

**HACI ÖMER SABANCI HOLDİNG A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AT 30 SEPTEMBER 2007 (UNAUDITED)**

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007

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# HACI ÖMER SABANCI HOLDİNG A.Ş.

## CONSOLIDATED BALANCE SHEETS AT 30 SEPTEMBER 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	(Not Reviewed) 30 September 2007	(Restated) 31 December 2006
<b>ASSETS</b>			
<b>Current assets</b>			
		<b>46.105.682</b>	<b>45.080.012</b>
Cash and cash equivalents	4	3.142.112	4.855.781
Marketable securities (net)	5	5.029.970	6.635.388
Financial assets (net)			
- Available for sale	16.a	9.225.780	7.370.306
- Held-to-maturity	16.b	9.219	8.152
Derivative financial instruments	44	93.654	91.005
Reserve deposits with the Central Bank of the Republic of Turkey		2.095.291	2.692.777
Loans and advances to customers	45	22.897.095	20.081.532
Trade receivables (net)	7	1.484.719	1.409.384
Lease receivables (net)	8	83.354	209.060
Due from related parties (net)	9	8.956	21.616
Other receivables (net)	10	377.773	390.951
Biological assets (net)	11	-	-
Inventories (net)	12	1.252.925	1.262.648
Non-current assets held for sale	35	345.591	-
Receivables from construction contracts work in progress (net)	13	-	-
Deferred income tax assets	14	-	-
Other current assets	15	59.243	51.412
<b>Non-current assets</b>			
		<b>29.015.387</b>	<b>22.136.438</b>
Loans and advances to customers	45	12.129.752	9.303.174
Trade receivables (net)	7	32.654	30.147
Lease receivables (net)	8	543.094	278.153
Due from related parties (net)	9	-	-
Other receivables (net)	10	48.198	37.859
Financial assets (net)			
- Available for sale	16.a	11.161.635	7.296.683
- Held-to-maturity	16.b	4.090	-
- Investments	16.c	185.283	181.814
Goodwill/negative goodwill (net)	17	366.189	281.452
Investment properties (net)	18	243.257	277.438
Property, plant and equipment (net)	19	3.817.882	4.039.211
Intangible assets (net)	20	344.921	267.164
Deferred income tax assets	14	138.432	143.343
Other non-current assets	15	-	-
<b>Total Assets</b>		<b>75.121.069</b>	<b>67.216.450</b>

These consolidated interim financial statements have been approved by the Board of Directors on 30 November 2007 and signed on its behalf by Ahmet C. Dördüncü and Nedim Bozfkıoğlu.

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

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## CONSOLIDATED BALANCE SHEETS AT 30 SEPTEMBER 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	(Not Reviewed) 30 September 2007	(Restated) 31 December 2006
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>53.496.620</b>	<b>47.739.897</b>
Short-term borrowings (net)	6	4.246.968	3.757.903
Current portion of long-term borrowings (net)	6	610.538	693.027
Banking customer deposits	46	44.591.720	40.152.004
Derivative financial instruments	44	101.220	74.341
Lease payables (net)	8	2.143	4.022
Other financial liabilities (net)	10	-	-
Insurance technical reserves		290.085	223.325
Trade payables (net)	7	900.910	977.413
Due to related parties (net)	9	15.486	8.199
Advances received	21	20.309	19.107
Liabilities directly associated with non-current assets held for sale	35	343.061	-
Construction contracts progress billings (net)	13	-	-
Provisions	23	171.524	122.456
Current liabilities	15	238.083	217.020
Deferred income tax liabilities	14	-	-
Other current liabilities (net)	10	1.964.573	1.491.080
<b>Non-current liabilities</b>		<b>6.228.362</b>	<b>7.625.168</b>
Long-term borrowings (net)	6	5.116.987	6.766.744
Banking customer deposits	46	564.939	377.115
Lease payables (net)	8	3.717	2.983
Other financial liabilities (net)	10	-	-
Trade payables (net)	7	4.271	1.444
Due to related parties (net)	9	-	-
Advances received	21	-	-
Insurance technical reserves		57.697	59.802
Provisions	23	146.630	150.298
Deferred income tax liabilities	14	205.734	210.162
Government grants	30	-	-
Other payables (net)	10	128.387	56.620
<b>MINORITY INTERESTS</b>	<b>24</b>	<b>7.826.527</b>	<b>4.997.041</b>
- Sabancı family members		2.331.537	2.094.194
- Others		5.494.990	2.902.847
<b>SHAREHOLDERS' EQUITY</b>		<b>7.569.560</b>	<b>6.854.344</b>
<b>Share capital</b>	<b>25</b>	<b>1.800.000</b>	<b>1.800.000</b>
<b>Treasury shares</b>	<b>25</b>	<b>-</b>	<b>-</b>
<b>Capital reserves</b>	<b>26</b>	<b>3.958.647</b>	<b>3.861.820</b>
Share premium		21.670	21.670
Share cancellation gains		-	-
Revaluation fund		8.273	10.496
Fair value reserve of financial assets		44.783	(54.267)
Inflation adjustment to shareholders' equity		3.883.921	3.883.921
<b>Profit reserves</b>	<b>27</b>	<b>447.837</b>	<b>329.042</b>
Legal reserves		113.797	92.463
Statutory reserves		-	-
Extraordinary reserves		693.869	478.007
Special reserves		-	-
Investment and property sales income to be added to the share capital		-	-
Translation reserve		(359.829)	(241.428)
<b>Net income for the period</b>		<b>853.626</b>	<b>494.049</b>
<b>Retained earnings</b>	<b>28</b>	<b>509.450</b>	<b>369.433</b>
<b>Total liabilities and shareholders' equity</b>		<b>75.121.069</b>	<b>67.216.450</b>
Commitments and contingent assets and liabilities	31		

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

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF INCOME FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED 30 SEPTEMBER 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	(Not Reviewed) 1 January- 30 September 2007	(Not Reviewed) 1 July 30 September 2007	(Not Reviewed) 1 January- 30 September 2006	(Not Reviewed) 1 July- 30 September 2006
<b>OPERATING REVENUE</b>	<b>36</b>	<b>14.251.620</b>	<b>4.949.344</b>	<b>12.629.873</b>	<b>4.543.827</b>
Sales (net)	36	14.251.620	4.949.344	12.629.873	4.543.827
Cost of sales (-)		(10.077.107)	(3.535.079)	(9.018.687)	(3.313.075)
<b>GROSS PROFIT</b>		<b>4.174.513</b>	<b>1.414.265</b>	<b>3.611.186</b>	<b>1.230.752</b>
Operating expenses (-)	37	(2.195.819)	(778.813)	(1.962.891)	(671.177)
<b>OPERATING PROFIT</b>		<b>1.978.694</b>	<b>635.452</b>	<b>1.648.295</b>	<b>559.575</b>
Other income	38	553.043	182.986	395.992	60.122
Other expenses (-)	38	(96.524)	(6.827)	(60.603)	(47.637)
Financial expenses (-)	39	(347.828)	(141.992)	(366.873)	(72.897)
Income from associates	16	78.580	13.674	105.412	19.166
<b>INCOME BEFORE MONETARY LOSS, MINORITY INTEREST AND TAX</b>		<b>2.165.965</b>	<b>683.293</b>	<b>1.722.223</b>	<b>518.329</b>
Monetary gain/(loss)	40	-	-	-	-
<b>PROFIT/LOSS OF MINORITY INTEREST</b>	<b>24</b>	<b>(1.115.974)</b>	<b>(301.865)</b>	<b>(813.234)</b>	<b>(275.640)</b>
- Sabancı family members		(271.736)	(71.789)	(323.771)	(95.531)
- Others		(844.238)	(230.076)	(489.463)	(180.109)
<b>INCOME BEFORE TAX</b>		<b>1.049.991</b>	<b>381.428</b>	<b>908.989</b>	<b>242.689</b>
Taxation on income	41	(196.365)	(143.681)	(489.756)	(142.656)
<b>NET INCOME FOR THE PERIOD</b>		<b>853.626</b>	<b>237.747</b>	<b>419.233</b>	<b>100.033</b>
Earnings per share					
- thousands of ordinary shares (YTL)	42	4.60	1.28	2.26	0.54

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

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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
<b>Balances at 1 January 2006</b>	<b>1.800.000</b>	<b>21.670</b>	<b>12.455</b>	<b>92.213</b>	<b>3.883.921</b>	<b>76.136</b>	<b>567.538</b>	<b>(361.560)</b>	<b>689.765</b>	<b>17.021</b>	<b>6.799.159</b>
Transfers	-	-	-	-	-	16.327	179.794	-	(689.765)	493.644	-
Effect of change in the effective rate of subsidiaries	-	-	-	-	-	-	-	-	-	9.175	9.175
Purchase of usufruct shares (Note 42)	-	-	-	-	-	-	-	-	-	(269.325)	(269.325)
Dividends paid	-	-	-	-	-	-	-	-	-	(132.720)	(132.720)
Transfer from revaluation reserve	-	-	(1.921)	-	-	-	-	-	-	1.921	-
Available for sale investments net fair value losses, net of tax	-	-	-	(212.655)	-	-	-	-	-	-	(212.655)
Currency translation differences	-	-	1.357	-	-	-	-	162.911	-	-	164.268
Net income for the period	-	-	-	-	-	-	-	-	419.233	-	419.233
<b>Balances at 30 September 2006</b>	<b>1.800.000</b>	<b>21.670</b>	<b>11.891</b>	<b>(120.442)</b>	<b>3.883.921</b>	<b>92.463</b>	<b>747.332</b>	<b>(198.649)</b>	<b>419.233</b>	<b>119.716</b>	<b>6.777.135</b>
<b>Balances at 1 January 2007</b>	<b>1.800.000</b>	<b>21.670</b>	<b>10.496</b>	<b>(54.267)</b>	<b>3.883.921</b>	<b>92.463</b>	<b>478.007</b>	<b>(241.428)</b>	<b>494.049</b>	<b>369.433</b>	<b>6.854.344</b>
Transfers	-	-	-	-	-	21.334	215.862	-	(494.049)	256.853	-
Effect of change in the effective rate of subsidiaries	-	-	-	-	-	-	-	-	-	91.429	91.429
Purchase of usufruct shares (Note 42)	-	-	-	-	-	-	-	-	-	(21.089)	(21.089)
Dividends paid	-	-	-	-	-	-	-	-	-	(189.399)	(189.399)
Transfer from revaluation reserve	-	-	(2.223)	-	-	-	-	-	-	2.223	-
Available for sale investments net fair value gains, net of tax	-	-	-	99.050	-	-	-	-	-	-	99.050
Currency translation differences	-	-	-	-	-	-	-	(118.401)	-	-	(118.401)
Net income for the period	-	-	-	-	-	-	-	-	853.626	-	853.626
<b>Balances at 30 September 2007</b>	<b>1.800.000</b>	<b>21.670</b>	<b>8.273</b>	<b>44.783</b>	<b>3.883.921</b>	<b>113.797</b>	<b>693.869</b>	<b>(359.829)</b>	<b>853.626</b>	<b>509.450</b>	<b>7.569.560</b>

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

# HACI ÖMER SABANCI HOLDİNG A.Ş

## CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 September 2007	1 January - 30 September 2006
Income before taxation and minority interests		2.165.965	1.722.223
<b>Adjustments to reconcile income before taxation and outside interest to net cash provided by operating activities:</b>			
Depreciation and amortisation		334.145	359.108
Provision for loan losses		351.049	178.669
Impairment of non-current assets held for sale	35	57.340	-
Remeasurement of derivatives at fair value		24.230	(52.658)
Change in employment termination benefits reserve	23	19.865	39.505
Goodwill charge to the income statement	17	-	10.480
Impairment charge on property, plant and equipment and investment property		-	63.031
Impairment charge on goodwill		-	10.950
Currency translation adjustment		(208.306)	76.955
Insurance technical reserves		(81.132)	(45.629)
Income from associates		(78.580)	(105.412)
Income on sale of subsidiaries	38	(83.596)	41.922
Other		(67.177)	11.467
<b>Net cash provided by operating activities before changes in operating assets and liabilities</b>		<b>2.433.803</b>	<b>2.310.611</b>
<b>Changes in operating assets and liabilities:</b>			
Increase/(decrease) in trade receivables		245.023	(233.574)
Decrease/(increase) in due from related parties		1.133	(1.026)
Increase in inventory		(37.304)	(266.768)
Decrease/(increase) in other receivables and other current assets		231.770	(1.146.225)
Increase in lease receivables		(134.863)	(198.291)
(Decrease)/increase in trade payables		(36.377)	2.913
Increase in due to related parties		43.335	5.013
Increase in insurance technical reserve		145.781	85.010
Increase in other liabilities and advances received		226.989	207.557
<b>Changes in assets and liabilities in banking segment:</b>			
Decrease/(increase) in marketable securities		1.605.418	(454.097)
Increase in loans		(5.993.190)	(7.105.591)
Increase in customer deposits		4.627.540	4.565.511
Decrease in reserve with the Central Bank of the Republic of Turkey		597.486	484.441
		<b>1.522.741</b>	<b>(4.055.127)</b>
Income taxes paid		(362.805)	(552.489)
Employment termination benefits paid	23	(18.538)	(29.033)
<b>Net cash provided/(used in) by operating activities</b>		<b>3.575.201</b>	<b>(2.326.038)</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures		(803.027)	(609.752)
Investment in available-for-sale and held-to-maturity securities (non-banking segments)		(5.460.557)	1.395.394
Cash used in business combinations		(173.571)	-
Establishment of subsidiary		23.900	-
Change due to change in scope of consolidation		60.956	-
Proceeds from sale of subsidiary		160.317	643.219
Partial disposal of a subsidiary		131.671	53.845
Proceeds from sale of property, plant and equipment		66.787	222.495
Dividends received		94.863	40.411
<b>Net cash by (used in)/provided investing activities</b>		<b>(5.898.661)</b>	<b>1.745.612</b>
<b>Cash flows from financing activities:</b>			
(Decrease)/increase in short term funds borrowed, bank borrowings and debt securities in issue		(744.708)	571.134
(Increase)/decrease in finance lease payables		(1.145)	(5.536)
Dividends paid		(189.399)	(132.720)
Acquisition of usufruct shares	42	(21.089)	(269.325)
Dividends paid to outside interests	24	(492.729)	(374.298)
Increase in share capital of outside interests		200.000	(96)
Increase in share premium of outside interests		1.700.000	-
Change in the effective rate of subsidiaries		158.861	-
<b>Net cash provided by financing activities</b>		<b>609.791</b>	<b>(210.841)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1.713.669)</b>	<b>(791.267)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>4</b>	<b>4.855.781</b>	<b>4.255.300</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>4</b>	<b>3.142.112</b>	<b>3.464.033</b>

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

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 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 September 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.



# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 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 September 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.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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### 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.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 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 September 2007:

<b>Subsidiaries</b>	<b>Direct and indirect ownership interest by the Holding and its Subsidiaries %</b>	<b>Ownership interest shares held by Sabancı family members %</b>	<b>Proportion of ownership interest %</b>	<b>Proportion of effective interest %</b>
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.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 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 September 2007 and result of operations for the period ended 30 September 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.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 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 September 2007:

<b>Joint Ventures</b>	<b>Direct and indirect ownership interest by the Holding and its Subsidiaries %</b>	<b>Proportion of effective interest %</b>
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 (*)	50,00	50,00
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 shareholding rate of group is 50,00% as of 30 September 2007.

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:

<b>Joint Ventures</b>	<b>Direct and indirect ownership interest by the Holding and its Subsidiaries %</b>	<b>Proportion of effective interest %</b>
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).

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

Associates whose financial position at 30 September 2007 and result of operations for the period ended 30 September 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 September 2007 and 31 December 2006:

<b>Associates</b>	<b>Direct and indirect ownership interest by the Holding %</b>
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.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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#### 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 September 2006 is offset as shown below for the purpose of consistent presentation of the financial information with the comparative period.

Sales (net)	5.198
Other income and expenses	(5.198)

##### 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.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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### 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.

#### 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).



## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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#### 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.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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#### 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 September 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.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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### 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:

	<u>Years</u>
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.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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#### 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.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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### 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.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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### 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.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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#### 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.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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#### 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.



# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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### 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”.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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### 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.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

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#### 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.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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### 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 September 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 18.622 (30 September 2006: YTL 1.252) lower/higher, mainly as a result of foreign exchange losses/gains on the translation of Euro assets and liabilities.

At 30 September 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 18.849 (30 September 2006: YTL 62.616) lower/higher, mainly as a result of foreign exchange losses/gains on the translation of US dollar assets and liabilities.

At 30 September 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 489 (30 September 2006: YTL 2.801) 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.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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#### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

At 30 September 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 1.198 (30 September 2006: YTL 512) 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 September 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 857 (30 September 2006: YTL 924) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings

At 30 September 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 1.407 (30 September 2006: YTL 332) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings

At 30 September 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 22 (30 September 2006: YTL 3) 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.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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#### 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 September 2007 and 31 December 2006 is as follows:

<b>30 September 2007</b>	<b>Corporate</b>	<b>Commercial</b>	<b>SME (*)</b>	<b>Consumer</b>	<b>Credit Card</b>	<b>Total</b>
Investment grade	3.377.080	1.722.712	1.343.143	2.186.685	123.291	8.752.911
Standard monitoring	3.274.553	1.355.192	1.601.014	2.801.941	1.117.858	10.150.558
Special monitoring	2.243.702	1.384.950	1.339.060	1.906.205	1.575.889	8.449.806
Sub-standard	1.578.084	1.407.676	1.465.778	490.207	706.700	5.648.445
Other	-	174.751	1.324.958	525.418	-	2.025.127
<b>Total</b>	<b>10.473.419</b>	<b>6.045.281</b>	<b>7.073.953</b>	<b>7.910.456</b>	<b>3.523.738</b>	<b>35.026.847</b>
<b>31 December 2006</b>	<b>Corporate</b>	<b>Commercial</b>	<b>SME (*)</b>	<b>Consumer</b>	<b>Credit Card</b>	<b>Total</b>
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
<b>Total</b>	<b>8.878.717</b>	<b>5.409.890</b>	<b>6.017.317</b>	<b>5.968.961</b>	<b>3.109.821</b>	<b>29.384.706</b>

(\*) SME represents small and medium sized enterprises.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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#### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	<b>Loans and advances</b>	<b>Loan loss provision</b>
Investment grade	8.752.911	85.273
Standard monitoring	10.150.558	68.683
Special monitoring	8.449.806	53.794
Sub-standard	5.648.445	44.231
Other	2.025.127	2.579
Loans under follow up	883.596	883.596
<b>Total</b>	<b>35.910.443</b>	<b>1.138.156</b>

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

	<b>30 September 2007</b>	<b>31 December 2006</b>
Due from banks	1.877.974	2.296.140
<b>Loans and advances to customers</b>	<b>35.026.847</b>	<b>29.384.706</b>
<b>loans to individuals</b>	<b>11.434.194</b>	<b>9.078.782</b>
- credit cards	3.523.738	3.109.821
- consumer loans	7.910.456	5.968.961
<b>loans and advances to corporate, commercial and SME loans</b>	<b>23.592.653</b>	<b>20.305.924</b>
- corporate	10.473.419	8.878.717
- SMEs	7.073.953	6.017.317
- commercial	6.045.281	5.409.890
Financial leasing receivables	624.552	487.213
Trading securities	5.004.234	6.560.696
Derivative financial instruments	93.654	83.863
Investment securities	20.226.945	14.495.662
Other assets	238.650	167.510
<b>Total</b>	<b>63.092.856</b>	<b>53.475.790</b>

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

	<b>30 September 2007</b>	<b>31 December 2006</b>
Financial guarantees	3.416.531	2.997.014
Loan commitments and other credit related liabilities	927.185	931.930
<b>Total</b>	<b>4.343.716</b>	<b>3.928.944</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

At 30 September 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	1.825	44.597	485.430	246.653	133.266	911.771
1 to 2 months	167	12.273	118.615	237.526	70.806	439.387
2 to 3 months	33	6.027	63.766	95.479	18.784	184.089
<b>Total</b>	<b>2.025</b>	<b>62.897</b>	<b>667.811</b>	<b>579.658</b>	<b>222.856</b>	<b>1.535.247</b>

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 September 2007 and 31 December 2006 is as follows:

30 September 2007	Treasury bills	Government bonds	Eurobond	Corporate bonds	Total
Aaa	-	-	6.082	-	6.082
Ba1	-	-	-	17.308	17.308
Ba3	1.519	23.297.600	1.903.467	-	25.202.586
<b>Total</b>	<b>1.519</b>	<b>23.297.600</b>	<b>1.909.549</b>	<b>17.308</b>	<b>25.225.976</b>

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
<b>Total</b>	<b>3.327</b>	<b>20.209.939</b>	<b>791.253</b>	<b>51.838</b>	<b>21.056.357</b>



# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

30 September 2007	Turkey	US	European Union	Non-European Union	Total
Due from banks	4.636	305.728	1.548.864	18.746	1.877.974
<b>Loans and advances</b>	<b>34.068.911</b>	<b>92.149</b>	<b>481.681</b>	<b>384.106</b>	<b>35.026.847</b>
<b>loans and advances to customers</b>	<b>11.434.194</b>	-	-	-	<b>11.434.194</b>
- credit cards	3.523.738	-	-	-	3.523.738
- consumer loan	7.910.456	-	-	-	7.910.456
<b>Loans and advances to corporate, SMEs and commercial entities</b>	<b>22.634.717</b>	<b>92.149</b>	<b>481.681</b>	<b>384.106</b>	<b>23.592.653</b>
- corporate	9.525.929	92.149	471.235	384.106	10.473.419
- SME	7.073.953	-	-	-	7.073.953
- commercial	6.034.835	-	10.446	-	6.045.281
Leasing receivable	624.552	-	-	-	624.552
Trading assets	5.004.234	-	-	-	5.004.234
Derivative instruments	29.860	-	63.794	-	93.654
Investment securities available for sale	20.203.555	-	23.390	-	20.226.945
Other assets	199.594	-	39.056	-	238.650
<b>Total</b>	<b>60.135.342</b>	<b>397.877</b>	<b>2.156.785</b>	<b>402.852</b>	<b>63.092.856</b>

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
<b>Loans and advances</b>	<b>28.579.046</b>	<b>76.553</b>	<b>674.592</b>	<b>54.515</b>	<b>29.384.706</b>
<b>loans and advances to customers</b>	<b>9.078.782</b>	-	-	-	<b>9.078.782</b>
- credit cards	3.109.821	-	-	-	3.109.821
- consumer loan	5.968.961	-	-	-	5.968.961
<b>Loans and advances to corporate, SMEs and commercial entities</b>	<b>19.500.264</b>	<b>76.553</b>	<b>674.592</b>	<b>54.515</b>	<b>20.305.924</b>
- 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
<b>Total</b>	<b>50.347.693</b>	<b>307.270</b>	<b>2.760.030</b>	<b>60.797</b>	<b>53.475.790</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 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 September 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 September 2007			31 December 2006		
	Average	High	Low	Average	High	Low
Foreign exchange risk	56.302	62.026	45.021	54.133	80.543	44.482
Interest rate risk	175.238	193.594	166.523	115.334	139.821	55.296
Equities risk	1.727	954	728	3.895	1.952	7.847
<b>Total capital to be employed for market risk</b>	<b>233.267</b>	<b>256.574</b>	<b>212.272</b>	<b>173.362</b>	<b>222.316</b>	<b>107.625</b>

(\*) 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)

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	30 September 2007	31 December 2006
Total liability	59.347.724	55.032.447
Cash and cash equivalents	(3.142.112)	(4.855.781)
Net liability	56.205.612	50.176.666
Equity	7.569.560	6.854.344
Invested capital	63.775.172	57.031.010
Net liability/invested capital	%88	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.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 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 September 2007 and 31 December 2006 are as follows:

	<u>30 September 2007</u>		<u>31 December 2006</u>	
	<u>Carrying value</u>	<u>Fair value</u>	<u>Carrying value</u>	<u>Fair value</u>
Due from banks	1.877.974	1.877.974	2.296.140	2.296.140
Loans and advances to customers	35.026.847	36.078.699	29.384.706	30.267.413
Trading securities	5.097.888	5.097.888	6.644.559	6.644.559
Financial assets held for sale	20.226.945	20.226.945	14.495.662	14.495.662
Other financial assets	863.202	863.202	654.723	654.723
<b>Total financial assets</b>	<b>63.092.856</b>	<b>64.144.708</b>	<b>53.475.790</b>	<b>54.358.497</b>
Deposits from banks	1.287.795	1.287.795	1.749.353	1.749.353
Repo agreements	4.476.457	4.476.457	5.238.228	5.238.228
Other deposits	40.222.159	40.002.202	33.920.903	33.714.986
Funds borrowed	9.085.614	9.085.614	9.905.126	9.905.126
<b>Total financial liabilities</b>	<b>55.072.025</b>	<b>54.852.068</b>	<b>50.813.610</b>	<b>50.607.693</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 4 - CASH AND CASH EQUIVALENTS

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

	30 September 2007	31 December 2006
Cash in hand		
- banking	870.140	1.864.589
- other companies	11.172	10.877
Banks - time deposits	1.948.649	2.644.076
Banks - demand deposits	302.711	327.074
Due from reverse repo transactions	3.798	27
Other cash and cash equivalents	5.642	9.138
<b>Total</b>	<b>3.142.112</b>	<b>4.855.781</b>

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

	30 September 2007	31 December 2006
Demand	1.189.665	2.211.678
Up to 3 month	1.952.447	2.641.294
3 to 12 months	-	32
1 to 5 years	-	2.777
<b>Total</b>	<b>3.142.112</b>	<b>4.855.781</b>

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 2.680 million (2006: USD 2.811 million). The details of demand deposits unavailable for use at the balance sheet date are as follows:

	30 September 2007	31 December 2006
Regarding long term securitised borrowings	142.509	70.540
Regarding debt securities in issue	88.869	29.548
<b>Total</b>	<b>231.378</b>	<b>100.088</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 5 - MARKETABLE SECURITIES

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

	30 September 2007	31 December 2006
Government bonds denominated in foreign currency	4.779.353	6.415.387
Eurobonds	177.042	108.973
Government bonds	41.117	33.008
Mutual funds	25.736	22.608
Share certificates	5.203	47.273
Treasury bills	1.519	7.647
Other	-	492
<b>Total</b>	<b>5.029.970</b>	<b>6.635.388</b>

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

Period remaining to contractual maturity dates:

	<u>30 September 2007</u>			<u>31 December 2006</u>		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	25.402	-	25.402	8.650	-	8.650
3 to 12 months	2.790.493	-	2.790.493	931.571	-	931.571
1 to 5 years	2.056.737	-	2.056.737	5.544.903	-	5.544.903
Over 5 years	126.399	-	126.399	75.571	-	75.571
No maturity	5.203	25.736	30.939	47.765	26.928	74.693
<b>Total</b>	<b>5.004.234</b>	<b>25.736</b>	<b>5.029.970</b>	<b>6.608.460</b>	<b>26.928</b>	<b>6.635.388</b>

Period remaining to contractual repricing dates:

	<u>30 September 2007</u>			<u>31 December 2006</u>		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	2.809.130	-	2.809.130	2.204.855	-	2.204.855
3 to 12 months	1.922.879	-	1.922.879	4.156.458	-	4.156.458
1 to 5 years	140.688	-	140.688	123.811	-	123.811
Over 5 years	126.334	-	126.334	75.571	-	75.571
No maturity	5.203	25.736	30.939	47.765	26.928	74.693
<b>Total</b>	<b>5.004.234</b>	<b>25.736</b>	<b>5.029.970</b>	<b>6.608.460</b>	<b>26.928</b>	<b>6.635.388</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 6 - FUNDS BORROWED, BORROWINGS AND DEBT SECURITIES IN ISSUE

<b>Short-term funds borrowed, bank borrowings and debt securities in issue:</b>	<b>30 September 2007</b>	<b>31 December 2006</b>
Short-term	4.246.968	3.757.903
Short-term portion of long term	610.538	693.027
<b>Total short term</b>	<b>4.857.506</b>	<b>4.450.930</b>
<b>Long-term funds borrowed, bank borrowings and debt securities in issue:</b>		
Long-term	5.116.987	6.766.744
<b>Total</b>	<b>9.974.493</b>	<b>11.217.674</b>

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

	<b>30 September 2007</b>	<b>31 December 2006</b>
Up to 3 months	1.825.482	1.236.933
3 to 12 months	3.032.023	3.213.997
1 to 5 year	4.132.324	5.173.734
Over 5 year	984.664	1.593.010
<b>Total</b>	<b>9.974.493</b>	<b>11.217.674</b>

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

<b>Period</b>	<b>30 September 2007</b>
1 October 2008 – 30 September 2009	2.482.190
1 October 2009 – 30 September 2010	514.979
1 October 2010 – 30 September 2011	558.431
1 October 2011 and over	1.561.387
<b>Total</b>	<b>5.116.987</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

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

<b>Period</b>	<b>31 December 2006</b>
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
<b>Total</b>	<b>6.766.744</b>

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

	<b>30 September 2007</b>	<b>31 December 2006</b>
Up to 3 months	8.168.888	8.963.008
3 to 12 months	1.267.410	1.729.505
1 to 5 years	513.318	503.297
Over 5 years	24.877	21.864
<b>Total</b>	<b>9.974.493</b>	<b>11.217.674</b>

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

#### NOTE 7 - TRADE RECEIVABLES AND TRADE PAYABLES

<b>Short-term and long-term trade receivables:</b>	<b>30 September 2007</b>	<b>31 December 2006</b>
Trade receivables	1.348.505	1.248.703
Notes and cheques receivable	204.639	226.721
Sub-total	1.553.144	1.475.424
Less: doubtful receivables provision	(35.771)	(35.893)
<b>Total</b>	<b>1.517.373</b>	<b>1.439.531</b>



## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 7 - TRADE RECEIVABLES AND TRADE PAYABLES (Continued)

As of 30 September 2007, trade receivables of YTL 240.828 were past due but not impaired (31 December 2006: YTL 169.253). The aging analysis of these trade receivables is as follows:

	30 September 2007	31 December 2006
Up to 3 months	199.806	139.709
3 to 6 months	28.017	11.009
6 to 9 months	4.642	6.551
Over 9 months	8.363	11.984
<b>Total (*)</b>	<b>240.828</b>	<b>169.253</b>

(\*) Amount of YTL 164.998 of past due trade receivables, is related to insurance business segment (31 December 2006: YTL 88.678).

As of 30 September 2007, trade receivables of YTL 35.771 were impaired (31 December 2006: YTL 35.893). The aging of these receivables is as follows:

	30 September 2007	31 December 2006
Up to 3 months	15.162	13.786
3 to 6 months	1.068	1.153
6 to 9 months	264	348
Over 9 months	19.277	20.606
<b>Total</b>	<b>35.771</b>	<b>35.893</b>

Short-term and long-term trade payables:	30 September 2007	31 December 2006
Trade payables	904.275	974.194
Notes payable	906	4.663
<b>Total</b>	<b>905.181</b>	<b>978.857</b>

#### NOTE 8 - LEASE RECEIVABLES AND LEASE PAYABLES

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

<b>Financial lease receivables:</b>	<b>30 September 2007</b>	<b>31 December 2006</b>
Gross investment in finance leases	747.132	584.163
Less: unearned finance income	(111.644)	(90.409)
<b>Total investment in finance leases</b>	<b>635.488</b>	<b>493.754</b>
Less: provision for impairment	(9.040)	(6.541)
<b>Net investment in finance leases</b>	<b>626.448</b>	<b>487.213</b>

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

	<b>30 September 2007</b>
1 October 2007 – 30 September 2008	83.354
1 October 2008 – 30 September 2009	265.023
1 October 2009 – 30 September 2010	157.697
1 October 2010 – 30 September 2011	81.030
1 October 2011 and over	39.344
<b>Total</b>	<b>626.448</b>

  

	<b>31 December 2006</b>
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
<b>Total</b>	<b>487.213</b>

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

<b>Lease payables:</b>	<b>30 September 2007</b>	<b>31 December 2006</b>
Current	2.143	4.022
Non-current	3.717	2.983
<b>Total</b>	<b>5.860</b>	<b>7.005</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 9 - DUE TO AND DUE FROM RELATED PARTIES

<b>Due from related parties:</b>	<b>30 September 2007</b>	<b>31 December 2006</b>
Brisa	2.829	4.162
Akçansa	450	1.869
Olmuksa	345	230
Carrefoursa	278	3.153
Diasa	92	778
Beksa	74	718
Others	4.888	10.706
<b>Total</b>	<b>8.956</b>	<b>21.616</b>

<b>Due to related parties:</b>	<b>30 September 2007</b>	<b>31 December 2006</b>
Brisa	9.183	4.968
Enerjisa	5.723	-
Olmuksa	387	1.640
Others	193	1.591
<b>Total</b>	<b>15.486</b>	<b>8.199</b>

#### NOTE 10 - OTHER RECEIVABLES AND PAYABLES

<b>Other receivables:</b>	<b>30 September 2007</b>	<b>31 December 2006</b>
Deductible Value Added Tax (“VAT”)	78.998	76.463
Receivables on cheques in clearance	67.019	42.662
Job advances given	12.272	6.334
Receivables from credit cards payments	5.514	5.682
Others	262.168	297.669
<b>Total</b>	<b>425.971</b>	<b>415.282</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 10 - OTHER RECEIVABLES AND PAYABLES (Continued)

<b>Other payables:</b>	<b>30 September 2007</b>	<b>31 December 2006</b>
Payables related to credit card transactions	735.062	674.807
Unearned commission income	516.070	60.604
Other taxes and funds	184.153	162.440
Bonus liability to credit card customers	134.595	105.886
Import deposits and transfer orders	51.480	123.199
Payables on cheques in clearance	53.555	42.100
Payment orders to correspondent banks	20.522	24.365
Due to personnel	15.164	17.962
Saving deposits insurance	17.682	8.202
Others	364.677	328.135
<b>Total</b>	<b>2.092.960</b>	<b>1.547.700</b>

#### NOTE 11 - BIOLOGICAL ASSETS

None (31 December 2006: None).

#### NOTE 12 - INVENTORIES

	<b>30 September 2007</b>	<b>31 December 2006</b>
Raw materials and supplies	405.245	427.015
Semi-finished goods	130.419	139.905
Finished goods and merchandise	625.960	594.837
Spare parts	91.301	100.891
<b>Total</b>	<b>1.252.925</b>	<b>1.262.648</b>

#### NOTE 13 – CONSTRUCTION CONTRACT RECEIVABLES AND PROGRESS BILLING

None (31 December 2006: None).

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 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 September 2007 and 31 December 2006 using the enacted tax rates, is as follows:

	<u>30 September 2007</u>		<u>31 December 2006</u>	
	<b>Cumulative temporary difference</b>	<b>Deferred tax assets/ (liabilities)</b>	<b>Cumulative temporary difference</b>	<b>Deferred tax assets / (liabilities)</b>
<b>Deferred income tax assets:</b>				
Difference between tax base and carrying value of:				
- Property, plant and equipment	(40.131)	8.410	(61.671)	12.542
- Inventories	(34.695)	7.381	(28.991)	6.257
Provision for loan losses	(254.560)	50.912	(196.781)	39.937
Provision for employment termination benefits	(122.209)	25.936	(125.544)	26.762
Expense accruals	(68.978)	13.796	(51.747)	10.349
Investment allowances exemption	(161.443)	6.940	(170.835)	7.898
Provision for law suits	(27.009)	5.420	(27.018)	5.485
Carry forward tax losses	(4.356)	1.613	(87.810)	18.175
Other	(83.709)	18.024	(76.983)	15.938
Deferred income tax assets		138.432		143.343
<b>Deferred income tax liabilities:</b>				
Difference between tax base and carrying value of:				
- Property, plant and equipment	651.140	(148.928)	592.842	(146.261)
- Inventories	2.855	(571)	2.258	(452)
Reversal of country risk provision	98.357	(39.343)	107.298	(42.919)
Deferred financing charges	5.614	(1.123)	13.626	(2.725)
Valuation difference on investment securities	22.421	(4.480)	5.693	(1.139)
Other	54.798	(11.289)	82.971	(16.666)
Deferred income tax liabilities		(205.734)		(210.162)
<b>Deferred income tax assets/(liabilities), net</b>		<b>(67.302)</b>		<b>(66.819)</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 14 - DEFERRED INCOME TAX ASSETS AND LIABILITIES (Continued)

<b>Deferred income tax assets:</b>	<b>30 September 2007</b>	<b>31 December 2006</b>
To be recovered after one year	61.805	82.469
To be recovered within one year	76.627	60.874
<b>Total</b>	<b>138.432</b>	<b>143.343</b>

<b>Deferred income tax liabilities:</b>	<b>30 September 2007</b>	<b>31 December 2006</b>
To be recovered after more than one year	153.596	160.584
To be recovered within one year	52.138	49.578
<b>Total</b>	<b>205.734</b>	<b>210.162</b>

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

	<b>30 September 2007</b>	<b>30 September 2006</b>
Balance at 1 January-as previously reported	(66.819)	84.206
Effect of business combination	-	7.700
Balance at 1 January-as restated	(66.819)	91.906
Business combinations	(3.370)	-
Change in consolidation scope	8.682	(1.309)
Establishment of subsidiary	(66)	-
Fair value increase of financial assets	-	578
Currency translation differences	4.602	1.533
Transfer to non-current assets held for sale	(23.958)	-
Deferred income tax credit/(charge)	13.627	(110.034)
<b>Balance at 30 September</b>	<b>(67.302)</b>	<b>(17.326)</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 15 - OTHER CURRENT/NON-CURRENT ASSETS AND OTHER CURRENT/NON - CURRENT LIABILITIES

<b>Other Current/Non-Current Assets</b>	<b>30 September 2007</b>	<b>31 December 2006</b>
Prepaid expenses	59.243	51.412
<b>Other Current/Non-Current Liabilities</b>		
Expense accruals	238.083	217.020

#### NOTE 16 - FINANCIAL ASSETS

<b>a) Securities available-for-sale:</b>	<b>30 September 2007</b>	<b>31 December 2006</b>
Debt securities		
- Government bonds	15.087.716	11.055.781
- Government bonds denominated in foreign currency	3.445.816	2.740.723
- Eurobonds	1.732.507	765.835
- Treasury bills	56.170	46.813
- Mutual Funds	-	8.764
- Other bonds denominated in foreign currency	17.309	6.525
<b>Sub-total</b>	<b>20.339.518</b>	<b>14.624.441</b>
Equity securities		
- Listed	20.497	15.804
- Unlisted	27.400	26.744
<b>Sub-total</b>	<b>47.897</b>	<b>42.548</b>
<b>Total securities available-for-sale</b>	<b>20.387.415</b>	<b>14.666.989</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 16 - FINANCIAL ASSETS (Continued)

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

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

	30 September 2007			31 December 2006		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	2.011.502	140	2.011.642	5.700.494	4.590	5.705.084
3 to 12 months	12.583.150	68.011	12.651.161	5.336.096	72.188	5.408.284
1 to 5 years	4.292.065	39.467	4.331.532	3.149.918	40.471	3.190.389
Over 5 years	1.340.227	4.955	1.345.182	309.154	8.671	317.825
No maturity	30.748	17.150	47.898	23.925	21.482	45.407
<b>Total</b>	<b>20.257.692</b>	<b>129.723</b>	<b>20.387.415</b>	<b>14.519.587</b>	<b>147.402</b>	<b>14.666.989</b>

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

	30 September 2007			31 December 2006		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	1.270.272	140	1.270.412	2.061.223	4.590	2.065.813
3 to 12 months	7.887.356	68.012	7.955.368	5.232.305	72.188	5.304.493
Current	9.157.628	68.152	9.225.780	7.293.528	76.778	7.370.306
1 to 5 years	6.997.550	39.467	7.037.017	6.892.980	40.471	6.933.451
Over 5 years	4.071.766	4.954	4.076.720	309.154	8.671	317.825
No maturity	30.748	17.150	47.898	23.925	21.482	45.407
Non-current	11.100.064	61.571	11.161.635	7.226.059	70.624	7.296.683
<b>Total</b>	<b>20.257.692</b>	<b>129.723</b>	<b>20.387.415</b>	<b>14.519.587</b>	<b>147.402</b>	<b>14.666.989</b>



## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 16 - FINANCIAL ASSETS (Continued)

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

<b>Listed</b>	<b>Share (%)</b>	<b>Carrying amount</b>	<b>Business</b>
Ak Yatırım Ortaklığı A.Ş.(*)	64	20.423	Investment management
Others		74	
<b>Total</b>		<b>20.497</b>	

  

<b>Unlisted</b>	<b>Share (%)</b>	<b>Carrying amount</b>	<b>Business</b>
Liman İşletmeleri Nakliyat ve Tic. A.Ş.	5,53	8.358	Vessel transportation
Ak Portföy Yönetimi A.Ş.(*)	99,99	3.592	Portfolio management
Others		15.450	
<b>Total</b>		<b>27.400</b>	

(\*) The Group owns 64% 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 September 2007 and 31 December 2006.

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

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

  

<b>Unlisted</b>	<b>Share (%)</b>	<b>Carrying amount</b>	<b>Business</b>
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	-
<b>Total</b>		<b>26.744</b>	

<b>b) Securities held-to-maturity:</b>	<b>30 September 2007</b>	<b>31 December 2006</b>
Debt securities		
- Treasury bills	9.219	8.152
- Government bonds	4.090	-
<b>Total</b>	<b>13.309</b>	<b>8.152</b>

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 16 - FINANCIAL ASSETS (Continued)

#### c) Investment in associates:

	30 September 2007	Share (%)	31 December 2006	Share (%)
Philsa	154.742	25,00	153.901	25,00
Philip Morrissa	30.541	24,75	27.913	24,75
<b>Total</b>	<b>185.283</b>		<b>181.814</b>	

Income from associates is as follows:

	1 January - 30 September 2007	1 July - 30 September 2007	1 January - 30 September 2006	1 July - 30 September 2006
Philsa	60.629	10.715	83.457	14.889
Philip Morrissa	17.951	2.959	21.955	4.277
<b>Total</b>	<b>78.580</b>	<b>13.674</b>	<b>105.412</b>	<b>19.166</b>

The summary financial information of Associates is as follows:

	30 September 2007		31 December 2006	
	Total assets	Total liabilities	Total assets	Total liabilities
Philsa	1.072.561	453.595	1.085.496	469.892
Philip Morrissa	290.314	166.917	328.813	216.035
<b>Total</b>	<b>1.362.875</b>	<b>620.512</b>	<b>1.414.309</b>	<b>685.927</b>

	1 January - 30 September 2007	1 July - 30 September 2007	1 January - 30 September 2006	1 July - 30 September 2006
Sales revenue				
Philsa (*)	4.278.840	1.513.929	4.162.457	1.419.953
Philip Morrissa	4.259.277	1.592.457	4.527.273	1.508.781

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

	1 January - 30 September 2007	1 July - 30 September 2007	1 January - 30 September 2006	1 July - 30 September 2006
Net income				
Philsa	322.164	122.509	288.803	98.569
Philip Morrissa	87.330	26.753	82.027	24.446
<b>Total</b>	<b>409.494</b>	<b>149.262</b>	<b>370.830</b>	<b>123.015</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 17 - GOODWILL/NEGATIVE GOODWILL (NET)

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

	30 September 2007	30 September 2006
1 January	281.452	290.968
Adjustment to goodwill provisionally accounted	-	8.650
1 January - restated	281.452	299.618
Additions (Note 32)	84.737	-
Impairment	-	(10.950)
Change in scope of consolidation	-	(3.344)
Charged to income statement	-	(10.480)
Currency translation differences	-	4.481
<b>30 September</b>	<b>366.189</b>	<b>279.325</b>

#### NOTE 18 - INVESTMENT PROPERTY (NET)

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

	1 January 2007	Additions	Disposals	Change in scope of consolidation	Impairment	30 September 2007
<b>Cost:</b>						
Land	85.981	-	(3.400)	-	-	82.581
Building	223.467	-	(34.264)	-	-	189.203
Total	309.448	-	(37.664)	-	-	271.784
<b>Accumulated depreciation:</b>						
Buildings	32.010	3.493	(6.976)	-	-	28.527
<b>Net book value</b>	<b>277.438</b>					<b>243.257</b>

	1 January 2007	Additions	Disposals	Change in scope of consolidation	Impairment	30 September 2007
<b>Cost:</b>						
Land	88.266	-	-	(1.227)	-	87.039
Building	229.628	-	-	(915)	-	228.713
Total	317.894	-	-	(2.142)	-	315.752
<b>Accumulated depreciation:</b>						
Building	26.929	3.930	-	(113)	-	30.746
<b>Net book value</b>	<b>290.965</b>					<b>285.006</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 19 - PROPERTY, PLANT AND EQUIPMENT (NET)

The movements in property, plant and equipment during the nine month periods ended 30 September 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 September 2007
<b>Cost:</b>									
Land and land improvements	366.470	(8.144)	25.022	(2.806)	(21.744)	(12.649)	-	37.923	384.072
Buildings	2.113.259	(16.844)	73.916	(13.775)	(7.779)	(51.181)	12.545	8.635	2.118.776
Machinery and equipment	4.071.591	(44.560)	151.740	(61.198)	(247.902)	(173.138)	1.286	59.439	3.757.258
Motor vehicles	144.281	(754)	8.410	(22.904)	5.936	(5.145)	167	310	130.301
Furniture and fixtures	1.453.513	(3.629)	96.013	(72.095)	(315)	(27.223)	350	296	1.446.910
	8.149.114	(73.931)	355.101	(172.778)	(271.804)	(269.336)	14.348	106.603	7.837.317
Construction in progress	221.015	(5.386)	119.245	(1.817)	(4.165)	(3.585)	-	277	325.584
<b>Total</b>	<b>8.370.129</b>	<b>(79.317)</b>	<b>474.346</b>	<b>(174.595)</b>	<b>(275.969)</b>	<b>(272.921)</b>	<b>14.348</b>	<b>106.880</b>	<b>8.162.901</b>
<b>Accumulated depreciation:</b>									
Land and land improvements	79.953	(1.241)	10.391	(420)	(4.158)	(3.272)	-	2.107	83.360
Buildings	713.828	(4.584)	38.108	(4.935)	5.445	(9.845)	78	126	738.221
Machinery and equipment	2.364.869	(3.920)	145.617	(44.445)	(37.120)	(95.633)	449	4.534	2.334.351
Motor vehicles	104.980	(569)	9.766	(14.959)	5.828	(5.392)	59	133	99.846
Furniture and fixtures	1.067.288	(2.567)	112.115	(69.733)	14	(18.260)	261	123	1.089.241
<b>Total</b>	<b>4.330.918</b>	<b>(12.881)</b>	<b>315.997</b>	<b>(134.492)</b>	<b>(29.991)</b>	<b>(132.402)</b>	<b>847</b>	<b>7.023</b>	<b>4.345.019</b>
<b>Net book value</b>	<b>4.039.211</b>								<b>3.817.882</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 19 - PROPERTY, PLANT AND EQUIPMENT (NET) (Continued)

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

	1 January 2006	Currency Translation differences	Additions	Disposals	Consolidation	Impairment	Partial Disposal of subsidiary	30 September 2006
<b>Cost:</b>								
Land and land improvements	317.292	(1.223)	8.463	(3.254)	(3.770)	-	(13.827)	303.681
Buildings	2.012.984	11.261	67.796	(30.092)	(2.930)	-	(13.578)	2.045.441
Machinery and equipment	4.789.203	106.169	228.534	(278.925)	3.529	(63.031)	(770.155)	4.015.324
Motor vehicles	136.140	1.262	11.008	(10.715)	14	-	(19)	137.690
Furniture and fixtures	1.357.827	3.428	57.932	(30.536)	(7.675)	-	(3.632)	1.377.344
	8.613.446	120.897	373.733	(353.522)	(10.832)	(63.031)	(801.211)	7.879.480
Construction in progress	181.395	12.892	91.441	(24.882)	(1.050)	-	(10.392)	249.404
<b>Total</b>	<b>8.794.841</b>	<b>133.789</b>	<b>465.174</b>	<b>(378.404)</b>	<b>(11.882)</b>	<b>(63.031)</b>	<b>(811.603)</b>	<b>8.128.884</b>
<b>Accumulated depreciation:</b>								
Land and land improvements	64.485	495	5.522	(207)	33	-	-	70.328
Buildings	669.397	3.537	45.149	(12.316)	(899)	-	(6.139)	698.729
Machinery and equipment	2.719.257	15.931	179.660	(196.357)	3.189	-	(439.481)	2.282.199
Motor vehicles	103.938	640	7.698	(8.818)	9	-	-	103.467
Furniture and fixtures	1.008.320	2.340	89.831	(23.555)	(5.242)	-	(1.931)	1.069.763
<b>Total</b>	<b>4.565.397</b>	<b>22.943</b>	<b>327.860</b>	<b>(241.253)</b>	<b>(2.910)</b>	<b>-</b>	<b>(447.551)</b>	<b>4.224.486</b>
<b>Net book value</b>	<b>4.229.444</b>							<b>3.904.398</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 20 - INTANGIBLE ASSETS

The movements in intangible assets during the nine month periods ended 30 September 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 September 2007
Cost	396.278	(10.714)	328.681	(46.719)	(232.610)	(12.902)	308	8.305	430.627
Accumulated depreciation	129.114	(5.622)	14.655	(46.326)	(2.132)	(4.300)	131	186	85.706
<b>Net book value</b>	<b>267.164</b>								<b>344.921</b>

	1 January 2006	Currency translation differences	Additions	Disposals	Change in the scope of consolidation	Transfer to non-current assets held for sale	Impairment	Business combinations	30 September 2006
Cost	299.047	27.728	144.578	(82.485)	(188)	-	-	-	388.680
Accumulated depreciation	99.782	8.449	27.318	(1.509)	(199)	-	-	-	133.841
<b>Net book value</b>	<b>199.265</b>								<b>254.839</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 21 - ADVANCES RECEIVED

	30 September 2007	31 December 2006
Advances received from customers	20.309	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. According to the temporary article numbered 38 of the Turkish Insurance Law, and the “Decree on Actuaries”, the Fund is subject to the inspection of a listed actuary. There is no technical or actual deficit in the financial statements of the Fund necessitating the accounting of a provision.

#### NOTE 23 - PROVISIONS

##### a) Income taxes payable

	30 September 2007	31 December 2006
Corporation and income taxes currently payable	411.873	379.892
Less: prepaid taxes	(240.349)	(257.436)
<b>Total taxes payable</b>	<b>171.524</b>	<b>122.456</b>

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.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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#### 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).



## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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#### 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 6th articles 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.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 23 - PROVISIONS (Continued)

At 30 September 2007, the amount payable consists of one month’s salary limited to a maximum of YTL 2.030,19 (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 September 2007 and 2006 are as follows:

	30 September 2007	30 September 2006
Balances at 1 January	150.298	142.373
Change in the scope of consolidation	1.378	3.765
Establishment of a subsidiary	139	-
Transfer to liabilities directly associated with non-current assets held for sale	(6.512)	-
Payments during the period	(18.538)	(29.033)
Charge for the period	19.865	39.505
<b>Balances at 30 September</b>	<b>146.630</b>	<b>156.610</b>

#### NOTE 24 - MINORITY INTEREST

	30 September 2007	30 September 2006
Balances at 1 January	4.997.041	4.856.918
Increase in share premium	1.700.000	-
Capital increase	200.000	682
Effect of change in the effective rate of subsidiaries	199.103	(9.175)
Establishment of a subsidiary	10.222	-
Change in the scope of consolidation	27.174	53.845
Currency translation differences	(96.339)	37.644
Dividends paid	(492.729)	(374.298)
Non-cash capital increase correction	-	(778)
Available for sale investments net fair value change, post tax	166.081	(325.974)
Net income for the period	1.115.974	813.234
<b>Balances at 30 September</b>	<b>7.826.527</b>	<b>5.052.098</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 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 September 2007 and 31 December 2006 is as follows:

<b>Shareholders:</b>	<b>Share (%)</b>	<b>30 September 2007</b>	<b>Share (%)</b>	<b>31 December 2006</b>
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
<b>Share capital</b>	<b>100,00</b>	<b>1.800.000</b>	<b>100,00</b>	<b>1.800.000</b>
<b>Share premium</b>		<b>21.670</b>		<b>21.670</b>

#### NOTE 26 - CAPITAL RESERVES

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

<b>30 September 2007</b>	<b>Historical amount</b>	<b>Restated amount</b>	<b>Restatement difference</b>
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	693.869	789.474	95.605
<b>Total</b>	<b>2.629.336</b>	<b>6.513.257</b>	<b>3.883.921</b>

  

<b>31 December 2006</b>	<b>Historical amount</b>	<b>Restated amount</b>	<b>Restatement difference</b>
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
<b>Total</b>	<b>2.392.140</b>	<b>6.276.061</b>	<b>3.883.921</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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#### 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 Vakfa 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.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 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 September 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	693.869	478.007
Shareholders’ equity restatement difference	3.883.921	3.883.921
Net income	853.626	494.049
Retained earnings	509.450	369.433
<b>Total shareholders’ equity subject to dividend distribution</b>	<b>7.876.333</b>	<b>7.139.543</b>
Translation reserve	(359.829)	(241.428)
Revaluation reserve	8.273	10.496
Fair value reserve	44.783	(54.267)
<b>Shareholders’ equity per consolidated interim financial statements</b>	<b>7.569.560</b>	<b>6.854.344</b>

#### NOTE 28 - RETAINED EARNINGS

	30 September 2007
Balance at 1 January 2007	369.433
Effect of change in the effective rate of subsidiaries	91.429
Transfer of 2006 net income	256.853
Purchase of usufruct shares	(21.089)
Dividends paid	(189.399)
Transfer from revaluation fund	2.223
<b>Balance at 30 September 2007</b>	<b>509.450</b>

#### NOTE 29 - FOREIGN CURRENCY POSITION

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

	30 September 2007	31 December 2006
Assets	29.868.786	28.753.189
Liabilities	(30.152.221)	(29.276.764)
<b>Net foreign currency position</b>	<b>(283.435)</b>	<b>(523.575)</b>

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 29 - FOREIGN CURRENCY POSITION (Continued)

	30 September 2007				
	USD	EUR	GBP	Other	Total
Cash and due from banks	1.496.848	1.346.730	487.220	51.621	3.382.419
Trading securities	4.157.288	799.108	-	-	4.956.396
Derivative financial instruments	22.005	41.077	-	-	63.082
Reserve deposits at Central Bank	-	1.684.052	-	-	1.684.052
Loans and advances to customers	8.413.065	4.889.117	85.060	32.508	13.419.750
Investment securities	3.869.467	1.332.667	-	-	5.202.134
Financial lease receivables	156.190	257.183	-	-	413.373
Trade receivables	207.218	271.749	77.854	59.238	616.059
Other receivables	35.085	70.539	5.790	20.107	131.521
<b>Total foreign currency denominated assets</b>	<b>18.357.166</b>	<b>10.692.222</b>	<b>655.924</b>	<b>163.474</b>	<b>29.868.786</b>
Funds borrowed, bank borrowings and debt securities in issue	6.311.556	3.841.963	10.809	54.875	10.219.203
Customer deposits	10.454.484	7.935.202	624.997	159.334	19.174.017
Derivative financial instruments	24.104	15.408	-	-	39.512
Trade payables	125.928	161.213	75.895	91.829	454.865
Other payables	127.934	94.237	21.967	20.486	264.624
<b>Total foreign currency denominated liabilities</b>	<b>17.044.006</b>	<b>12.048.023</b>	<b>733.668</b>	<b>326.524</b>	<b>30.152.221</b>
<b>Net balance sheet position</b>	<b>1.313.160</b>	<b>(1.355.801)</b>	<b>(77.744)</b>	<b>(163.050)</b>	<b>(283.435)</b>
	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
<b>Total foreign currency denominated assets</b>	<b>17.848.073</b>	<b>10.206.109</b>	<b>549.197</b>	<b>149.810</b>	<b>28.753.189</b>
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
<b>Total foreign currency denominated liabilities</b>	<b>18.399.712</b>	<b>9.674.229</b>	<b>904.820</b>	<b>298.003</b>	<b>29.276.764</b>
<b>Net balance sheet position</b>	<b>(551.639)</b>	<b>531.880</b>	<b>(355.623)</b>	<b>(148.193)</b>	<b>(523.575)</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 30 - GOVERNMENT GRANTS

None (31 December 2006: None).

#### NOTE 31 - PROVISIONS, COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

<b>Commitments - Banking segment</b>	<b>30 September 2007</b>	<b>31 December 2006</b>
Letters of guarantee issued	3.061.219	2.724.924
Foreign currency acceptance credits	713.444	696.877
Letters of credits	50.999	39.872
<b>Total</b>	<b>3.825.662</b>	<b>3.461.673</b>

#### Commitments – Non-banking segments

Letters of guarantee issued	526.255	606.654
Other guarantees issued	94.040	109.768
<b>Total</b>	<b>620.295</b>	<b>716.422</b>

#### Commitments for resale and repurchase of debt securities:

Commitments for the resale and repurchase of debt securities (government bonds, treasury bills and Eurobonds) at 30 September 2007 and 31 December 2006 are as follows:

	<b>30 September 2007</b>	<b>31 December 2006</b>
Repurchase commitments	4.562.129	5.029.143
Resale commitments	-	135.101

#### Commitments to forward currency purchase/sale and swap transactions:

	<b>30 September 2007</b>	<b>31 December 2006</b>
Forward currency purchases		
YTL	87.689	48.977
EUR	48.171	62.113
JPY	35.643	33.576
USD	10.482	171.526
GBP	2.200	275.702
<b>Total</b>	<b>184.185</b>	<b>591.894</b>

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 31 - PROVISIONS, COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

	30 September 2007	31 December 2006
Forward currency sales		
EUR	89.226	129.477
YTL	61.356	171.457
USD	20.356	302.638
GBP	-	44.802
Other	1.093	452
<b>Total</b>	<b>172.031</b>	<b>648.826</b>
Currency swap purchases		
EUR	1.590.729	1.321.808
USD	196.366	1.462.974
GBP	152.149	272.880
YTL	39.265	-
CHF	28.820	34.981
Other	124.263	98.903
<b>Total</b>	<b>2.131.592</b>	<b>3.191.546</b>
Currency swap sales		
USD	1.475.684	1.867.542
EUR	531.922	1.291.726
YTL	27.303	1.000
GBP	22.005	20.268
JPY	13.793	-
Other	22.118	187
<b>Total</b>	<b>2.092.825</b>	<b>3.180.723</b>
Interest rate swap purchases		
YTL	1.965.000	1.050.000
EUR	916.581	1.095.943
USD	448.594	237.408
CHF	1.544	-
GBP	-	427.320
<b>Total</b>	<b>3.331.719</b>	<b>2.810.671</b>
Interest rate swap sales		
YTL	1.965.000	1.050.000
EUR	916.581	1.095.943
USD	448.594	237.408
CHF	1.544	-
GBP	-	427.320
<b>Total</b>	<b>3.331.719</b>	<b>2.810.671</b>



## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 31 - PROVISIONS, COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

	30 September 2007	31 December 2006
Spot purchases	255.802	142.977
Spot sales	255.585	143.136
Money options purchases	501.048	162.718
Money options sales	480.556	162.579
Futures purchases	64.619	37.951
Futures sales	61.231	36.062

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

	No maturity	1 to 5 years	Over 5 years	Total
Letter of guarantees	549.305	1.260.099	1.607.127	3.416.531
Letters of credits	482.199	325.989	1.245	809.433
Other commitments	27.280	34.339	5.134	66.753
Acceptance credits	40.561	10.423	15	50.999
<b>Total</b>	<b>1.099.345</b>	<b>1.630.850</b>	<b>1.613.521</b>	<b>4.343.716</b>

#### **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 September 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. The Council of State decided in favor of the Bank related to the appeal regarding the lawsuit for the year 2002, the file is still pending in the Council of State.

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.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 32 - BUSINESS COMBINATIONS

The business combinations between 1 January and 30 September 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)
<hr/>	
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)
<hr/>	
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**

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 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)
<hr/>	
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 September 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.

#### The business combinations between 1 January and 30 September 2006 are as follows:

Enerjisa, a subsidiary of the Holding, acquired 99,97% of shares of Tufanbeyli Elektrik Üretim A.Ş. (“Tufanbeyli Elektrik”) from Park Holding A.Ş. in consideration of YTL 124.694 on 2 September 2006. Tufanbeyli has generated a net income of YTL 167 as of 30 June 2006 following this acquisition. The fair values of identifiable assets, liabilities and contingent liabilities acquired and the acquisition costs are as follows:

Property plant and equipment, net	711
Intangible assets – net (*)	120.708
Other assets	3.333
Other liabilities	(27)
Minority interest in negative net assets as of acquisition date	(31)
<hr/>	
Total net assets	124.694
Less: cost of acquisition	(124.694)

(\*) The acquired intangible assets represent mining rights.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 33 - SEGMENT REPORTING

#### a) External revenues:

	1 January - 30 September 2007	1 July - 30 September 2007	1 January - 30 September 2006	1 July - 30 September 2006
Finance	7.964.321	2.755.907	6.358.779	2.273.274
Tire and tire reinforcements	1.165.840	389.100	992.216	353.426
Automotive	1.359.171	504.230	1.219.973	394.387
Textile (*)	837.490	267.124	308.797	104.690
Chemicals	-	-	1.279.661	499.612
Cement	640.449	233.922	536.649	211.442
Retail	1.408.569	513.920	1.222.125	437.077
Energy	107.365	28.936	117.891	48.869
Food and beverage	327.360	103.662	343.172	122.725
Other	441.055	152.543	250.610	98.325
<b>Total</b>	<b>14.251.620</b>	<b>4.949.344</b>	<b>12.629.873</b>	<b>4.543.827</b>

(\*) 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 nine month and in the three month period ended at 30 September 2007 are YTL 467.695 and YTL 149.406, respectively.

#### b) Segment assets:

	30 September 2007	31 December 2006
Tire and tire reinforcements	1.255.307	1.368.672
Automotive	772.879	744.724
Textile (*)	1.241.136	1.382.101
Cement	1.122.154	854.001
Retail	886.649	840.764
Food and beverage	345.967	278.427
Energy	529.314	669.796
Finance	68.525.140	60.785.410
Banking	67.759.783	60.119.283
Insurance	765.357	666.127
Other	875.966	770.735
<b>Segment assets (**)</b>	<b>75.554.512</b>	<b>67.694.630</b>
Investment in associated companies	185.283	181.814
Other	185.283	181.814
Unallocated assets	421.227	418.228
Less: intercompany eliminations and reclassifications	(1.039.953)	(1.078.222)
<b>Total assets per consolidated Interim financial statements</b>	<b>75.121.069</b>	<b>67.216.450</b>

(\*) At 30 September 2007, YTL 696.140 of the segment assets relates to Advansa.

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

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 33 - SEGMENT REPORTING (Continued)

c) Segment liabilities:	30 September 2007	31 December 2006
Tire and tire reinforcements	232.690	233.655
Automotive	267.623	244.411
Textile (*)	213.782	233.816
Cement	134.690	97.460
Retail	429.482	431.054
Food and beverage	343.061	129.609
Energy	57.701	37.474
Finance	57.860.137	53.162.580
Banking	57.443.175	52.814.277
Insurance	416.962	348.303
Other	205.677	254.495
<b>Segment liabilities (**)</b>	<b>59.744.843</b>	<b>54.824.554</b>
Unallocated liabilities	1.191.995	1.571.007
Less: intercompany eliminations and reclassifications	(1.211.856)	(1.030.496)
<b>Total liabilities per consolidated financial statements</b>	<b>59.724.982</b>	<b>55.365.065</b>

(\*) At 30 September 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.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 33 - SEGMENT REPORTING (Continued)

#### d) Segmental analysis for the nine-month period ended 30 September 2007

	Tire and tire reinforcements	Automotive	Textile	Chemicals	Cement	Retail	Food and beverage	Energy	Finance			Other	Inter segment elimination	Total
									Banking	Insurance	Total finance			
External revenues	1.165.840	1.359.171	837.490	-	640.449	1.408.569	327.360	107.365	7.323.714	640.607	7.964.321	441.055	-	14.251.620
Inter segment revenues	4.007	429	11.537	-	215	3.764	6.102	117.225	50.258	1.739	51.997	13.676	(208.952)	-
Intra segment revenues	28.288	-	1.601	-	4.552	1.855	-	-	-	327	327	1.004.840	(1.041.463)	-
<b>Combined revenues</b>	<b>1.198.135</b>	<b>1.359.600</b>	<b>850.628</b>	-	<b>645.216</b>	<b>1.414.188</b>	<b>333.462</b>	<b>224.590</b>	<b>7.373.972</b>	<b>642.673</b>	<b>8.016.645</b>	<b>1.459.571</b>	<b>(1.250.415)</b>	<b>14.251.620</b>
External revenues	1.165.840	1.359.171	837.490	-	640.449	1.408.569	327.360	107.365	7.323.714	640.607	7.964.321	441.055	-	14.251.620
Inter segment revenues	4.007	429	11.537	-	215	3.764	6.102	117.225	50.258	1.739	51.997	13.676	(208.952)	-
<b>Consolidated revenue</b>	<b>1.169.847</b>	<b>1.359.600</b>	<b>849.027</b>	-	<b>640.664</b>	<b>1.412.333</b>	<b>333.462</b>	<b>224.590</b>	<b>7.373.972</b>	<b>642.346</b>	<b>8.016.318</b>	<b>454.731</b>	<b>(208.952)</b>	<b>14.251.620</b>
Cost of sales (*)	(985.399)	(1.146.515)	(727.732)	-	(399.971)	(1.125.485)	(271.472)	(223.614)	(4.479.458)	(567.043)	(5.046.501)	(379.502)	227.623	(10.078.568)
General administrative expenses	(45.941)	(23.491)	(37.250)	-	(24.874)	(146.034)	(10.117)	(7.779)	(1.304.535)	(69.449)	(1.373.984)	(39.414)	19.611	(1.689.273)
Sales, marketing and distribution expenses	(59.213)	(109.480)	(66.674)	-	(6.084)	(130.089)	(52.706)	-	-	-	-	(31.242)	3.325	(452.163)
Research and development expenses	(9.699)	3.817	(11.305)	-	-	-	(203)	-	-	-	-	(71)	67	(17.394)
Inter segment adjustment	-	(553)	68	-	(75)	-	(3)	-	16.723	(264)	16.459	2.056	(16.491)	1.461
<b>Operating result</b>	<b>69.595</b>	<b>83.378</b>	<b>6.134</b>	-	<b>209.660</b>	<b>10.725</b>	<b>(1.039)</b>	<b>(6.803)</b>	<b>1.606.702</b>	<b>5.590</b>	<b>1.612.292</b>	<b>6.558</b>	<b>25.183</b>	<b>2.015.683</b>
Other unallocated operating expenses														(36.989)
<b>Net operating result</b>														<b>1.978.694</b>
Other income/(expense) - net	5.241	(2.856)	9.140	-	73	(25.666)	(62.096)	(4.912)	90.632	10.527	101.159	91.348	-	111.431
<b>Segment result</b>	<b>74.836</b>	<b>80.522</b>	<b>15.274</b>	-	<b>209.733</b>	<b>(14.941)</b>	<b>(63.135)</b>	<b>(11.715)</b>	<b>1.697.334</b>	<b>16.117</b>	<b>1.713.451</b>	<b>97.906</b>	<b>25.183</b>	<b>2.090.125</b>

(\*) 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.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 33 - SEGMENT REPORTING (Continued)

Segmental analysis for the period between 1 July and 30 September 2007

	Tire and tire reinforcements	Automotive	Textile	Chemicals	Cement	Retail	Food and beverage	Energy	Finance		Total finance	Other	Inter segment elimination	Total
									Banking	Insurance				
External revenues	389.100	504.230	267.124	-	233.922	513.920	103.662	28.936	2.568.083	187.824	2.755.907	152.543	-	4.949.344
Inter segment revenues	1.374	133	1.833	-	56	432	1.735	26.230	23.544	55	23.599	4.185	(59.577)	-
Intra segment revenues	7.217	-	266	-	92	273	-	-	-	35	35	120.556	(128.439)	-
<b>Combined revenues</b>	<b>397.691</b>	<b>504.363</b>	<b>269.223</b>	<b>-</b>	<b>234.070</b>	<b>514.625</b>	<b>105.397</b>	<b>55.166</b>	<b>2.591.627</b>	<b>187.914</b>	<b>2.779.541</b>	<b>277.284</b>	<b>(188.016)</b>	<b>4.949.344</b>
External revenues	389.100	504.230	267.124	-	233.922	513.920	103.662	28.936	2.568.083	187.824	2.755.907	152.543	-	4.949.344
Inter segment revenues	1.374	133	1.833	-	56	432	1.735	26.230	23.544	55	23.599	4.185	(59.577)	-
<b>Consolidation revenue</b>	<b>390.474</b>	<b>504.363</b>	<b>268.957</b>	<b>-</b>	<b>233.978</b>	<b>514.352</b>	<b>105.397</b>	<b>55.166</b>	<b>2.591.627</b>	<b>187.879</b>	<b>2.779.506</b>	<b>156.728</b>	<b>(59.577)</b>	<b>4.949.344</b>
Cost of sales	(330.545)	(424.311)	(234.152)	-	(146.382)	(410.191)	(86.425)	(52.799)	(1.610.097)	(162.260)	(1.772.357)	(134.787)	56.383	(3.535.566)
General administrative expenses	(11.372)	(7.531)	(12.571)	-	(8.594)	(50.828)	(3.151)	(1.837)	(491.908)	(22.255)	(514.163)	(11.575)	8.094	(613.528)
Sales, marketing and distribution expenses	(16.230)	(35.540)	(21.974)	-	(2.247)	(47.754)	(16.902)	-	-	-	-	(11.035)	152	(151.530)
Research and development expenses	(6.436)	7.364	(3.417)	-	-	-	(67)	-	-	-	-	(34)	20	(2.570)
Inter segment adjustment	-	(184)	23	-	(25)	-	-	-	(3.475)	192	(3.283)	686	3.270	487
<b>Operating result</b>	<b>25.891</b>	<b>44.161</b>	<b>(3.134)</b>	<b>-</b>	<b>76.730</b>	<b>5.579</b>	<b>(1.148)</b>	<b>530</b>	<b>486.147</b>	<b>3.556</b>	<b>489.703</b>	<b>(17)</b>	<b>8.342</b>	<b>646.637</b>
Other unallocated operating expenses														(11.185)
<b>Net operating result</b>														<b>635.452</b>
Other income/(expense) - net	1.794	(7.242)	6.091	-	(7.364)	(2.933)	1.785	(1.438)	30.185	1.237	31.422	(374)	-	21.741
<b>Segment result</b>	<b>27.685</b>	<b>36.919</b>	<b>2.957</b>	<b>-</b>	<b>69.366</b>	<b>2.646</b>	<b>637</b>	<b>(908)</b>	<b>516.332</b>	<b>4.793</b>	<b>521.125</b>	<b>(391)</b>	<b>8.342</b>	<b>657.193</b>

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 33 - SEGMENT REPORTING (Continued)

#### Segmental analysis for the nine-month period ended 30 September 2006

	Tire and tire reinforcements	Automotive	Textile	Chemicals	Cement	Retail	Food and beverage	Energy	Finance			Other	Inter segment elimination	Total
									Banking	Insurance	Total finance			
External revenues	992.216	1.219.973	308.797	1.279.661	536.649	1.222.125	343.172	117.891	5.813.635	545.144	6.358.779	250.610	-	12.629.873
Inter segment revenues	4.472	2.334	244	17.306	19	2.551	7.712	119.918	51.246	1.810	53.056	6.181	(213.793)	-
Intra segment revenues	30.032	5	725	2	3.349	7.777	-	-	2.958	-	2.958	1.195.674	(1.240.522)	-
<b>Combined revenues</b>	<b>1.026.720</b>	<b>1.222.312</b>	<b>309.766</b>	<b>1.296.969</b>	<b>540.017</b>	<b>1.232.453</b>	<b>350.884</b>	<b>237.809</b>	<b>5.867.839</b>	<b>546.954</b>	<b>6.414.793</b>	<b>1.452.465</b>	<b>(1.454.315)</b>	<b>12.629.873</b>
External revenues	992.216	1.219.973	308.797	1.279.661	536.649	1.222.125	343.172	117.891	5.813.635	545.144	6.358.779	250.610	-	12.629.873
Inter segment revenues	4.472	2.334	244	17.306	19	2.551	7.712	119.918	51.246	1.810	53.056	6.181	(213.793)	-
<b>Consolidation revenue</b>	<b>996.688</b>	<b>1.222.307</b>	<b>309.041</b>	<b>1.296.967</b>	<b>536.668</b>	<b>1.224.676</b>	<b>350.884</b>	<b>237.809</b>	<b>5.864.881</b>	<b>546.954</b>	<b>6.411.835</b>	<b>256.791</b>	<b>(213.793)</b>	<b>12.629.873</b>
Cost of sales	(801.023)	(1.026.769)	(221.475)	(1.184.870)	(312.949)	(954.287)	(298.757)	(251.469)	(3.525.888)	(501.200)	(4.027.088)	(192.119)	240.539	(9.030.267)
General administrative expenses	(45.367)	(16.099)	(20.408)	(30.492)	(22.388)	(141.585)	(15.108)	(3.131)	(1.121.086)	(48.709)	(1.169.795)	(28.494)	11.013	(1.481.854)
Sales, marketing and distribution expenses	(45.207)	(89.363)	(23.255)	(90.428)	(5.709)	(101.346)	(52.072)	-	-	-	-	(30.656)	15.241	(422.795)
Research and development expenses	(4.343)	(3.829)	(7.357)	(6.951)	-	-	(305)	-	-	-	-	-	56	(22.729)
Inter segment adjustment	-	(430)	68	98	(75)	-	714	-	35.604	(327)	35.277	(2.056)	(22.016)	11.580
<b>Operating result</b>	<b>100.748</b>	<b>85.817</b>	<b>36.614</b>	<b>(15.676)</b>	<b>195.547</b>	<b>27.458</b>	<b>(14.644)</b>	<b>(16.791)</b>	<b>1.253.511</b>	<b>(3.282)</b>	<b>1.250.229</b>	<b>3.466</b>	<b>31.040</b>	<b>1.683.808</b>
Other unallocated operating expenses														(35.513)
<b>Net operating result</b>														<b>1.648.295</b>
Other income/(expense) - net	123	(9.461)	(3.142)	(100.790)	(8.126)	(8.826)	(280)	(8.683)	138.704	15.100	153.804	(9.544)	-	5.075
<b>Segment result</b>	<b>100.871</b>	<b>76.356</b>	<b>33.472</b>	<b>(116.466)</b>	<b>187.421</b>	<b>18.632</b>	<b>(14.924)</b>	<b>(25.474)</b>	<b>1.392.215</b>	<b>11.818</b>	<b>1.404.033</b>	<b>(6.078)</b>	<b>31.040</b>	<b>1.653.370</b>



# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 33 - SEGMENT REPORTING (Continued)

Segmental analysis for the period between 1 July and 30 September 2006

	Tire and tire reinforcements	Automotive	Textile	Chemicals	Cement	Retail	Food and beverage	Energy	Finance			Other	Inter segment elimination	Total
									Banking	Insurance	Total finance			
External revenues	353.426	394.387	104.690	499.612	211.442	437.077	122.725	48.869	2.116.227	157.047	2.273.274	98.325	-	4.543.827
Inter segment revenues	1.251	167	90	7.246	17	983	2.906	37.556	1.403	255	1.658	1.952	(53.826)	-
Intra segment revenues	10.395	4	411	2	1.433	6.832	-	-	165	-	165	244.761	(264.003)	-
<b>Combined revenues</b>	<b>365.072</b>	<b>394.558</b>	<b>105.191</b>	<b>506.860</b>	<b>212.892</b>	<b>444.892</b>	<b>125.631</b>	<b>86.425</b>	<b>2.117.795</b>	<b>157.302</b>	<b>2.275.097</b>	<b>345.038</b>	<b>(317.829)</b>	<b>4.543.827</b>
External revenues	353.426	394.387	104.690	499.612	211.442	437.077	122.725	48.869	2.116.227	157.047	2.273.274	98.325	-	4.543.827
Inter segment revenues	1.251	167	90	7.246	17	983	2.906	37.556	1.403	255	1.658	1.952	(53.826)	-
<b>Consolidation revenue</b>	<b>354.677</b>	<b>394.554</b>	<b>104.780</b>	<b>506.858</b>	<b>211.459</b>	<b>438.060</b>	<b>125.631</b>	<b>86.425</b>	<b>2.117.630</b>	<b>157.302</b>	<b>2.274.932</b>	<b>100.277</b>	<b>(53.826)</b>	<b>4.543.827</b>
Cost of sales	(281.712)	(337.187)	(73.013)	(470.741)	(121.575)	(345.184)	(113.155)	(93.879)	(1.276.085)	(134.173)	(1.410.258)	(79.574)	17.186	(3.309.092)
General administrative expenses	(562)	(5.796)	(6.232)	(10.548)	(9.401)	(45.992)	(5.762)	(1.125)	(385.004)	(15.331)	(400.335)	(9.835)	4.122	(491.466)
Sales, marketing and distribution expenses	(30.502)	(32.286)	(8.145)	(32.897)	-	(36.908)	(15.547)	-	-	-	-	(11.495)	6.606	(161.174)
Research and development expenses	(1.557)	(882)	(2.504)	(2.458)	-	-	(106)	-	-	-	-	-	20	(7.487)
Inter segment adjustment	-	(61)	23	-	(25)	(33)	5	-	(34.871)	(1.422)	(36.293)	(886)	33.287	(3.983)
<b>Operating result</b>	<b>40.344</b>	<b>18.342</b>	<b>14.909</b>	<b>(9.786)</b>	<b>80.458</b>	<b>9.943</b>	<b>(8.934)</b>	<b>(8.579)</b>	<b>421.670</b>	<b>6.376</b>	<b>428.046</b>	<b>(1.513)</b>	<b>7.395</b>	<b>570.625</b>
Other unallocated operating expenses														(11.050)
<b>Net operating result</b>														<b>559.575</b>
Other income/(expense) - net	1.573	(5.121)	(1.280)	(80.698)	(6.103)	(6.276)	4.768	(1.310)	25.097	(688)	24.409	15.125	-	(54.913)
<b>Segment result</b>	<b>41.917</b>	<b>13.221</b>	<b>13.629</b>	<b>(90.484)</b>	<b>74.355</b>	<b>3.667</b>	<b>(4.166)</b>	<b>(9.889)</b>	<b>446.767</b>	<b>5.688</b>	<b>452.455</b>	<b>13.612</b>	<b>7.395</b>	<b>504.662</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 33 - SEGMENT REPORTING (Continued)

##### e) Operating results

##### i) Banking

	1 January - 30 September 2007	1 July - 30 September 2007	1 January - 30 September 2006	1 July - 30 September 2006
Interest on loans	3.806.235	1.354.008	2.833.770	1.064.660
Interest on investment and trading securities	2.190.856	776.181	1.819.388	669.973
Fee and commission income	958.118	322.153	800.044	272.225
Interest from other banks	254.969	82.654	203.803	92.523
Net trading gains on securities	39.028	8.716	122.947	7.082
Other interest income	74.508	24.371	33.683	9.764
<b>Total operating revenues</b>	<b>7.323.714</b>	<b>2.568.083</b>	<b>5.813.635</b>	<b>2.116.227</b>
Less: fee and commission income and net trading gains on securities	(997.146)	(330.867)	(922.991)	(279.307)
<b>Total interest income</b>	<b>6.326.568</b>	<b>2.237.216</b>	<b>4.890.644</b>	<b>1.836.920</b>
<b>Interest expenses</b>	<b>(3.935.082)</b>	<b>(1.448.870)</b>	<b>(2.934.232)</b>	<b>(1.192.502)</b>
<b>Interest income - net</b>	<b>2.391.486</b>	<b>788.346</b>	<b>1.956.412</b>	<b>644.418</b>
<u>Operating costs</u>				
Interest expenses	(3.935.082)	(1.448.870)	(2.934.232)	(1.192.502)
Foreign exchange trading gains – net	82.466	43.920	(91.685)	41.532
Operating expenses	(1.304.535)	(491.908)	(1.121.086)	(385.004)
Fee and commission expenses	(187.717)	(67.730)	(172.275)	(65.272)
Provision for loan losses	(372.144)	(117.349)	(240.846)	(93.311)
<b>Total operating costs</b>	<b>(5.717.012)</b>	<b>(2.081.937)</b>	<b>(4.560.124)</b>	<b>(1.694.557)</b>
<b>Add: interest expenses</b>	<b>3.935.082</b>	<b>1.448.870</b>	<b>2.934.232</b>	<b>1.192.502</b>
<b>Add: fee and commission income and net trading gains on securities</b>	<b>997.146</b>	<b>330.868</b>	<b>922.991</b>	<b>279.307</b>
<b>Operating results</b>	<b>1.606.702</b>	<b>486.147</b>	<b>1.253.511</b>	<b>421.670</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 33 - SEGMENT REPORTING (Continued)

##### ii) Insurance

	1 January - 30 September 2007	1 July - 30 September 2007	1 January - 30 September 2006	1 July - 30 September 2006
Gross premiums written	640.607	187.824	545.144	157.047
Outward reinsurance premiums	(261.749)	(65.861)	(244.301)	(66.553)
Change in the provision for unearned premiums, net of reinsurance	(43.898)	(7.008)	(41.410)	2.339
Earned premiums, net of reinsurance	334.960	114.955	259.433	92.833
Claims paid – gross	(363.665)	(101.870)	(339.319)	(131.592)
Claims paid – reinsurers’ share	178.764	43.240	153.668	56.182
Change in the provision for claims	(37.241)	(18.427)	(13.880)	1.972
Claims incurred, net of reinsurance	(222.142)	(77.057)	(199.531)	(73.438)
Change in life assurance provision)	7	(533)	9.661	11.966
Commission expenses - net	(37.786)	(10.520)	(24.136)	(9.653)
Other technical income - net	75.039	26.845	45.427	21.708
General administrative expenses	(69.449)	(23.289)	(48.709)	(15.332)
<b>Operating results</b>	<b>5.590</b>	<b>3.556</b>	<b>(3.282)</b>	<b>6.376</b>

##### iii) Non-financial products

	1 January - 30 September 2007	1 July - 30 September 2007	1 January - 30 September 2006	1 July - 30 September 2006
Net sales	6.287.299	2.193.437	6.271.094	2.270.553
Cost of sales	(5.099.582)	(1.783.558)	(5.079.932)	(1.868.183)
Gross profit	1.187.717	409.879	1.191.162	402.370
Operating expenses	(821.315)	(264.130)	(793.096)	(270.842)
<b>Operating results</b>	<b>366.402</b>	<b>145.749</b>	<b>398.066</b>	<b>131.528</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 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:

	30 September 2007	31 December 2006		
<b>Balance sheet</b>				
Current assets	492.405	456.421		
Non-current assets	1.561.205	951.423		
<b>Total assets</b>	<b>2.053.610</b>	<b>1.407.844</b>		
Current liabilities	534.045	422.396		
Non-current liabilities	273.575	50.143		
<b>Total liabilities</b>	<b>807.620</b>	<b>472.539</b>		
Outside interests	4.621	4.435		
Shareholders' equity	1.241.369	930.870		
<b>Total liabilities, outside interests and shareholders' equity</b>	<b>2.053.610</b>	<b>1.407.844</b>		
<b>Income statement</b>				
	1 January - 30 September 2007	1 July - 30 September 2007	1 January - 30 September 2006	1 July - 30 September 2006
Operating profit	74.249	29.959	87.480	37.249
Financial income/(expenses), net	24.712	12.621	921	5.756
Income before taxation on income and outside interests	98.961	42.580	88.401	43.005
Taxation on income	(24.038)	(8.914)	(39.465)	(4.151)
Income/(loss) before outside interests	74.923	33.666	48.936	38.854
Outside interests	(426)	(166)	(259)	(239)
<b>Net income/(loss) for the period</b>	<b>74.497</b>	<b>33.500</b>	<b>48.677</b>	<b>38.615</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 33 - SEGMENTAL REPORTING (Continued)

##### g) Depreciation and amortisation charge and capital expenditures:

1 January - 30 September 2007

	Finance		Tire and tire enforcements	Automotive	Textile	Chemicals	Cement	Food and beverage	Energy	Retail	Other	Total
	Banking	Insurance										
Depreciation and amortisation	87.262	3.467	57.601	11.913	47.592	-	40.204	11.693	25.356	25.864	23.193	334.145
Capital expenditures	78.546	5.301	36.951	60.402	34.875	-	146.492	24.128	332.494	47.333	36.505	803.027

1 July - 30 September 2007

	Finance		Tire and tire enforcements	Automotive	Textile	Chemicals	Cement	Food and beverage	Energy	Retail	Other	Total
	Banking	Insurance										
Depreciation and amortisation	32.388	1.173	17.242	3.983	16.470	-	14.517	4.164	7.680	8.698	7.656	113.971
Capital expenditures	31.429	2.069	23.826	10.408	15.099	-	47.925	7.287	6.167	16.822	13.123	174.155

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 33 - SEGMENTAL REPORTING (Continued)

##### 1 January - 30 September 2006

	Finance		Tire and tire enforcements	Automotive	Textile	Chemicals	Cement	Food and beverage	Energy	Retail	Other	Total
	Banking	Insurance										
Depreciation and amortisation	82.858	3.359	51.146	9.990	27.745	63.005	40.495	9.373	26.381	23.697	21.059	359.108
Capital expenditures	105.372	2.191	53.698	24.626	15.084	125.824	82.842	37.907	126.260	30.915	5.033	609.752

##### 1 July - 30 September 2006

	Finance		Tire and tire enforcements	Automotive	Textile	Chemicals	Cement	Food and beverage	Energy	Retail	Other	Total
	Banking	Insurance										
Depreciation and amortisation	27.673	1.108	15.982	4.136	9.093	18.935	15.405	3.068	8.385	7.176	6.420	117.381
Capital expenditures	57.744	518	32.165	10.893	2.480	83.235	41.465	18.954	437	14.934	1.381	264.206

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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#### NOTE 34 - SUBSEQUENT EVENTS

1. The decision is taken for %10,316 share sale of Akemeklilik, investment of Aksigorta which is a subsidiary of Sabancı Holding, to Aviva International Holding Limited. 205.115.762 shares will be sold in exchange for a consideration of 100.000.000 USD.
2. A share transfer agreement has been signed between Holding and Wavin B.V., Holland company, regarding the share sale of %51,22 of Pilsa Plastik Sanayi A.Ş. on 21 November 2007. According to the agreement, the Company value is determined to be 82 million USD, however, this value is subject to adjustment on closing date. Transfer of the shares will be realised after necessary permissions obtained.

#### 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 57.340 is calculated as the excess of Gıdasa’s carrying amount included in the consolidated interim financial statements at 30 September 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 nine month is as follows:

	<b>1 January 2007 - 30 September 2007</b>
Revenues	333.462
Expenses	(389.384)
<hr/>	
Segment result of food and beverage before tax	(55.922)
Tax	2.735
<hr/>	
<b>Food and beverages segment loss after tax</b>	<b>(53.187)</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 35 - DISCONTINUED OPERATIONS (Continued)

At 30 September 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:

	<b>30 September 2007</b>
<b>Assets</b>	<b>345.591</b>
Cash and cash equivalents	3.724
Trade receivables (net)	80.703
Inventories (net)	49.039
Other current assets	29.157
Property, plant and equipment (net)	140.519
Intangible assets (net)	8.602
Deferred income tax assets	33.847
<b>Liabilities</b>	<b>343.061</b>
Borrowings	144.471
Trade payables (net)	87.952
Other liabilities	43.591
Provision for discontinued operations	57.340
Deferred income tax liability	9.707
<b>Net assets to be disposed</b>	<b>2.530</b>

#### NOTE 36 - OPERATING INCOME

	<b>1 January - 30 September 2007</b>	<b>1 July - 30 September 2007</b>	<b>1 January - 30 September 2006</b>	<b>1 July - 30 September 2006</b>
Finance	7.964.321	2.755.907	6.358.779	2.273.274
Non-finance	6.287.299	2.193.437	6.271.094	2.270.553
<b>Total</b>	<b>14.251.620</b>	<b>4.949.344</b>	<b>12.629.873</b>	<b>4.543.827</b>

#### NOTE 37 - OPERATING EXPENSES

	<b>1 January - 30 September 2007</b>	<b>1 July - 30 September 2007</b>	<b>1 January - 30 September 2006</b>	<b>1 July - 30 September 2006</b>
General administrative expenses	1.726.262	624.713	1.517.367	502.516
Marketing, selling and distribution expenses	452.163	151.530	422.795	161.174
Research and development expenses	17.394	2.570	22.729	7.487
<b>Total</b>	<b>2.195.819</b>	<b>778.813</b>	<b>1.962.891</b>	<b>671.177</b>



## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 38 - OTHER INCOME/EXPENSES AND GAINS/LOSSES

	1 January - 30 September 2007	1 July - 30 September 2007	1 January - 30 September 2006	1 July - 30 September 2006
Foreign exchange gains	274.589	130.155	264.754	51.028
Gain on sale of Enerjisa shares	83.596	-	-	-
Interest income	62.887	16.651	58.168	12.455
Gain on sale of associate - net	-	-	52.975	-
Others	131.971	36.180	20.095	(3.361)
<b>Total</b>	<b>553.043</b>	<b>182.986</b>	<b>395.992</b>	<b>60.122</b>

	1 January - 30 September 2007	1 July - 30 September 2007	1 January - 30 September 2006	1 July - 30 September 2006
Impairment losses	57.340	(3.354)	2.603	-
Provision expenses (*)	29.738	8.518	2.963	1.163
Idle time expenses	9.446	1.663	4.488	1.059
Loss on sale of associate	-	-	41.922	41.922
Others	-	-	8.627	3.493
<b>Total</b>	<b>96.524</b>	<b>6.827</b>	<b>60.603</b>	<b>47.637</b>

(\*) In 2005, Carefoursa awarded a call option concerning the Bayrampaşa Hipermarket ve Ticaret Merkezi to a company. During the first quarter of 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 54.883 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 21.284). The subject provision is included in other liabilities in these consolidated interim financial statements.

#### NOTE 39 - FINANCIAL EXPENSES

	1 January - 30 September 2007	1 July - 30 September 2007	1 January - 30 September 2006	1 July - 30 September 2006
Foreign exchange losses	234.079	100.892	249.093	26.698
Interest expenses	82.161	25.219	56.888	25.154
Other financial expenses	31.588	15.881	60.892	21.045
<b>Total</b>	<b>347.828</b>	<b>141.992</b>	<b>366.873</b>	<b>72.897</b>

Financial expenses relate to segments other than banking.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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#### 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 2005, there is no gain/loss on net monetary position for the nine-month period ended 30 September 2007 (1 January - 30 September 2006: None).

#### NOTE 41 - TAXES ON INCOME

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

	<b>30 September 2007</b>	<b>30 September 2006</b>
Corporation and income taxes currently payable	411.873	252.248
Tax charge to equity relating to available for sale financial assets	67.952	127.956
Currency translation adjustment	168	(482)
Current period tax charge	479.993	379.722
Previous year tax adjustment (Note 31)	(270.001)	-
Deferred taxation (credit)/charge (Note 14)	(13.627)	110.034
<b>Current period tax charge</b>	<b>196.365</b>	<b>489.756</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 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 September 2007	1 July- 30 September 2007	1 January- 30 September 2006	1 July- 30 September 2006
Earnings per share in full YTL				
- A thousand ordinary share	4,60	1,28	2,26	0,54
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 September 2007.

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

	Vaksa share	Ordinary shares	Total
1 January - 30 September 2007	25.609	828.017	853.626
1 July - 30 September 2007	7.133	230.614	237.747
1 January - 30 September 2006	12.577	406.656	419.233
1 July - 30 September 2006	3.001	97.032	100.033

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

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

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 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

<b>30 September 2007</b>	<b>Fair values</b>	
	<b>Assets</b>	<b>Liabilities</b>
<b>Derivatives held for trading</b>		
<b>Foreign exchange derivatives</b>		
Currency forwards	28.083	5.730
Currency swaps	60.232	31.432
<b>Total over-the-counter derivatives</b>	<b>88.315</b>	<b>37.162</b>
<b>Interest rate derivatives</b>		
Interest rate swaps	5.339	64.058
<b>Total derivatives held for trading</b>	<b>93.654</b>	<b>101.220</b>
<b>31 December 2006</b>		
<b>Derivatives held for trading</b>		
<b>Foreign exchange derivatives</b>		
Currency forwards	38.378	31.953
Currency swaps	30.466	27.689
<b>Total over-the-counter derivatives</b>	<b>68.844</b>	<b>59.642</b>
<b>Interest rate derivatives</b>		
Interest rate swaps	22.161	14.699
<b>Total derivatives held for trading</b>	<b>91.005</b>	<b>74.341</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 45 - LOANS AND ADVANCES TO CUSTOMERS

##### Loans and advances to customers

	30 September 2007	31 December 2006
Consumer loans and credit cards receivables	11.409.804	9.276.592
Small-scale enterprises	3.018.133	2.626.856
Financial institutions	2.728.038	2.357.662
Project finance loans	2.415.411	1.081.944
Construction	1.759.811	873.159
Other manufacturing industries	1.705.167	1.762.062
Food and beverage, wholesale and retail	1.253.759	874.714
Mining	1.128.059	1.036.464
Chemicals	870.773	913.029
Agriculture and forestry	657.138	519.469
Textile	647.568	666.419
Automotive	616.595	469.038
Electronics	561.380	223.954
Health care and social services	327.247	600.554
Telecommunication	250.665	475.458
Tourism	231.441	335.144
Other	5.700.418	5.485.724
<b>Sub-total</b>	<b>35.281.407</b>	<b>29.578.242</b>
<b>Non-performing loans</b>	<b>883.596</b>	<b>593.571</b>
<b>Total loans and advances to customers</b>	<b>36.165.003</b>	<b>30.171.813</b>
<b>Allowance for loan losses</b>	<b>(1.138.156)</b>	<b>(787.107)</b>
<b>Net loans and advances to customers</b>	<b>35.026.847</b>	<b>29.384.706</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 45 - LOANS AND ADVANCES TO CUSTOMERS (Continued)

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

	30 September 2007	31 December 2006
Up to 3 months	13.963.292	12.810.313
3 to 12 months	8.933.803	7.271.219
Current	22.897.095	20.081.532
1 to 5 year	10.018.850	7.460.858
Over 5 year	2.110.902	1.842.316
Non-current	12.129.752	9.303.174
<b>Total</b>	<b>35.026.847</b>	<b>29.384.706</b>

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

	30 September 2007	31 December 2006
Up to 3 months	19.023.357	16.355.780
3 to 12 months	10.067.600	8.443.811
1 to 5 year	5.173.088	4.012.694
Over 5 year	762.802	572.421
<b>Total</b>	<b>35.026.847</b>	<b>29.384.706</b>

Movements in the allowance for loan losses are as follows:

	30 September 2007	30 September 2006
Balance at 1 January	787.107	537.069
Gross provisions	571.853	316.080
Recoveries	(257.650)	(127.850)
Written-off	(26.455)	(39.784)
Net specific provision	287.748	148.446
Net additional provision	63.301	30.223
<b>30 September</b>	<b>1.138.156</b>	<b>715.738</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 45 - LOANS AND ADVANCES TO CUSTOMERS (Continued)

The movements in loan loss provision during the nine months ended at 30 September 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	-	79.064	203.856	99.999	188.934	571.853
Recoveries	(2.151)	(11.544)	(63.767)	(43.452)	(136.736)	(257.650)
Written-off	-	(1.928)	(4.270)	(2.313)	(17.944)	(26.455)
Net specific provision for the period	35.083	136.828	382.019	161.030	359.895	1.074.855
Net additional provision for the period	5.074	795	2.463	9.612	45.357	63.301
<b>30 September 2007</b>	<b>40.157</b>	<b>137.623</b>	<b>384.482</b>	<b>170.642</b>	<b>405.252</b>	<b>1.138.156</b>

#### NOTE 46 - BANKING CUSTOMER DEPOSITS

	30 September 2007			31 December 2006		
	Demand	Time	Total	Demand	Time	Total
Savings deposits	3.173.851	26.521.096	29.694.947	3.081.287	23.148.391	26.229.678
Commercial deposits	2.342.001	5.351.954	7.693.955	2.312.597	3.469.964	5.782.561
Bank deposits	119.865	1.181.505	1.301.370	102.583	1.640.764	1.743.347
Funds deposited under repo transactions	-	4.519.689	4.519.689	-	5.224.820	5.224.820
Other	781.805	1.164.893	1.946.698	688.408	860.305	1.548.713
<b>Total</b>	<b>6.417.522</b>	<b>38.739.137</b>	<b>45.156.659</b>	<b>6.184.875</b>	<b>34.344.244</b>	<b>40.529.119</b>

#### NOTE 47 - MUTUAL FUNDS

At 30 September 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 September 2007, the Funds’ investment portfolio includes government bonds, treasury bills and share certificates of YTL 3.917.766 (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 0,00275% - 0,01250%. At 30 September 2007, management fees and commissions earned by the Group amounted to YTL 85.776 (30 September 2006: YTL 88.645).

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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#### NOTE 48 - DISCLOSURE OF OTHER MATTERS

None (31 December 2006: None).

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