.626)**	**(523.575)**

(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 - FOREIGN CURRENCY POSITION (Continued)

	30 June 2007				
	USD	EUR	GBP	Other	Total
Cash and due from banks	1.599.071	1.489.300	311.291	69.665	3.469.327
Trading securities	4.566.213	844.497	-	-	5.410.710
Derivative financial instruments	22.280	8.468	-	-	30.748
Reserve deposits at Central Bank	-	1.715.705	-	-	1.715.705
Loans and advances to customers	8.352.488	4.908.931	112.343	25.038	13.398.800
Investment securities	4.269.314	1.349.709	-	-	5.619.023
Financial lease receivables	136.615	237.312	-	-	373.927
Trade receivables	216.765	279.322	98.609	60.964	655.660
Other receivables	33.694	97.163	4.902	20.293	156.052
Total foreign currency denominated assets	**19.196.440**	**10.930.407**	**527.145**	**175.960**	**30.829.952**
Funds borrowed, bank borrowings and debt securities in issue	8.244.244	2.537.053	98.271	55.525	10.935.093
Customer deposits	11.227.840	7.644.968	622.201	183.497	19.678.506
Derivative financial instruments	22.695	8.839	-	-	31.534
Trade payables	177.314	198.930	52.413	37.238	465.895
Other payables	117.831	79.245	14.025	29.449	240.550
Total foreign currency denominated liabilities	**19.789.924**	**10.469.035**	**786.910**	**305.709**	**31.351.578**
Net balance sheet position	**(593.484)**	**461.372**	**(259.765)**	**(129.749)**	**(521.626)**

	31 December 2006				
	USD	EUR	GBP	Other	Total
Cash and due from banks	2.235.597	2.167.084	340.457	46.317	4.789.455
Trading securities	5.657.980	866.379	-	-	6.524.359
Derivative financial instruments	31.766	25.177	7.145	-	64.088
Reserve deposits at Central Bank	-	1.521.198	-	-	1.521.198
Loans and advances to customers	6.659.251	4.343.793	60.943	15.581	11.079.568
Investment securities	2.908.774	608.899	-	-	3.517.673
Financial lease receivables	122.526	185.367	-	-	307.893
Trade receivables	196.771	373.379	117.851	63.198	751.199
Other receivables	35.408	114.833	22.801	24.714	197.756
Total foreign currency denominated assets	**17.848.073**	**10.206.109**	**549.197**	**149.810**	**28.753.189**
Funds borrowed, bank borrowings and debt securities in issue	8.855.577	2.292.960	43.488	54.591	11.246.616
Customer deposits	9.148.845	7.017.545	739.051	160.447	17.065.888
Derivative financial instruments	29.107	15.526	12.952	-	57.585
Trade payables	157.282	261.735	88.342	47.988	555.347
Other payables	208.901	86.463	20.987	34.977	351.328
Total foreign currency denominated liabilities	**18.399.712**	**9.674.229**	**904.820**	**298.003**	**29.276.764**
Net balance sheet position	**(551.639)**	**531.880**	**(355.623)**	**(148.193)**	**(523.575)**

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

NOTE 30 - GOVERNMENT GRANTS

None (31 December 2006: None).

NOTE 31 - PROVISIONS, COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

Commitments - Banking segment	**30 June 2007**	**31 December 2006**
Letters of guarantee issued	2.770.778	2.724.924
Foreign currency acceptance credits	787.664	696.877
Letters of credits	37.753	39.872
Total	**3.596.195**	**3.461.673**

Commitments – Non-banking segments		
Letters of guarantee issued	531.216	606.654
Other guarantees issued	100.217	109.768
Total	**631.433**	**716.422**

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 2007 and 31 December 2006 are as follows:

	30 June 2007	**31 December 2006**
Repurchase commitments	5.992.120	5.029.143
Resale commitments	-	135.101

Commitments to forward currency purchase/sale and swap transactions:

	30 June 2007	**31 December 2006**
Forward currency purchases		
YTL	128.238	48.977
USD	43.722	171.526
JPY	40.770	33.576
EUR	23.304	62.113
GBP	1.312	275.702
Total	**237.346**	**591.894**

(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 - PROVISIONS, COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

	30 June 2007	31 December 2006
Forward currency sales		
EUR	98.944	129.477
YTL	66.806	171.457
USD	56.506	302.638
GBP	1.312	44.802
Other	-	452
Total	**223.568**	**648.826**
Currency swap purchases		
EUR	1.602.192	1.321.808
USD	1.589.485	1.462.974
GBP	432.807	272.880
CHF	37.310	34.981
YTL	28.360	-
Other	138.216	98.903
Total	**3.828.370**	**3.191.546**
Currency swap sales		
EUR	2.204.152	1.291.726
USD	1.438.397	1.867.542
GBP	101.335	20.268
YTL	29.847	1.000
JPY	2.949	-
Other	42.409	187
Total	**3.819.089**	**3.180.723**
Interest rate swap purchases		
YTL	1.915.000	1.050.000
EUR	798.112	1.095.943
USD	206.598	237.408
CHF	1.599	-
GBP	-	427.320
Total	**2.921.309**	**2.810.671**
Interest rate swap sales		
YTL	1.915.000	1.050.000
EUR	798.112	1.095.943
USD	206.598	237.408
CHF	1.599	-
GBP	-	427.320
Total	**2.921.309**	**2.810.671**

(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 - PROVISIONS, COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

	30 June 2007	31 December 2006
Spot purchases	275.902	142.977
Spot sales	275.844	143.136
Money options purchases	678.960	162.718
Money options sales	684.605	162.579
Futures purchases	19.310	37.951
Futures sales	19.048	36.062

The maturity analysis of the off-balance sheet assets in the banking segment at 30 June 2007 is as follows;

	No maturity	1 to 5 years	Over 5 years	Total
Letter of guarantees	682.525	1.004.073	1.439.639	3.126.237
Letters of credits	544.325	329.117	1.375	874.817
Other commitments	32.967	36.471	739	70.177
Acceptance credits	43.543	11.853	15	55.411
Total	**1.303.360**	**1.381.514**	**1.441.768**	**4.126.642**

Akbank tax litigation:

Akbank has filed three lawsuits 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. With the communication by Ministry of Finance of the decision that the receivable of YTL 270.001 from the lawsuits the total of which is YTL 754.303 can be offset against various tax debts to the Bank, the amount became collectible, and it is recognized in the financial statements dated 30 June 2007. The legal situation regarding these lawsuits is explained below:

The Court of First Instance decided to comply with the decisions of the Council of State in favor of the Bank regarding lawsuits of YTL 686.411, which arose from YTL 484.942 of 2002, and YTL 201.469 of 2001, and the decision was communicated to the Ministry. The Ministry appealed against the decision and process is ongoing.

After the decision of the Council of State in favor of the Bank related to the lawsuit amounting to YTL 67.892 for the year 2003, the Ministry appealed; this file is still pending in the Council of State.

On the other hand, Akbank is continuing discussions with the Ministry for collection of the remaining portion; YTL 484.302, except from YTL 270.001 which has been accepted by the Ministry.

(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 - BUSINESS COMBINATIONS

The business combinations between 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 interim 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 32 - 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 are as follows:

Trade receivable	8.605
Inventories	3.317
Other current assets/non-current assets	286
Property plant and equipment, net	5.638
Intangible assets, net	42
Deferred income tax assets	39
Borrowings	(1.187)
Trade payables	(2.654)
Other liabilities	(6.883)
Total net assets	7.203
Less: cost of acquisition	45.294
Goodwill	**38.091**

Business combination that occurred in the interim period between 1 January - 30 June 2007 have been initially accounted by the Group on a provisional basis as foreseen in the context of IFRS 3. The Group will complete the final purchase price allocation relating to these business combinations within the twelve month period following the acquisition dates.

There has been no business combination in the period between 1 January and 30 June 2006.

(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 - SEGMENT REPORTING

a) External revenues:

	1 January - 30 June 2007	1 April - 30 June 2007	1 January - 30 June 2006	1 April - 30 June 2006
Finance	5.208.414	2.728.221	4.085.504	2.033.669
Tire and tire reinforcements	776.740	385.344	638.790	343.652
Automotive	854.941	469.563	825.586	471.898
Textile **(*)**	570.366	284.593	204.107	116.323
Chemicals	-	-	780.049	425.777
Cement	406.527	253.129	325.207	210.922
Retail	894.649	467.226	785.048	407.777
Energy	78.429	28.610	69.022	35.617
Food and beverage	223.698	116.741	220.447	114.893
Other	288.512	159.939	152.286	87.340
Total	**9.302.276**	**4.893.366**	**8.086.046**	**4.247.868**

(*) Advansa was reported in the chemicals segment at 30 June 2006. Following the discontinuing of pet, pet reform and pta business in 2006, the results of Advansa have been reported in the textile business segment. The revenues of Advansa in the textile segment in the six month and in the three month period ended at 30 June 2007 are YTL 318.289 and YTL 166.378, respectively. At 30 June 2007, YTL 737.344 of the segment assets relates to Advansa.

b) Segment assets:

	30 June 2007		31 December 2006	
Tire and tire reinforcements		1.303.467		1.368.672
Automotive		795.537		744.724
Textile (*)		1.284.636		515.786
Chemicals		-		866.315
Cement		1.097.955		854.001
Retail		846.334		840.764
Food and beverage		345.367		278.427
Energy		532.787		669.796
Finance		70.341.976		60.785.410
Banking	69.571.096		60.119.283	
Insurance	770.880		666.127	
Other		905.571		770.735
Segment assets (**)		**77.453.630**		**67.694.630**
Investment in associated companies		157.355		181.814
Other		157.355		181.814
Unallocated assets		409.667		418.228
Less: intercompany eliminations and reclassifications		(1.113.869)		(1.078.222)
Total assets per consolidated Interim financial statements		**76.906.783**		**67.216.450**

(**) Segment assets mainly comprise of operating assets.

(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 - SEGMENT REPORTING (Continued)

c) Segment liabilities:		**30 June 2007**		**31 December 2006**
Tire and tire reinforcements		236.836		233.655
Automotive		277.289		244.411
Textile **(*)**		204.662		65.617
Chemicals		-		168.199
Cement		124.120		97.460
Retail		397.936		431.054
Food and beverage		342.252		129.609
Energy		63.771		37.474
Finance		60.063.102		53.162.580
Banking	59.627.391		52.814.277	
Insurance	435.711		348.303	
Other		243.528		254.495
Segment liabilities (**)		**61.953.496**		**54.824.554**
Unallocated liabilities		1.311.244		1.571.007
Less: intercompany eliminations and reclassifications		(1.268.663)		(1.030.496)
Total liabilities per consolidated financial statements		**61.996.077**		**55.365.065**

(*) At 30 June 2007, segment liabilities of YTL 127.671 relates to Advansa.

(**) 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 33 - SEGMENT REPORTING (Continued)

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

									Finance					
	Tire and tire reinforcements	**Automotive**	**Textile**	**Chemicals**	**Cement**	**Retail**	**Food and beverage**	**Energy**	**Banking**	**Insurance**	**Total finance**	**Other**	**Inter segment elimination**	**Total**
External revenues	776.740	854.941	570.366	-	406.527	894.649	223.698	78.429	4.755.631	452.783	5.208.414	288.512	-	9.302.276
Inter segment revenues	2.633	296	9.704	-	159	3.332	4.367	90.995	26.714	1.684	28.398	9.491	(149.375)	-
Intra segment revenues	21.071	-	1.335	-	4.460	1.582	-	-	-	292	292	884.284	(913.024)	-
Combined revenues	**800.444**	**855.237**	**581.405**	**-**	**411.146**	**899.563**	**228.065**	**169.424**	**4.782.345**	**454.759**	**5.237.104**	**1.182.287**	**(1.062.399)**	**9.302.276**
External revenues	776.740	854.941	570.366	-	406.527	894.649	223.698	78.429	4.755.631	452.783	5.208.414	288.512	-	9.302.276
Inter segment revenues	2.633	296	9.704	-	159	3.332	4.367	90.995	26.714	1.684	28.398	9.491	(149.375)	-
Consolidated revenue	**779.373**	**855.237**	**580.070**	**-**	**406.686**	**897.981**	**228.065**	**169.424**	**4.782.345**	**454.467**	**5.236.812**	**298.003**	**(149.375)**	**9.302.276**
Cost of sales **(*)**	(654.854)	(722.204)	(493.580)	-	(253.589)	(715.294)	(185.047)	(170.815)	(2.869.361)	(404.783)	(3.274.144)	(244.715)	171.240	(6.543.002)
General administrative expenses	(34.569)	(15.960)	(24.679)	-	(16.280)	(95.206)	(6.966)	(5.942)	(812.627)	(47.194)	(859.821)	(27.839)	11.517	(1.075.745)
Sales, marketing and distribution expenses	(42.983)	(73.940)	(44.700)	-	(3.837)	(82.335)	(35.804)	-	-	-	-	(20.207)	3.173	(300.633)
Research and development expenses	(3.263)	(3.547)	(7.888)	-	-	-	(136)	-	-	-	-	(37)	47	(14.824)
Inter segment adjustment	-	(369)	45	-	(50)	-	(3)		20.198	(456)	19.742	1.370	(19.761)	974
Operating result	**43.704**	**39.217**	**9.268**	**-**	**132.930**	**5.146**	**109**	**(7.333)**	**1.120.555**	**2.034**	**1.122.589**	**6.575**	**16.841**	**1.369.046**
Other unallocated operating expenses														(25.804)
Net operating result														**1.343.242**
Other income/(expense) - net	3.447	4.386	3.049	-	7.437	(22.733)	(63.881)	(3.474)	60.447	9.290	69.737	91.722		89.690
Segment result	**47.151**	**43.603**	**12.317**	**-**	**140.367**	**(17.587)**	**(63.772)**	**(10.807)**	**1.181.002**	**11.324**	**1.192.326**	**98.297**	**16.841**	**1.432.932**

(*) 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 33 - SEGMENT REPORTING (Continued)

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

	Tire and tire reinforcements	Automotive	Textile	Chemicals	Cement	Retail	Food and beverage	Energy	Finance Banking	Finance Insurance	Finance Total finance	Other	Inter segment elimination	Total
External revenues	385.344	469.563	284.593	-	253.129	467.226	116.741	28.610	2.513.101	215.120	2.728.221	159.939	-	4.893.366
Inter segment revenues	1.532	28	5.151	-	(48)	2.851	2.139	51.381	14.496	56	14.552	4.793	(82.379)	-
Intra segment revenues	10.300	-	886	-	3.498	1.165	-	-	-	45	45	318.013	(333.907)	-
Combined revenues	**397.176**	**469.591**	**290.630**	**-**	**256.579**	**471.242**	**118.880**	**79.991**	**2.527.597**	**215.221**	**2.742.818**	**482.745**	**(416.286)**	**4.893.366**
External revenues	385.344	469.563	284.593	-	253.129	467.226	116.741	28.610	2.513.101	215.120	2.728.221	159.939	-	4.893.366
Inter segment revenues	1.532	28	5.151	-	(48)	2.851	2.139	51.381	14.496	56	14.552	4.793	(82.379)	-
Consolidation revenue	**386.876**	**469.591**	**289.744**	**-**	**253.081**	**470.077**	**118.880**	**79.991**	**2.527.597**	**215.176**	**2.742.773**	**164.732**	**(82.379)**	**4.893.366**
Cost of sales	(328.120)	(393.875)	(245.624)	-	(149.671)	(368.783)	(96.227)	(80.659)	(1.529.586)	(191.292)	(1.720.878)	(137.468)	102.766	(3.418.539)
General administrative expenses	(16.062)	(7.594)	(12.582)	-	(11.970)	(47.777)	(2.807)	(3.317)	(441.821)	(26.030)	(467.851)	(14.512)	6.093	(578.379)
Sales, marketing and distribution expenses	(23.892)	(38.285)	(23.154)	-	(3.045)	(41.908)	(18.823)	-	-	-	-	(11.457)	359	(160.205)
Research and development expenses	(1.770)	(1.520)	(3.973)	-	-	-	(66)	-	-	-	-	(37)	24	(7.342)
Inter segment adjustment	-	(185)	22	-	(25)	-	(3)	-	16.542	459	17.001	686	(17.012)	484
Operating result	**17.032**	**28.132**	**4.433**	**-**	**88.370**	**11.609**	**954**	**(3.985)**	**572.732**	**(1.687)**	**571.045**	**1.944**	**9.851**	**729.385**
Other unallocated operating expenses														(14.069)
Net operating result														**715.316**
Other income/(expense) - net	1.564	3.976	3.955	-	12.576	(5.522)	(62.600)	(13)	58.764	-	58.764	77.564	-	90.264
Segment result	**18.596**	**32.108**	**8.388**	**-**	**100.946**	**6.087**	**(61.646)**	**(3.998)**	**631.496**	**(1.687)**	**629.809**	**79.508**	**9.851**	**805.580**

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

NOTE 33 - SEGMENT REPORTING (Continued)

Segmental analysis for the six-month period ended 30 June 2006

									Finance					
	Tire and tire reinforcements	**Automotive**	**Textile**	**Chemicals**	**Cement**	**Retail**	**Food and beverage**	**Energy**	**Banking**	**Insurance**	**Total finance**	**Other**	**Inter segment elimination**	**Total**
External revenues	638.790	825.586	204.107	780.049	325.207	785.048	220.447	69.022	3.697.408	388.096	4.085.504	152.286	-	8.086.046
Inter segment revenues	3.221	2.167	154	10.060	2	1.568	4.806	82.362	49.843	1.555	51.398	4.229	(159.967)	-
Intra segment revenues	19.637	1	314	-	1.916	945	-	-	2.793	-	2.793	950.913	(976.519)	-
Combined revenues	**661.648**	**827.754**	**204.575**	**790.109**	**327.125**	**787.561**	**225.253**	**151.384**	**3.750.044**	**389.651**	**4.139.695**	**1.107.428**	**(1.136.486)**	**8.086.046**
External revenues	638.790	825.586	204.107	780.049	325.207	785.048	220.447	69.022	3.697.408	388.096	4.085.504	152.286	-	8.086.046
Inter segment revenues	3.221	2.167	154	10.060	2	1.568	4.806	82.362	49.843	1.555	51.398	4.229	(159.967)	-
Consolidation revenue	**642.011**	**827.753**	**204.261**	**790.109**	**325.209**	**786.616**	**225.253**	**151.384**	**3.747.251**	**389.651**	**4.136.902**	**156.515**	**(159.967)**	**8.086.046**
Cost of sales	(519.311)	(689.582)	(148.462)	(714.129)	(191.374)	(609.103)	(185.602)	(157.590)	(2.249.803)	(367.027)	(2.616.830)	(112.545)	223.353	(5.721.175)
General administrative expenses	(44.805)	(10.303)	(14.176)	(19.944)	(12.987)	(95.593)	(9.346)	(2.006)	(736.082)	(33.378)	(769.460)	(18.659)	6.891	(990.388)
Sales, marketing and distribution expenses	(14.705)	(57.077)	(15.110)	(57.531)	(5.709)	(64.438)	(36.525)	-	-	-	-	(19.161)	8.635	(261.621)
Research and development expenses	(2.786)	(2.947)	(4.853)	(4.493)	-	-	(199)	-	-	-	-	-	36	(15.242)
Inter segment adjustment	-	(369)	45	98	(50)	33	709	-	70.475	1.095	71.570	(1.170)	(55.303)	15.563
Operating result	**60.404**	**67.475**	**21.705**	**(5.890)**	**115.089**	**17.515**	**(5.710)**	**(8.212)**	**831.841**	**(9.659)**	**822.182**	**4.980**	**23.645**	**1.113.183**
Other unallocated operating expenses														(24.463)
Net operating result														**1.088.720**
Other income/(expense) - net	(1.450)	(4.340)	(1.862)	(20.092)	(2.023)	(2.550)	(5.048)	(7.373)	113.607	15.788	129.395	(24.669)	-	59.988
Segment result	**58.954**	**63.135**	**19.843**	**(25.982)**	**113.066**	**14.965**	**(10.758)**	**(15.585)**	**945.448**	**6.129**	**951.577**	**(19.689)**	**23.645**	**1.148.708**

(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 - SEGMENT REPORTING (Continued)

Segmental analysis for the period between 1 April and 30 June 2006

									Finance					
	Tire and tire reinforcements	Automotive	Textile	Chemicals	Cement	Retail	Food and beverage	Energy	Banking	Insurance	Total finance	Other	Inter segment elimination	Total
External revenues	343.652	471.898	116.323	425.777	210.922	407.777	114.893	35.617	1.853.115	180.554	2.033.669	87.340	-	4.247.868
Inter segment revenues	1.922	2.112	116	4.880	2	800	2.234	41.449	41.222	(1.045)	40.177	1.069	(94.761)	-
Intra segment revenues	10.421	1	280	-	1.108	-	-	-	1.422	-	1.422	325.239	(338.471)	-
Combined revenues	**355.995**	**474.011**	**116.719**	**430.657**	**212.032**	**408.577**	**117.127**	**77.066**	**1.895.759**	**179.509**	**2.075.268**	**413.648**	**(433.232)**	**4.247.868**
External revenues	343.652	471.898	116.323	425.777	210.922	407.777	114.893	35.617	1.853.115	180.554	2.033.669	87.340	-	4.247.868
Inter segment revenues	1.922	2.112	116	4.880	2	800	2.234	41.449	41.222	(1.045)	40.177	1.069	(94.761)	-
Consolidation revenue	**345.574**	**474.010**	**116.439**	**430.657**	**210.924**	**408.577**	**117.127**	**77.066**	**1.894.337**	**179.509**	**2.073.846**	**88.409**	**(94.761)**	**4.247.868**
Cost of sales	(273.734)	(402.045)	(77.188)	(383.631)	(116.736)	(313.925)	(100.253)	(82.742)	(1.269.750)	(164.888)	(1.434.638)	(61.998)	148.372	(3.098.518)
General administrative expenses	(26.104)	(5.465)	(6.878)	(10.137)	(6.917)	(48.824)	(4.855)	(886)	(410.150)	(18.765)	(428.915)	(7.758)	822	(545.917)
Sales, marketing and distribution expenses	(8.441)	(34.900)	(8.939)	(30.520)	(4.224)	(38.373)	(17.788)	-	-	-	-	(10.625)	4.275	(149.535)
Research and development expenses	(1.457)	(1.949)	(2.460)	(2.602)	-	-	(105)	-	-	-	-	-	14	(8.559)
Inter segment adjustment	-	(185)	22	98	(25)	113	705	-	55.622	3.201	58.823	(1.855)	(42.545)	15.151
Operating result	**35.838**	**29.466**	**20.996**	**3.865**	**83.022**	**7.568**	**(5.169)**	**(6.562)**	**270.059**	**(943)**	**269.116**	**6.173**	**16.177**	**460.490**
Other unallocated operating expenses														(13.148)
Net operating result														**447.342**
Other income/(expense) - net	1.177	(4.244)	(1.684)	(15.244)	833	(1.886)	(4.011)	-	46.270	(9.743)	36.527	(23.661)	-	(12.193)
Segment result	**37.015**	**25.222**	**19.312**	**(11.379)**	**83.855**	**5.682**	**(9.180)**	**(6.562)**	**316.329**	**(10.686)**	**305.643**	**(17.487)**	**16.177**	**435.149**

(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 - SEGMENT REPORTING (Continued)

e) Operating results

i) Banking

	1 January - 30 June 2007	1 April - 30 June 2007	1 January - 30 June 2006	1 April - 30 June 2006
Interest on loans	2.452.227	1.268.089	1.769.110	927.851
Interest on investment and trading securities	1.414.675	782.935	1.149.415	531.695
Fee and commission income	635.965	345.831	527.819	280.624
Interest from other banks	172.315	72.821	111.280	61.454
Net trading gains on securities	30.312	19.817	115.865	47.522
Other interest income	50.137	23.608	23.919	3.969
Total operating revenues	4.755.631	2.513.101	3.697.408	1.853.115
Less: fee and commission income and net trading gains on securities	(666.279)	(365.650)	(643.684)	(328.146)
Total interest income	4.089.352	2.147.451	3.053.724	1.524.969
Interest expenses	(2.486.212)	(1.288.040)	(1.741.730)	(898.817)
Interest income - net	1.603.140	859.411	1.311.994	626.152
Operating costs				
Interest expenses	(2.486.212)	(1.288.040)	(1.741.730)	(898.817)
Foreign exchange trading gains - net	38.546	21.126	(133.217)	(131.361)
Operating expenses	(812.627)	(441.821)	(736.082)	(410.150)
Fee and commission expenses	(119.987)	(63.719)	(107.003)	(55.671)
Provision for loan losses	(254.795)	(167.914)	(147.536)	(87.058)
Total operating costs	(3.635.075)	(1.940.368)	(2.865.568)	(1.583.057)
Add: interest expenses	2.486.212	1.288.040	1.741.730	898.817
Add: fee and commission income and net trading gains on securities	666.278	365.649	643.685	328.147
Operating results	**1.120.555**	**572.732**	**831.841**	**270.059**

(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 - SEGMENT REPORTING (Continued)

ii) Insurance

	1 January - 30 June 2007	1 April - 30 June 2007	1 January - 30 June 2006	1 April - 30 June 2006
Gross premiums written	452.783	215.120	388.096	180.554
Outward reinsurance premiums	(195.888)	(80.860)	(177.748)	(73.480)
Change in the provision for unearned premiums, net of reinsurance	(36.890)	(15.754)	(43.749)	(16.419)
Earned premiums, net of reinsurance	220.005	118.506	166.599	90.655
Claims paid - gross	(261.795)	(139.319)	(207.727)	(108.281)
Claims paid – reinsures' share	135.524	76.378	97.486	54.476
Change in the provision for claims	(18.814)	(15.996)	(15.852)	(6.284)
Claims incurred, net of reinsurance	(145.085)	(78.937)	(126.093)	(60.089)
Change in life assurance provision	540		(2.305)	(3.237)
Commission expenses - net	(26.232)	(15.226)	(14.482)	(9.507)
Other technical income - net	49.228	24.343	23.719	17.822
General administrative expenses	(47.194)	(26.030)	(33.378)	(18.765)
Operating results	**2.034**	**(1.687)**	**(9.659)**	**(943)**

iii) Non-financial products

	1 January - 30 June 2007	1 April - 30 June 2007	1 January - 30 June 2006	1 April - 30 June 2006
Net sales	4.093.862	2.165.145	4.000.542	2.214.199
Cost of sales	(3.316.024)	(1.728.730)	(3.211.750)	(1.747.729)
Gross profit	777.838	436.415	788.792	466.470
Operating expenses	(557.185)	(292.144)	(522.254)	(288.244)
Operating results	**220.653**	**144.271**	**266.538**	**178.226**

(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 - SEGMENTAL 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 interim financial statements as expressed in Note 3, are as follows on a combined basis:

Balance sheet	**30 June 2007**	**31 December 2006**
Current assets	486.449	456.421
Non-current assets	1.541.932	951.423
Total assets	**2.028.381**	**1.407.844**
Current liabilities	512.149	422.396
Non-current liabilities	302.686	50.143
Total liabilities	**814.835**	**472.539**
Outside interests	4.453	4.435
Shareholders' equity	1.209.093	930.870
Total liabilities, outside interests and shareholders' equity	**2.028.381**	**1.407.844**

Income statement	**1 January - 30 June 2007**	**1 April - 30 June 2007**	**1 January - 30 June 2006**	**1 April - 30 June 2006**
Operating profit	44.290	40.396	50.231	34.308
Financial income/(expenses), net	12.091	8.622	(4.835)	(7.713)
Income before taxation on income and outside interests	56.381	49.018	45.396	26.595
Taxation on income	(15.124)	(8.708)	(35.314)	(40.660)
Income/(loss) before outside interests	41.257	40.310	10.082	(14.065)
Outside interests	(260)	(148)	(20)	(344)
Net income/(loss) for the period	**40.997**	**40.162**	**10.062**	**(14.409)**

(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 - SEGMENTAL REPORTING (Continued)

g) Depreciation and amortisation charge and capital expenditures:

1 January - 30 June 2007

	Finance		Tire and					Food and				
	Banking	Insurance	tire enforcements	Automotive	Textile	Chemicals	Cement	beverage	Energy	Retail	Other	Total
Depreciation and amortisation	54.874	2.294	40.359	7.930	31.122	-	25.687	7.529	17.676	17.166	15.537	220.174
Capital expenditures	47.117	3.232	13.125	49.994	19.776	-	98.567	16.841	326.327	30.511	23.382	628.872

1 April - 30 June 2007

	Finance		Tire and					Food and				
	Banking	Insurance	tire enforcements	Automotive	Textile	Chemicals	Cement	beverage	Energy	Retail	Other	Total
Depreciation and amortisation	25.771	1.155	21.074	4.084	15.261	-	13.819	4.007	8.094	9.089	7.493	109.847
Capital expenditures	39.039	2.094	(67)	39.773	13.537	-	62.784	6.780	316.608	20.065	20.104	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 33 - SEGMENTAL REPORTING (Continued)

1 January - 30 June 2006

	Finance		Tire and					Food and				
	Banking	Insurance	tire enforcements	Automotive	Textile	Chemicals	Cement	beverage	Energy	Retail	Other	Total
Depreciation and amortisation	55.185	2.251	35.164	5.854	18.652	44.070	25.090	6.305	17.996	16.521	14.639	241.727
Capital expenditures	47.628	1.673	53.972	13.733	12.604	42.589	41.377	18.953	125.823	15.981	3.652	377.985

1 April - 30 June 2006

	Finance		Tire and					Food and				
	Banking	Insurance	tire enforcements	Automotive	Textile	Chemicals	Cement	beverage	Energy	Retail	Other	Total
Depreciation and amortisation	27.590	1.138	20.084	2.007	9.271	24.649	11.947	2.958	9.275	8.184	7.121	124.224
Capital expenditures	35.900	894	44.479	6.034	7.871	26.112	34.102	14.091	122.855	11.749	2.706	306.793

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

NOTE 34 - SUBSEQUENT EVENTS

1. 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. The details of this transaction and its impact on the consolidated interim financial statements are disclosed in Note 35.

2. On 3 July 2007, it is decided to merge Ak Emeklilik, a Subsidiary of the Group, with Aviva Hayat ve Emeklilik A.Ş. ("Aviva") through transfer of Aviva's total assets and liabilities as of 31 May 2007 as a whole.

3. Akbank secured a EUR 1 billion syndication loan from international markets with one year maturity. The interest rate of the loan syndication loan is Libor + 0,475 and will be allocated to finance the foreign trade markets.

NOTE 35 - DISCONTINUED OPERATIONS

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 for TL 2.107.

An impairment loss for YTL 60.094 is calculated as the excess of Gıdasa's carrying amount included in the consolidated interim financial statements at 30 June 2007 over the sales price. The impairment loss is included in other operating expenses in the consolidated interim financial statements (Note 38).

The summary income statement of Gıdasa for the six month is as follows:

	1 January 2007 - 30 June 2007
Revenues	228.065
Expenses	(287.400)
Segment result of food and beverage before tax	(59.335)
Tax	1.498
Food and beverages segment loss after tax	**(57.837)**

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

NOTE 35 - DISCONTINUED OPERATIONS (Continued)

At 30 June 2007 the balances of assets and liabilities to be disposed as a result of sales agreement subject to the approved of regulatory authorities are as follows:

	30 June 2007
Assets	**344.991**
Cash and cash equivalents	4.547
Trade receivables (net)	83.054
Inventories (net)	54.000
Other current assets	27.379
Property, plant and equipment (net)	141.587
Intangible assets (net)	6.837
Deferred income tax assets	27.587
Liabilities	**342.253**
Borrowings	143.979
Trade payables (net)	95.770
Other liabilities	36.945
Provision for discontinued operations	60.694
Deferred income tax liability	4.865
Net assets to be disposed	**2.738**

NOTE 36 - OPERATING INCOME

	1 January - 30 June 2007	**1 April - 30 June 2007**	**1 January - 30 June 2006**	**1 April - 30 June 2006**
Finance	5.208.414	2.728.221	4.085.505	2.033.669
Non-finance	4.093.862	2.165.145	4.000.541	2.214.199
Total	**9.302.276**	**4.893.366**	**8.086.046**	**4.247.868**

NOTE 37 - OPERATING EXPENSES

	1 January - 30 June 2007	**1 April - 30 June 2007**	**1 January - 30 June 2006**	**1 April - 30 June 2006**
General administrative expenses	1.101.549	592.447	1.014.851	559.065
Marketing, selling and distribution expenses	300.633	160.205	261.621	149.535
Research and development expenses	14.824	7.343	15.242	8.559
Total	**1.417.006**	**759.995**	**1.291.714**	**717.159**

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

NOTE 38 - OTHER INCOME/EXPENSES AND GAINS/LOSSES

	1 January - 30 June 2007	1 April - 30 June 2007	1 January - 30 June 2006	1 April - 30 June 2006
Foreign exchange gains	144.434	108.285	213.726	192.761
Gain on sale of Enerjisa shares	83.596	83.596	-	-
Interest income	46.236	17.922	45.713	31.871
Gain on sale of property, plant and equipment, net **(*)**	14.567	14.567	11.271	-
Insurance compensation gain	10.233	10.233	-	-
Government grants	9.230	9.230	-	-
Gain on sale of associate	-	-	52.032	-
Others	61.761	39.167	13.128	(1.933)
Total	**370.057**	**283.000**	**335.870**	**222.699**

	1 January - 30 June 2007	1 April - 30 June 2007	1 January - 30 June 2006	1 April - 30 June 2006
Impairment losses	(60.694)	(60.694)	(2.603)	(2.603)
Provision expenses **(**)**	(21.220)	(536)	(1.800)	(1.800)
Idle time expenses	(7.783)	(5.299)	(3.429)	(1.256)
Others	-	-	(5.134)	(4.601)
Total	**(89.697)**	**(66.529)**	**(12.966)**	**(10.260)**

(*) Oysa; as a Subsidiary of the Group, sold cement grinding facility and the related ready mixed concrete facilities located in Antakya to Adana Çimento Sanayi T.A.Ş on 30 April 2007. The gain on the sale of property, plant and equipment is YTL 12.527.

(**) In 2005, Carefoursa 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). The subject provision is included in other liabilities in these consolidated interim financial statements.

NOTE 39 - FINANCIAL EXPENSES

	1 January - 30 June 2007	1 April - 30 June 2007	1 January - 30 June 2006	1 April - 30 June 2006
Foreign exchange losses	133.187	107.632	222.395	204.386
Interest expenses	56.942	18.735	31.734	22.160
Other financial expenses	15.707	10.183	39.847	23.651
Total	**205.836**	**136.550**	**293.976**	**250.197**

Financial expenses relate to segments other than banking.

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

NOTE 40 – GAIN/LOSS ON NET MONETARY POSITION

Gain/loss on net monetary position is calculated as the difference between the assets and liabilities as a result of the restatement of the non-monetary assets and liabilities and income statement for the changes in the general purchasing power. However, since inflation adjustment is not made for the periods beginning on or after 1 January 2006, there is no gain/loss on net monetary position for the six-month period ended 30 June 2007 (1 January - 30 June 2006: None).

NOTE 41 - TAXES ON INCOME

Total taxes payable for the period ended 30 June 2007 and 2006 were reconciled to current period tax charge as follows:

	30 June 2007	30 June 2006
Corporation and income taxes currently payable	378.146	99.688
Tax charge to equity relating to available for sale financial assets	(41.129)	143.233
Currency translation adjustment	73	(311)
Current period tax charge	337.090	242.610
Previous year tax adjustment (Note 31)	(270.001)	-
Deferred taxation (credit)/charge (Note 14)	(14.405)	104.490
Taxation on income	**52.684**	**347.100**

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

	30 June 2007	30 June 2006
Statutory income before taxation	2.373.467	1.433.484
Disallowable expenses	473.180	141.368
Dividend income	(503.584)	(328.619)
Investment sales income	(81.961)	(45.110)
Investment incentive allowances	(18.232)	(21.696)
Carry forward tax losses	(2.238)	(51.082)
Other exempt income	(409.530)	(876.932)
Corporation tax base	1.831.102	251.413
Withholding tax base	14.119	19.802
Effective tax rate 20,56 % (2006: 39,26 %)	376.523	98.698
Withholding tax charge over investment allowance including fund 11,5 % (2006: 13,7 %)	1.623	990
Financial assets fair value reserve through shareholders equity	(41.129)	143.233
Calculated corporate tax and taxation on income	337.017	242.921
Foreign currency translation difference	73	(311)
Current period tax charge	**337.090**	**242.610**

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

NOTE 42 - 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 2007	1 April- 30 June 2007	1 January- 30 June 2006	1 April- 30 June 2006
Earnings per share in full YTL - A thousand ordinary share	3,32	2,19	1,72	0,70
Weighted average number of shares with YKr 1 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 2007.

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

	Vaksa share	Ordinary shares	Total
1 January - 30 June 2007	18.476	597.403	615.879
1 April - 30 June 2007	12.177	393.739	405.916
1 January - 30 June 2006	9.576	309.624	319.200
1 April - 30 June 2006	3.878	125.394	129.272

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-months period ended 30 June 2007 the Holding purchased the 189 usufruct shares that were issued in accordance with the 13th article of the Article of Association of Sabancı Holding which entitles its holders to a 3% dividend from the distributable net income without any voting rights for YTL 1.425 each.

(**) 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 43 - STATEMENTS OF CASH FLOW

The statements of consolidated cash flow are disclosed together with the consolidated interim financial statements.

NOTE 44 - DERIVATIVE FINANCIAL INSTRUMENTS

30 June 2007	**Fair values**	
Derivatives held for trading	**Assets**	**Liabilities**
Foreign exchange derivatives		
Currency forwards	24.780	8.805
Currency swaps	26.786	21.113
Total over-the-counter derivatives	**51.566**	**29.918**
Interest rate derivatives		
Interest rate swaps	5.421	41.564
Total derivatives held for trading	**56.987**	**71.482**

31 December 2006	**Fair values**	
Derivatives held for trading	**Assets**	**Liabilities**
Foreign exchange derivatives		
Currency forwards	38.378	31.953
Currency swaps	30.466	27.689
Total over-the-counter derivatives	**68.844**	**59.642**
Interest rate derivatives		
Interest rate swaps	22.161	14.699
Total derivatives held for trading	**91.005**	**74.341**

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

NOTE 45 - LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers

	30 June 2007	**31 December 2006**
Consumer loans and credit cards receivables	10.725.843	9.276.592
Small-scale enterprises	2.739.607	2.626.856
Project finance loans	2.399.676	1.081.944
Financial institutions	2.359.598	2.357.662
Other manufacturing industries	1.826.766	1.762.062
Construction	1.709.178	873.159
Mining	1.180.845	1.036.464
Food and beverage, wholesale and retail	1.125.550	874.714
Chemicals	1.078.218	913.029
Textile	667.469	666.419
Health care and social services	657.915	600.554
Electronics	635.222	223.954
Automotive	608.503	469.038
Agriculture and forestry	519.058	519.469
Telecommunication	467.616	475.458
Tourism	321.089	335.144
Other	5.832.691	5.485.724
Sub-total	34.854.844	29.578.242
Non-performing loans	746.547	593.571
Total loans and advances to customers	35.601.391	30.171.813
Allowance for loan losses	(995.501)	(787.107)
Net loans and advances to customers	**34.605.890**	**29.384.706**

Effective interest rates of USD, EUR and YTL denominated loans and advances to customers are 6,99% p.a. (31 December 2006: 7,10% p.a.), 5,40% p.a. (31 December 2006: 3,10% p.a.) and 22,13% p.a. (31 December 2006: 22,23% p.a.), 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 45 - LOANS AND ADVANCES TO CUSTOMERS (Continued)

The maturity schedule of loans and advances to customers at 30 June 2007 and 31 December 2006 are summarised below:

	30 June 2007	31 December 2006
Up to 3 months	14.462.683	12.810.313
3 to 12 months	8.132.587	7.271.219
Current	22.595.270	20.081.532
1 to 5 year	9.724.838	7.460.858
Over 5 year	2.285.782	1.842.316
Non-current	12.010.620	9.303.174
Total	**34.605.890**	**29.384.706**

The repricing schedule of loans and advances to customers at 30 June 2007 and 31 December 2006 is summarised below:

	30 June 2007	31 December 2006
Up to 3 months	18.485.717	16.355.780
3 to 12 months	10.553.788	8.443.811
1 to 5 year	4.950.830	4.012.694
Over 5 year	615.555	572.421
Total	**34.605.890**	**29.384.706**

Movements in the allowance for loan losses are as follows:

	30 June 2007	30 June 2006
Balance at 1 January	787.107	537.069
Gross provisions	347.820	195.287
Recoveries	(175.669)	(80.794)
Written-off	(21.604)	(18.353)
Net specific provision	150.547	96.140
Net additional provision	57.847	32.977
30 June	**995.501**	**666.186**

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

NOTE 45 - LOANS AND ADVANCES TO CUSTOMERS (Continued)

The movements in loan loss provision during the six months ended at 30 June 2007 summaris ed below:

	Corporate	Commercial	SMEs	Consumer	Credit Card	Total
Balance at 1 January 2007	37.234	71.236	246.200	106.796	325.641	787.107
Provision for loan impairment	-	49.820	102.456	59.141	136.403	347.820
Recoveries	(2.138)	(6.093)	(39.915)	(29.756)	(97.767)	(175.669)
Written-off	-	(3.999)	(2.846)	(1.713)	(13.046)	(21.604)
Net specific provision for the period	35.096	110.964	305.895	134.468	351.231	937.654
Net additional provision for the period	4.627	725	2.246	8.765	41.484	57.847
30 June 2007	**39.723**	**111.689**	**308.141**	**143.233**	**392.715**	**995.501**

NOTE 46 - BANKING CUSTOMER DEPOSITS

	30 June 2007			31 December 2006		
	Demand	Time	Total	Demand	Time	Total
Savings deposits	3.330.449	26.243.204	29.573.653	3.081.287	23.148.391	26.229.678
Commercial deposits	2.867.292	5.307.732	8.175.024	2.312.597	3.469.964	5.782.561
Bank deposits	139.225	1.681.918	1.821.143	102.583	1.640.764	1.743.347
Funds deposited under repo transactions	-	5.856.816	5.856.816	-	5.224.820	5.224.820
Other	751.978	1.067.301	1.819.279	688.408	860.305	1.548.713
Total	**7.088.944**	**40.156.971**	**47.245.915**	**6.184.875**	**34.344.244**	**40.529.119**

Effective interest rates of USD, EUR and YTL denominated customer deposits are 5,40% p.a. (31 December 2006: 5,50% p.a.), 3,58% p.a. (31 December 2006: 3,53% p.a.) and 19,18% p.a. (31 December 2006: 18,98% p.a.), respectively.

As at 30 June 2007 and 31 December 2006, the contractual maturity date and contractual repricing schedules based on the remaining period of banking customer deposits are as follows:

	30 June 2007	31 December 2006
Demand	7.088.944	6.184.875
Up to three months	35.254.055	28.478.548
Between 3 and 6 months	2.659.923	3.575.411
Between 6 and 12 months	1.934.288	1.913.170
Over 1 year	308.705	377.115
Total	**47.245.915**	**40.529.119**

NOTE 47 - MUTUAL FUNDS

At 30 June 2007, the Group manages 16 (31 December 2006: 15) mutual funds and 10 mutual pension funds ("Funds") which were established under Capital Markets Board Regulations. At 30 June 2007, the Funds' investment portfolio includes government bonds, treasury bills and share certificates of YTL 3.828.811 (31 December 2006: YTL 3.262.882). 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 0,0027% - 0,0122%. At 30 June 2007, management fees and commissions earned by the Group amounted to YTL 54.799 (30 June 2006: YTL 61.274).

NOTE 48 - DISCLOSURE OF OTHER MATTERS

None (31 December 2006: None).

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