HACI ÖMER SABANCI HOLDİNG A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 SEPTEMBER 2008

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 SEPTEMBER 2008

CONTENTS		PAGE

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEETS
AT 30 SEPTEMBER 2008 AND 31 DECEMBER 2007

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

	Notes	30 September 2008	Restated 31 December 2007
ASSETS			
Current Assets		**55.096.629**	**48.780.416**
Cash and Cash Equivalents		6.792.384	2.901.156
Financial Assets			
- Marketable Securities	5.a	2.255.590	4.833.069
- Available for sale	5.b	3.786.428	9.548.528
Derivative Financial Instruments		86.065	81.282
Reserve Deposits with the Central Bank of the Republic of Turkey	2.2	6.202.100	1.667.269
Trade Receivables		1.117.381	1.140.924
Receivables from Finance Sector Operations	17	32.145.350	26.062.442
Other Receivables		389.301	571.433
Inventories	7	1.390.422	1.197.573
Other Current Assets		507.652	194.672
		54.672.673	48.198.348
Non-current Assets Held for Sale	12	423.956	582.068
Non-current assets		**40.558.490**	**30.598.193**
Trade Receivables		19.777	23.637
Receivables from Finance Sector Operations	17	17.370.539	13.842.985
Other Receivables		88.307	45.818
Financial Assets			
- Available for sale	5.b	18.061.061	11.692.082
Investments Accounted Through Equity Method		245.164	179.390
Investment Property		189.514	223.764
Property, Plant and Equipment	8	3.693.222	3.747.829
Intangible Assets		364.190	364.549
Goodwill	9	332.829	327.412
Deferred Income Tax Assets	16	193.887	150.727
Total Assets		**95.655.119**	**79.378.609**

These consolidated interim financial statements have been approved by the Board of Directors on 14 November 2008 and signed on its behalf by Ahmet Dördüncü and Nedim Bozfakıoğlu.

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED BALANCE SHEETS
AT 30 SEPTEMBER 2008 AND 31 DECEMBER 2007

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

	Notes	30 September 2008	Restated 31 December 2007
LIABILITIES			
Short term liabilities		**73.248.128**	**58.018.151**
Borrowings	6	6.541.472	4.382.957
Current Portion of Long-term Borrowings	6	2.677.729	1.752.250
Trade Payables		928.470	938.384
Other Payables		1.956.157	2.596.446
Payables from Finance Sector Operations	18	59.979.567	47.176.169
Derivative Financial Instruments		121.940	105.591
Insurance Technical Reserves		444.390	302.808
Income Taxes Payable	16	194.848	192.855
Other short term Liabilities		279.813	214.629
		73.124.386	57.662.089
Liabilities Associated with Non-current Assets held for sale	12	123.742	356.062
Long term liabilities		**5.189.149**	**5.295.504**
Borrowings	6	3.915.619	4.113.529
Trade Payables		4.652	3.885
Other Payables		138.274	201.913
Payables from Finance Sector Operations	18	495.329	325.899
Insurance Technical Reserves		272.751	278.869
Provision for Employment Termination Benefits		143.265	147.961
Deferred Income Tax Liabilities	16	219.259	223.448
EQUITY		**17.217.842**	**16.064.954**
Shareholders' Equity		**9.321.730**	**8.542.838**
Share Capital	**11**	**1.800.000**	**1.800.000**
Capital Reserves		**3.429.986**	**3.517.683**
Share Issue Premium		21.670	21.670
Value Increase Funds		(18.445)	69.252
Adjustment to Capital		3.426.761	3.426.761
Restricted Reserves	11	257.717	215.478
Translation Reserve		(176.843)	(215.298)
Net Income for the Period		**1.009.251**	**969.487**
Retained Earnings	**11**	**3.001.619**	**2.255.488**
Minority Interests		**7.896.112**	**7.522.116**
- Sabancı Family members		2.585.087	2.311.095
- Others		5.311.025	5.211.021
TOTAL EQUITY AND LIABILITIES		**95.655.119**	**79.378.609**
Contingent assets and liabilities	10		

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED 30 SEPTEMBER 2008 AND 2007

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

	Notes	(Not Reviewed) 1 January - 30 September 2008	(Not Reviewed) 1 July - 30 September 2008	(Not Reviewed) 1 January - 30 September 2007	(Not Reviewed) 1 July - 30 September 2007
CONTINUING OPERATIONS					
Sales (net)	13	5.823.883	2.010.445	5.552.903	1.958.665
Interest, premium, commission and other income	13	8.960.745	3.005.444	7.964.321	2.755.907
Total revenue	**13**	**14.784.628**	**5.015.889**	**13.517.224**	**4.714.572**
Cost of sales (-)		(4.727.329)	(1.671.299)	(4.510.857)	(1.592.036)
Interest, premium, commission and other expenses (-)		(6.007.821)	(2.162.733)	(4.977.525)	(1.751.522)
Total costs		**(10.735.150)**	**(3.834.032)**	**(9.488.382)**	**(3.343.558)**
Gross profit from non-financial operations		1.096.554	339.146	1.042.046	366.629
Gross profit from financial operations		2.952.924	842.711	2.986.796	1.004.385
GROSS PROFIT		**4.049.478**	**1.181.857**	**4.028.842**	**1.371.014**
Marketing, Selling and Distribution Expenses (-)		(412.644)	(137.926)	(367.935)	(124.537)
General and Administrative Expenses (-)		(2.083.965)	(717.639)	(1.691.545)	(613.324)
Research and Development Expenses (-)		(18.102)	(6.673)	(12.296)	(961)
Other Operating Income	14	496.785	212.400	269.131	89.071
Other Operating Expenses	14	(89.221)	(4.381)	(96.524)	(70.575)
OPERATING PROFIT		**1.942.331**	**527.638**	**2.129.673**	**650.688**
Shares of Income of Investments Accounted Through Equity Method		139.108	49.382	78.580	13.674
Financial Income	15	448.411	117.377	307.656	136.620
Financial Expenses (-)	15	(357.086)	(86.271)	(325.370)	(130.123)
NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS		**2.172.764**	**608.126**	**2.190.539**	**670.859**
Tax income/expense from continuing operations					
Current Tax Expense	16	(210.847)	(142.454)	(201.319)	(140.497)
Deferred Tax Income/ (Expense)	16	32.207	30.824	6.672	(2.579)
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS		**1.994.124**	**496.496**	**1.995.892**	**527.783**
DISCONTINUED OPERATIONS					
Net income/(loss) after tax from discontinued operations		35.232	1.060	(26.292)	11.829
NET INCOME FOR THE PERIOD		**2.029.356**	**497.556**	**1.969.600**	**539.612**
ALLOCATION OF NET INCOME		**2.029.356**	**497.556**	**1.969.600**	**539.612**
- Minority interest		**1.020.105**	**225.455**	**1.115.974**	**301.865**
- Sabancı Family members		270.927	59.955	271.736	71.789
- Others		749.178	165.500	844.238	230.076
- Equity Holders of the Parent		**1.009.251**	**272.101**	**853.626**	**237.747**
Earnings per share from continuing operations - thousands of ordinary shares (YTL)		5,44	1,47	4,60	1,28

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2008 AND 2007

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

	Share Capital	Share premium	Value increase funds	Adjustment to Capital	Restricted reserves	Translation reserve	Net income for the period	Retained earnings	Shareholders' equity	Minority interests	Total
Previously reported	**1.800.000**	**21.670**	**(43.771)**	**3.426.761**	**189.248**	**(241.428)**	**494.049**	**1.207.815**	**6.854.344**	**4.997.041**	**11.851.385**
Mathematical correction (Note 2.1.4)	-	-	-	-	-	-	-	(11.236)	(11.236)	(6.893)	(18.129)
Balances at 1 January 2007	**1.800.000**	**21.670**	**(43.771)**	**3.426.761**	**189.248**	**(241.428)**	**494.049**	**1.196.579**	**6.843.108**	**4.990.148**	**11.833.256**
Increase in share premium	-	-	-	-	-	-	-	-	-	1.076.926	1.076.926
Capital increase	-	-	-	-	-	-	-	-	-	129.313	129.313
Transfers	-	-	-	-	26.230	-	(494.049)	467.819	-	-	-
Effect of change in the effective rate of subsidiaries	-	-	-	-	-	-	-	785.190	785.190	199.103	984.293
Establishment of subsidiary	-	-	-	-	-	-	-	-	-	10.222	10.222
Effect of change in the scope of consolidation	-	-	4.588	-	-	-	-	-	4.588	65.053	69.641
Purchase of usufruct shares (Note 11)	-	-	-	-	-	-	-	(21.089)	(21.089)	-	(21.089)
Dividends paid	-	-	-	-	-	-	-	(189.399)	(189.399)	(492.729)	(682.128)
Transfer from revaluation reserve	-	-	(2.223)	-	-	-	-	2.223	-	-	-
Available for sale investments net fair value losses, net of tax	-	-	99.050	-	-	-	-	-	99.050	166.081	265.131
Currency translation differences	-	-	-	-	-	(118.401)	-	-	(118.401)	(96.339)	(214.740)
Net income for the period	-	-	-	-	-	-	853.626	-	853.626	1.115.974	1.969.600
Balances at 30 September 2007	**1.800.000**	**21.670**	**57.644**	**3.426.761**	**215.478**	**(359.829)**	**853.626**	**2.241.323**	**8.256.673**	**7.163.752**	**15.420.425**
Balances at 1 January 2008	**1.800.000**	**21.670**	**69.252**	**3.426.761**	**215.478**	**(215.298)**	**969.487**	**2.255.488**	**8.542.838**	**7.522.116**	**16.064.954**
Capital increase	-	-	-	-	-	-	-	-	-	89.702	89.702
Transfers	-	-	-	-	42.239	-	(969.487)	927.248	-	-	-
Effect of change in the effective rate of subsidiaries	-	-	-	-	-	-	-	11.864	11.864	(4.741)	7.123
Sale of subsidiary	-	-	-	-	-	-	-	-	-	(41.342)	(41.342)
Purchase of usufruct shares (Note 11)	-	-	-	-	-	-	-	(3.070)	(3.070)	-	(3.070)
Dividends paid	-	-	-	-	-	-	-	(190.421)	(190.421)	(553.267)	(743.688)
Transfer from revaluation reserve	-	-	(510)	-	-	-	-	510	-	-	-
Available for sale investments net fair value losses, net of tax	-	-	(87.187)	-	-	-	-	-	(87.187)	(147.518)	(234.705)
Currency translation differences	-	-	-	-	-	38.455	-	-	38.455	11.057	49.512
Net income for the period	-	-	-	-	-	-	1.009.251	-	1.009.251	1.020.105	2.029.356
Balances at 30 September 2008	**1.800.000**	**21.670**	**(18.445)**	**3.426.761**	**257.717**	**(176.843)**	**1.009.251**	**3.001.619**	**9.321.730**	**7.896.112**	**17.217.842**

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2008 AND 2007

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

	Notes	1 January - 30 September 2008	1 January - 30 September 2007
Net income before tax from continuing operations		2.172.764	2.190.539
Net income/(loss) before tax from discontinued operations		42.523	36.950
Adjustments to reconcile income before taxation to net cash provided by operating activities:			
Depreciation and amortisation	4	313.615	334.145
Provision for loan losses	17	982.240	635.154
Re-measurement of derivatives at fair value		11.566	24.230
Provision for employment termination benefits		30.662	19.865
Impairment of non-current assets held for sale	14	52.057	57.340
Impairment charge on intangible assets		1.264	-
Currency translation adjustment		15.932	(208.306)
Insurance technical reserves	4	(128.099)	(81.132)
Loss/(gain) on sale of subsidiaries		(139.108)	(78.580)
Income from associates	14	(20.306)	(83.596)
Gain on sale of property, plant and equipment and intangible assets		(140.328)	(14.567)
Other		13.473	(108.688)
Net cash provided by operating activities before changes in operating assets and liabilities			
Change in trade receivables		27.403	246.156
Change in inventories		(192.849)	(37.304)
Change in other receivables and other current assets		(221.086)	231.770
Change in trade payables		(9.147)	6.958
Change in insurance technical reserve		263.563	145.781
Change in other liabilities and other payables		(690.801)	226.989
Net cash provided by operating activities of non-current assets held for sale		(69.449)	7.924
Changes in assets and liabilities in banking segment:			
Change in marketable securities		2.577.479	1.605.418
Change in receivables from financial operations		(10.592.702)	(6.412.158)
Change in payables from financial operations		12.972.828	4.626.395
Change in reserve with the Central Bank of the Republic of Turkey		(4.534.831)	597.486
Income taxes paid		(161.106)	(362.805)
Employment termination benefits paid		(27.866)	(18.538)
Net cash provided by operating activities		**2.549.691**	**3.587.426**
Cash flows from investing activities:			
Capital expenditures	4	(452.153)	(803.027)
Investment in available-for-sale and held-to-maturity securities		(841.584)	(5.460.557)
Cash used in business combinations	3	(19.250)	(173.571)
Establishment of subsidiary		-	23.900
Change in scope of consolidation		(21.966)	60.956
Proceeds from sale of subsidiary		128.123	160.317
Partial disposal of a subsidiary		-	693.761
Cash provided from sale of tangible assets		247.380	66.787
Dividends received		77.355	94.863
Net cash used in investing activities of non-current assets held for sale		21.934	(2.473)
Net cash used in investing activities		**(860.161)**	**(5.339.044)**
Cash flows from financing activities:			
Increase/ (decrease) in borrowings		2.886.084	(744.708)
Dividends paid		(190.421)	(189.399)
Purchase of usufruct shares		(3.070)	(21.089)
Dividends paid to minority interests		(553.267)	(492.729)
Increase in share capital of minority interests		89.702	129.313
Increase in share premium of minority interests		-	1.076.926
Effect of change in the effective rate of subsidiaries		7.123	290.532
Net cash used in financing activities of non-current assets held for sale		(34.453)	(10.897)
Net cash provided by financing activities		**2.201.698**	**37.949**
Net increase/(decrease) in cash and cash equivalents		3.891.228	(1.713.669)
Cash and cash equivalents at the beginning of the period		2.901.156	4.855.781
Cash and cash equivalents at the end of the period		**6.792.384**	**3.142.112**

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

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Hacı Ömer Sabancı Holding A.Ş. (the "Holding") was established in 1967 to coordinate and perform liaison services regarding the activities of companies operating in various fields including mainly finance, manufacturing and trade. The Holding is registered in Turkey and is owned by the members of the Sabancı family (Note 11). The number of employees in 2008 is 51.083 (31 December 2007: 53.700).

The address of the registered office is as follows:

Sabancı Center, 4. Levent, İstanbul, Türkiye

Subsidiaries

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

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

(*) The Group sold its 50,12% shares as of 31 December 2007 in its subsidiary, Bossa, to Akkardan Sanayi ve Ticaret A.Ş. on 22 October 2008. Bossa is reclassified as non-current assets held for sale as of 30 September 2008.

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

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Joint Ventures

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

Joint Ventures	Nature of business	Segment	Venturer
Avivasa Emeklilik ve Hayat A.Ş. ("Avivasa")	Pension	Finance	Aviva
Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. ("Brisa")	Tire and tire reinforcement	Tire and tire reinforcement	Bridgestone
Akçansa Çimento Sanayi ve Ticaret A.Ş. ("Akçansa")	Cement and clinker	Cement	Heidelberg
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. ("Carrefoursa")	Trade of consumer goods	Retailing	Carrefour
Diasa Dia Sabancı Süpermarketleri Ticaret A.Ş. ("Diasa")	Trade of consumer goods	Retailing	Dia S.A.
Enerjisa Enerji Üretim A.Ş. ("Enerjisa")	Energy production and sales	Energy	Verbund
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. ("ETS") **(*)**	Energy sales	Energy	Verbund
Olmuksa International Paper Sabancı Ambalaj Sanayi ve Ticaret A.Ş. ("Olmuksa")	Corrugated containers	Other	International Paper
Dönkasan Dönüşen Kağıt Hammaddeleri Sanayi ve Ticaret A.Ş. ("Dönkasan")	Paper	Other	International Paper and Kartonsan

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

All the Joint Ventures are registered in Turkey.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial Reporting Standards

The Capital Markets Board of Turkey ("CMB") regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué No: XI-29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué"). This Communiqué is effective for the annual periods starting from 1 January 2008 and supersedes the Communiqué No: XI–25 "The Financial Reporting Standards in the Capital Markets". According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board ("IASB") are announced by Turkish Accounting Standards Board ("TASB"), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/ Turkish Financial Reporting Standards ("TAS/TFRS") issued by the TASB which are in line with the aforementioned standards shall be considered.

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

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

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

(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)

2.1.2 Basis of consolidation

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

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

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 2008:

Subsidiaries	Direct and indirect ownership interest by the Holding and its Subsidiaries %	Ownership interest shares held by Sabancı family members %	Proportion of ownership interest %	Proportion of effective interest %
Advansa	100,00	-	100,00	99,93
AEO	70,29	-	70,29	70,29
Akbank	40,85	15,97	56,82	36,80
Aksigorta	61,98	-	61,98	61,98
Bossa	50,12	17,68	67,80	50,12
Bimsa	95,11	-	95,11	89,86
Çimsa	53,00	1,42	54,42	53,00
Exsa	45,70	54,30	100,00	30,25
Exsa UK	100,00	-	100,00	99,09
Kordsa Global	91,11	-	91,11	91,11
Sapeksa	52,84	44,87	97,71	36,98
Sabancı Telekom	100,00	-	100,00	100,00
Teknosa	69,17	30,83	100,00	69,17
Temsa Global	48,71	51,28	99,99	47,66
Toyotasa Pazarlama	65,00	-	65,00	64,99
Tursa	99,52	-	99,52	98,46
Universal	100,00	-	100,00	93,02
Yünsa	59,37	11,50	70,87	58,80

(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 2007:

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

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

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 2008 and result of operations for the period ended 30 September 2008 are insignificant to the overall consolidated financial statements, are not consolidated on the grounds of materiality. Such subsidiaries are classified as available for sale equity securities in these consolidated interim financial statements (Note 5.b).

(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)

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

The table below sets out the Joint Ventures and shows the proportion of ownership interest and effective interest of the Holding in these Joint Ventures at 30 September 2008:

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

The table below sets out the Joint Ventures and shows the proportion of ownership interest and effective interest of the Holding in these Joint Ventures at 31 December 2007:

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

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

(*) Group signed a share sales agreement with Bekaert Iberica Holding S.L. on 23 May 2008 to sell its 49,99% share in Beksa Çelik Kord San. ve Tic. A.Ş. as of 31 December 2007. Sale transaction was completed on 24 July 2008. Effective from this date, Beksa was excluded from the scope of consolidation.

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

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

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.

Associates whose financial position at 30 September 2008 and result of operations for the period ended 30 September 2008 are insignificant to the overall consolidated financial statements are not accounted for by the equity method of accounting. Such Associates are classified as available for sale equity securities.

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

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

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

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

f) The results of Subsidiaries are included or excluded from consolidation regarding to their effective dates of acquisition and disposal, respectively.

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

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

2.1.3 Offsetting

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

2.1.4 Comparatives and restatement of prior year financial statements

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

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

In order to allow for the determination of the financial situation and performance trends, the Group's consolidated financial statements have been presented comparatively with the previous period. The Group presented the consolidated balance sheet as of 30 September 2008 comparatively with the consolidated balance sheet as of 31 December 2007 and presented the consolidated statement of income, statement of cash flows and statement of change in equity for the interim period 1 January-30 September 2008 comparatively with the interim period 1 January - 30 September 2007.

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

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

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

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

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

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

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

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

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

On the consolidated income statement for the nine month period ended 30 September 2007, revenue related to discontinued operations amounting to YTL 734.396 classified under "Sales Revenue" and cost related to discontinued operations amounting to YTL 588.725 classified under "Cost of Sales", operating expenses amounting to YTL 124.043 classified under "Operating Expenses" and foreign exchange loss and interest expense amounting to YTL 14.973 classified under "Financial Expenses" are reclassified under "Discontinued Operations".

On the consolidated income statement for the nine month period ended 30 September 2007, foreign exchange and interest income amounting to YTL 254.011 and YTL 53.645 classified under "Other Income" are reclassified under "Financial Income".

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

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

2.1.6 Information to be disclosed, required by the CMB

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

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

NOTE 3 - BUSINESS COMBINATIONS

The business combinations between the period 1 January and 30 September 2008 are as follows:

Bilecik, a subsidiary of the Group, purchased Bileck Hazır Beton Tesisi at an amount of YTL 19.250. The difference between the purchase price and fair value of the assets amounting to YTL 4.306 is accounted as an increase in goodwill in the current period.

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

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

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

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

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

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

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

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

NOTE 4 - SEGMENT REPORTING

a) External revenues:

	1 January-30 September 2008	1 July-30 September 2008	1 January-30 September 2007	1 July-30 September 2007
Finance	8.960.745	3.005.444	7.964.321	2.755.907
Tire and tire reinforcements	1.130.511	370.925	1.124.020	377.433
Automotive	1.452.992	524.899	1.359.171	504.230
Textile	526.599	157.566	590.293	192.173
Cement	716.879	264.969	640.449	233.922
Retail	1.577.980	556.138	1.408.569	513.920
Energy	184.292	77.609	107.365	28.936
Other	234.630	58.339	323.036	108.051
Total	**14.784.628**	**5.015.889**	**13.517.224**	**4.714.572**

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

NOTE 4 - SEGMENT REPORTING (Continued)

b) **Segment assets:**	**30 September 2008**	**31 December 2007**
Tire and tire reinforcements	1.255.578	1.114.030
Automotive	1.088.073	762.455
Textile	810.934	1.175.351
Cement	1.364.796	1.196.379
Retail	805.899	817.134
Energy	648.745	550.632
Finance	89.046.724	72.887.608
Banking	87.748.919	71.777.679
Insurance	1.297.805	1.109.929
Other	469.966	685.328
Segment assets (*)	**95.490.715**	**79.188.917**
Non-current assets held for sale	423.956	582.068
Investment in associated companies	245.164	179.390
Unallocated assets	426.665	343.898
Less: intercompany eliminations and reclassifications	(931.381)	(915.664)
Total assets per consolidated financial statements	**95.655.119**	**79.378.609**

(*) Segment assets mainly comprise of operating assets.

c) **Segment liabilities:**	**30 September 2008**	**31 December 2007**
Tire and tire reinforcements	230.341	218.941
Automotive	320.082	241.337
Textile	163.269	203.048
Cement	150.582	129.439
Retail	417.133	471.472
Energy	55.345	60.883
Finance	77.210.124	61.621.114
Banking	76.342.145	60.956.732
Insurance	867.979	664.382
Other	90.232	156.200
Segment liabilities (*)	**78.637.108**	**63.102.434**
Liabilities related with the assets held for sale	123.742	356.062
Unallocated liabilities	1.148.873	1.053.698
Less: intercompany eliminations and reclassifications	(1.472.446)	(1.198.539)
Total liabilities per consolidated financial statements	**78.437.277**	**63.313.655**

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

Segmental analysis for the nine-month period ended 30 September 2008

	Tire and tire reinforcements	Automotive	Textile	Cement	Retail	Energy	Finance: Banking	Finance: Insurance	Finance: Total finance	Other	Inter segment elimination	Total
External revenues	1.130.511	1.452.992	526.599	716.879	1.577.980	184.292	8.250.385	710.360	8.960.745	234.630	-	14.784.628
Inter segment revenues	4.483	357	825	119	2.902	68.375	34.768	1.078	35.846	9.629	(122.536)	-
Intra segment revenues	7.703	46	-	978	724	11.831	-	154	154	684.502	(705.938)	-
Total Revenues	**1.142.697**	**1.453.395**	**527.424**	**717.976**	**1.581.606**	**264.498**	**8.285.153**	**711.592**	**8.996.745**	**928.761**	**(828.474)**	**14.784.628**
External revenues	1.130.511	1.452.992	526.599	716.879	1.577.980	184.292	8.250.385	710.360	8.960.745	234.630	-	14.784.628
Inter segment revenues	4.483	357	825	119	2.902	68.375	34.768	1.078	35.846	9.629	(122.536)	-
Revenues	**1.134.994**	**1.453.349**	**527.424**	**716.998**	**1.580.882**	**252.667**	**8.285.153**	**711.438**	**8.996.591**	**244.259**	**(122.536)**	**14.784.628**
Cost of sales **(*)**	(909.928)	(1.248.621)	(476.945)	(511.461)	(1.245.897)	(208.471)	(5.275.780)	(715.904)	(5.991.684)	(206.461)	65.431	(10.734.037)
General administrative expenses	(46.090)	(28.800)	(22.103)	(27.201)	(165.076)	(15.829)	(1.639.146)	(90.068)	(1.729.214)	(31.031)	24.184	(2.041.160)
Sales, marketing and distribution expenses	(56.077)	(124.255)	(51.097)	(9.845)	(156.867)	(333)	-	-	-	(16.632)	2.462	(412.644)
Research and development expenses	(6.932)	(5.324)	(5.846)	-	-	-	-	-	-	-	-	(18.102)
Inter segment adjustment	-	(386)	-	(75)	-	-	(52.502)	516	(51.986)	(652)	51.986	(1.113)
Operating result	**115.967**	**45.963**	**(28.567)**	**168.416**	**13.042**	**28.034**	**1.317.725**	**(94.018)**	**1.223.707**	**(10.517)**	**21.527**	**1.577.572**
Other unallocated operating expenses												(42.805)
Other income/(expense) - net	(3.670)	(5.978)	18.607	(16.210)	120.695	2.066	290.381	23.956	314.337	(22.283)	-	407.564
Segment result	**112.297**	**39.985**	**(9.960)**	**152.206**	**133.737**	**30.100**	**1.608.106**	**(70.062)**	**1.538.044**	**(32.800)**	**21.527**	**1.942.331**

(*) 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.

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NOTE 4 - SEGMENT REPORTING (Continued)

Segmental analysis for the period between 1 July and 30 September 2008

	Tire and tire reinforcements	Automotive	Textile	Cement	Retail	Energy	Finance			Other	Inter segment elimination	Total
							Banking	Insurance	Total finance			
External revenues	370.925	524.899	157.566	264.969	556.138	77.609	2.801.724	203.720	3.005.444	58.339	-	5.015.889
Inter segment revenues	1.786	70	(2.080)	52	781	22.316	9.972	(1.709)	8.263	1.732	(32.920)	-
Intra segment revenues	2.524	4	(18)	348	265	5.056	-	21	21	25.964	(34.164)	-
Total revenues	**375.235**	**524.973**	**155.468**	**265.369**	**557.184**	**104.981**	**2.811.696**	**202.032**	**3.013.728**	**86.035**	**(67.084)**	**5.015.889**
External revenues	370.925	524.899	157.566	264.969	556.138	77.609	2.801.724	203.720	3.005.444	58.339	-	5.015.889
Inter segment revenues	1.786	70	(2.080)	52	781	22.316	9.972	(1.709)	8.263	1.732	(32.920)	-
Revenues	**372.711**	**524.969**	**155.486**	**265.021**	**556.919**	**99.925**	**2.811.696**	**202.011**	**3.013.707**	**60.071**	**(32.920)**	**5.015.889**
Cost of sales **(*)**	(314.806)	(457.929)	(147.753)	(197.420)	(441.959)	(79.344)	(1.942.362)	(216.412)	(2.158.774)	(51.927)	16.169	(3.833.743)
General administrative expenses	(14.098)	(14.450)	(7.092)	(8.702)	(56.103)	(5.268)	(572.078)	(28.032)	(600.110)	(8.018)	9.279	(704.562)
Sales, marketing and distribution expenses	(18.559)	(42.449)	(16.936)	(3.811)	(52.735)	(135)	-	-	-	(3.979)	678	(137.926)
Research and development expenses	(2.488)	(2.331)	(1.854)	-	-	-	-	-	-	-	-	(6.673)
Inter segment adjustment	-	(245)	-	(50)	-	-	(14.521)	2.297	(12.224)	6	12.224	(289)
Operating result	**22.760**	**7.565**	**(18.149)**	**55.038**	**6.122**	**15.178**	**282.735**	**(40.136)**	**242.599**	**(3.847)**	**5.430**	**332.696**
Other unallocated operating expenses												(13.077)
Other income/(expense) - net	673	(1.755)	17.387	(12.014)	1.248	2.455	122.283	32.988	155.271	44.754	-	208.019
Segment result	**23.433**	**5.810**	**(762)**	**43.024**	**7.370**	**17.633**	**405.018**	**(7.148)**	**397.870**	**40.907**	**5.430**	**527.638**

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

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

							Finance					
	Tire and tire reinforcements	Automotive	Textile	Cement	Retail	Energy	Banking	Insurance	Total finance	Other	Inter segment elimination	Total
External revenues	1.124.020	1.359.171	590.293	640.449	1.408.569	107.365	7.323.714	640.607	7.964.321	323.036	-	13.517.224
Inter segment revenues	4.007	429	11.537	215	3.764	117.225	50.258	1.739	51.997	13.676	(202.850)	-
Intra segment revenues	28.288	-	1.601	4.552	1.855	-	-	327	327	1.004.840	(1.041.463)	-
Total revenues	**1.156.315**	**1.359.600**	**603.431**	**645.216**	**1.414.188**	**224.590**	**7.373.972**	**642.673**	**8.016.645**	**1.341.552**	**(1.244.313)**	**13.517.224**
External revenues	1.124.020	1.359.171	590.293	640.449	1.408.569	107.365	7.323.714	640.607	7.964.321	323.036	-	13.517.224
Inter segment revenues	4.007	429	11.537	215	3.764	117.225	50.258	1.739	51.997	13.676	(202.850)	-
Revenues	**1.128.027**	**1.359.600**	**601.830**	**640.664**	**1.412.333**	**224.590**	**7.373.972**	**642.346**	**8.016.318**	**336.712**	**(202.850)**	**13.517.224**
Cost of sales **(*)**	(945.813)	(1.146.515)	(537.366)	(399.971)	(1.125.485)	(223.614)	(4.479.458)	(567.043)	(5.046.501)	(286.102)	221.519	(9.489.848)
General administrative expenses	(45.174)	(23.491)	(18.290)	(24.874)	(146.034)	(7.779)	(1.304.535)	(69.449)	(1.373.984)	(34.541)	19.611	(1.654.556)
Sales, marketing and distribution expenses	(58.610)	(109.480)	(47.787)	(6.084)	(130.089)	-	-	-	-	(19.210)	3.325	(367.935)
Research and development expenses	(9.699)	3.817	(6.481)	-	-	-	-	-	-	-	67	(12.296)
Inter segment adjustment	-	(553)	68	(75)	-	-	16.723	(264)	16.459	2.056	(16.489)	1.466
Operating result	**68.731**	**83.378**	**(8.026)**	**209.660**	**10.725**	**(6.803)**	**1.606.702**	**5.590**	**1.612.292**	**(1.085)**	**25.183**	**1.994.055**
Other unallocated operating expenses												(36.989)
Other income/(expense) - net	8.722	(2.856)	10.757	73	(25.666)	(4.912)	90.632	10.527	101.159	85.330	-	172.607
Segment result	**77.453**	**80.522**	**2.731**	**209.733**	**(14.941)**	**(11.715)**	**1.697.334**	**16.117**	**1.713.451**	**84.245**	**25.183**	**2.129.673**

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

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

							Finance					
	Tire and tire reinforcements	Automotive	Textile	Cement	Retail	Energy	Banking	Insurance	Total finance	Other	Inter segment elimination	Total
External revenues	377.433	504.230	192.173	233.922	513.920	28.936	2.568.083	187.824	2.755.907	108.051	-	4.714.572
Inter segment revenues	1.374	133	1.833	56	432	26.230	23.544	55	23.599	4.185	(57.842)	-
Intra segment revenues	7.217	-	266	92	273	-	-	35	35	120.556	(128.439)	-
Total revenues	**386.024**	**504.363**	**194.272**	**234.070**	**514.625**	**55.166**	**2.591.627**	**187.914**	**2.779.541**	**232.792**	**(186.281)**	**4.714.572**
External revenues	377.433	504.230	192.173	233.922	513.920	28.936	2.568.083	187.824	2.755.907	108.051	-	4.714.572
Inter segment revenues	1.374	133	1.833	56	432	26.230	23.544	55	23.599	4.185	(57.842)	-
Revenues	**378.807**	**504.363**	**194.006**	**233.978**	**514.352**	**55.166**	**2.591.627**	**187.879**	**2.779.506**	**112.236**	**(57.842)**	**4.714.572**
Cost of sales **(*)**	(317.441)	(424.311)	(175.284)	(146.382)	(410.191)	(52.799)	(1.610.097)	(162.260)	(1.772.357)	(99.697)	54.646	(3.343.816)
General administrative expenses	(11.176)	(7.531)	(6.242)	(8.594)	(50.828)	(1.837)	(491.908)	(22.255)	(514.163)	(10.093)	8.327	(602.137)
Sales, marketing and distribution expenses	(16.076)	(35.540)	(15.573)	(2.247)	(47.754)	-	-	-	-	(7.499)	152	(124.537)
Research and development expenses	(6.437)	7.364	(1.908)	-	-	-	-	-	-	-	21	(960)
Inter segment adjustment	-	(184)	23	(25)	-	-	(3.475)	192	(3.283)	686	3.040	257
Operating result	**27.677**	**44.161**	**(4.978)**	**76.730**	**5.579**	**530**	**486.147**	**3.556**	**489.703**	**(4.367)**	**8.344**	**643.379**
Other unallocated operating expenses												(11.185)
Other income/(expense) - net	2.217	(7.242)	6.895	(7.364)	(2.933)	(1.438)	30.185	1.237	31.422	(3.063)	-	18.494
Segment result	**29.894**	**36.919**	**1.917**	**69.366**	**2.646**	**(908)**	**516.332**	**4.793**	**521.125**	**(7.430)**	**8.344**	**650.688**

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

e) Operating results:

i) Banking:

	1 January - 30 September 2008	1 July - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2007
Interest on loans	4.465.336	1.577.752	3.806.235	1.354.008
Interest on investment and trading securities	2.428.472	797.254	2.190.856	776.181
Commission income	1.084.848	367.924	958.118	322.153
Interest from other banks	257.684	105.099	254.969	82.654
Trading gain on securities	(96.552)	(92.990)	39.028	8.716
Other interest income	110.597	46.685	74.508	24.371
Total operating revenues	8.250.385	2.801.724	7.323.714	2.568.083
Less: commission income and trading gains on securities	(988.296)	(274.934)	(997.146)	(330.867)
Total interest income	7.262.089	2.526.790	6.326.568	2.237.216
Interest expense	(4.478.995)	(1.613.135)	(3.935.082)	(1.448.870)
Interest income - net	2.783.094	913.655	2.391.486	788.346
Operating costs				
Interest expense	(4.478.995)	(1.613.135)	(3.935.082)	(1.448.870)
Foreign exchange trading gain - net	60.490	(29.997)	82.466	43.920
Operating expense	(1.639.146)	(572.078)	(1.304.535)	(491.908)
Commission expense	(200.567)	(69.476)	(187.717)	(67.730)
Provision for loan losses	(674.442)	(234.303)	(372.144)	(117.349)
Total operating costs	(6.932.660)	(2.518.989)	(5.717.012)	(2.081.937)
Add: interest expense	4.478.995	1.613.135	3.935.082	1.448.870
Add: commission income and trading gain on securities	988.296	274.934	997.146	330.868
Other operating income/(expense)	290.381	122.283	90.632	30.185
Segment result	**1.608.106**	**405.018**	**1.697.334**	**516.332**

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

NOTE 4 - SEGMENT REPORTING (Continued)

ii) Insurance:

	1 January - 30 September 2008	1 July - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2007
Gross premiums written	710.360	203.720	640.607	187.824
Outward reinsurance premiums	(273.736)	(71.802)	(261.749)	(65.861)
Change in the provision for unearned premiums net of reinsurance	(68.859)	(13.231)	(43.898)	(7.008)
Earned premiums, net of reinsurance	367.765	118.687	334.960	114.955
Claims paid	(430.663)	(147.663)	(363.665)	(101.870)
Claims paid - reinsures' share	146.535	49.010	178.764	43.240
Change in the provision for claims	(70.306)	(20.510)	(37.241)	(18.427)
Claims incurred, net of reinsurance	(354.434)	(119.163)	(222.142)	(77.057)
Change in life assurance provision	11.066	2.552	7	(533)
Commission expense - net	(28.347)	(14.180)	(37.786)	(10.520)
Technical income	(3.950)	(12.104)	75.039	26.845
General administrative expenses	(90.068)	(28.032)	(69.449)	(23.289)
Other operating income	23.956	32.988	10.527	1.237
Segment result	**(70.062)**	**(7.148)**	**16.117**	**4.793**

iii) Non-financial products:

	1 January - 30 September 2008	1 July - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2007
Net sales	5.823.883	2.010.445	5.552.903	1.958.665
Cost of sales	(4.727.329)	(1.671.299)	(4.510.857)	(1.592.036)
Gross profit	1.096.554	339.146	1.042.046	366.629
Operating expenses	(785.494)	(262.126)	(697.272)	(224.140)
Other operating income/(expense)	93.227	52.748	71.448	(12.926)
Segment result	**404.287**	**129.768**	**416.222**	**129.563**

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

NOTE 4 - SEGMENT REPORTING (Continued)

f) Interests in Joint Ventures:

Aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities and income and expense items related to Joint Ventures which are proportionally consolidated in the consolidated financial statements as expressed in Note 2, are as follows on a combined basis:

Balance Sheet	**30 September 2008**	**31 December 2007**
Current assets	1.023.879	577.200
Non-current assets	1.698.388	1.765.564
Non-current assets held for sale	-	68.019
Total assets	**2.722.267**	**2.410.783**
Current liabilities	623.735	530.118
Non-current liabilities	482.258	520.811
Liabilities associated with non-current assets held for sale	-	23.351
Total liabilities	**1.105.993**	**1.074.280**
Minority interests	4.742	4.701
Shareholders' equity	1.611.532	1.331.802
Total liabilities, minority interests and, shareholders' equity	**2.722.267**	**2.410.783**

Income statement

	1 January - 30 September 2008	**1 July - 30 September 2008**	**1 January - 30 September 2007**	**1 July - 30 September 2007**
Operating profit	245.188	50.369	76.866	32.982
Financial (expense)/income- net	(12.688)	4.061	23.872	11.591
Income before tax and minority interests	232.500	54.430	100.738	44.573
Taxation on income	(31.408)	(7.481)	(24.368)	(9.360)
Income before minority interests	201.092	46.949	76.370	35.213
Minority interests	(174)	(96)	(426)	(166)
Net income for the period from continuing operations	**200.918**	**46.853**	**75.944**	**35.047**
Net income for the period from discontinued operations	1.442	(16)	(1.447)	(1.547)
Net income for the period	**202.360**	**46.837**	**74.497**	**33.500**

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

NOTE 4 - SEGMENT REPORTING (Continued)

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

1 January - 30 September 2008

	Finance		Tire and tire							Discontinued	
	Banking	Insurance	enforcements	Automotive	Textile	Cement	Energy	Retail	Other	operations	Total
Depreciation and amortisation	88.190	4.555	50.526	14.950	24.124	54.156	18.061	26.315	17.825	14.913	313.615
Impairment of intangible assets	-	-	-	-	-	-	-	1.264	-	-	1.264
Capital expenditure	93.519	3.130	53.428	70.138	27.397	70.794	83.699	35.614	10.144	4.290	452.153

1 July - 30 September 2008

	Finance		Tire and tire							Discontinued	
	Banking	Insurance	enforcements	Automotive	Textile	Cement	Energy	Retail	Other	operations	Total
Depreciation and amortisation	31.700	1.475	16.318	5.385	6.956	18.318	6.052	8.631	5.013	-	99.848
Impairment of intangible assets	-	-	-	-	-	-	-	(184)	-	-	(184)
Capital expenditure	41.199	759	18.435	35.533	6.707	43.548	49.296	13.953	2.608	-	212.038

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

NOTE 4 - SEGMENT REPORTING (Continued)

1 January - 30 September 2007

	Finance		Tire and tire							Discontinued	
	Banking	Insurance	enforcements	Automotive	Textile	Cement	Energy	Retail	Other	operations	Total
Depreciation and amortisation	87.262	3.467	53.026	11.913	24.636	40.204	25.356	25.864	19.206	43.211	334.145
Capital expenditure	78.546	5.301	35.976	60.402	27.994	146.492	332.494	47.333	28.530	39.959	803.027

1 July - 30 September 2007

	Finance		Tire and tire							Discontinued	
	Banking	Insurance	enforcements	Automotive	Textile	Cement	Energy	Retail	Other	operations	Total
Depreciation and amortisation	32.388	1.173	15.811	3.983	8.812	14.517	7.680	8.698	6.303	14.606	113.971
Capital expenditure	31.429	2.069	23.388	10.408	10.980	47.925	6.167	16.822	12.514	12.453	174.155

(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 - FINANCIAL ASSETS

a) Marketable securities:

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

	30 September 2008	31 December 2007
Government bonds denominated in foreign currency	1.989.951	4.550.781
Eurobonds	134.064	207.409
Government bonds	102.643	42.375
Mutual funds	19.328	26.617
Share certificates	4.800	4.637
Treasury bills	3.004	-
Other	1.800	1.250
Total	**2.255.590**	**4.833.069**

The analysis of maturities for period remaining to contractual dates at 30 September 2008 and 31 December 2007 is as follows:

	30 September 2008			31 December 2007		
	Banking	Other companies	Total	Banking	Other companies	Total
3 to 12 months	51.921	-	51.921	2.621.474	-	2.621.474
1 to 5 years	2.103.645	-	2.103.645	2.026.426	-	2.026.426
Over 5 years	74.096	-	74.096	152.664	-	152.664
No maturity	6.600	19.328	25.928	5.888	26.617	32.505
Total	**2.236.262**	**19.328**	**2.255.590**	**4.806.452**	**26.617**	**4.833.069**

Period remaining to contractual repricing dates:

	30 September 2008			31 December 2007		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	7.840	-	7.840	1.879.553	-	1.879.553
3 to 12 months	1.975.911	-	1.975.911	2.628.457	-	2.628.457
1 to 5 years	172.073	-	172.073	139.932	-	139.932
Over 5 years	73.838	-	73.838	152.622	-	152.622
No maturity	6.600	19.328	25.928	5.888	26.617	32.505
Total	**2.236.262**	**19.328**	**2.255.590**	**4.806.452**	**26.617**	**4.833.069**

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

NOTE 5 - FINANCIAL ASSETS (Continued)

b) Securities available-for-sale:	30 September 2008	31 December 2007
Debt securities		
- Government bonds	16.590.715	16.915.166
- Government bonds denominated in foreign currency	2.606.855	2.356.264
- Eurobonds	2.258.134	1.743.173
- Treasury bills	158.837	91.145
- Other bonds denominated in foreign currency	164.396	86.020
Sub-total	**21.778.937**	**21.191.768**
Equity securities		
- Listed	12.489	19.395
- Unlisted	56.063	29.447
Sub-total	**68.552**	**48.842**
Total securities available for sale	**21.847.489**	**21.240.610**

The maturity analysis at 30 September 2008 and 31 December 2007 is disclosed below. Accordingly, period remaining to contractual maturity dates for available-for-sale securities:

	30 September 2008			31 December 2007		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	1.671.201	-	1.671.201	6.417.304	-	6.417.304
3 to 12months	8.759.665	264.230	9.023.895	8.773.362	123.019	8.896.381
1 to 5 years	9.179.671	47.560	9.227.231	4.334.279	149.331	4.483.610
Over 5 years	1.783.075	73.535	1.856.610	1.315.221	79.252	1.394.473
No maturity	22.867	45.685	68.552	29.626	19.216	48.842
Total	**21.416.479**	**431.010**	**21.847.489**	**20.869.792**	**370.818**	**21.240.610**

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

NOTE 5 - FINANCIAL ASSETS (Continued)

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

	30 September 2008			31 December 2007		
	Banking	**Other companies**	**Total**	**Banking**	**Other companies**	**Total**
3 to 12 months	3.522.198	264.230	3.786.428	9.425.509	123.019	9.548.528
Current	3.522.198	264.230	3.786.428	9.425.509	123.019	9.548.528
1 to 5 years	13.460.560	47.560	13.508.120	7.201.002	149.331	7.350.333
Over 5 years	4.410.854	73.535	4.484.389	4.213.655	79.252	4.292.907
No maturity	22.867	45.685	68.552	29.626	19.216	48.842
Non-current	17.894.281	166.780	18.061.061	11.444.283	247.799	11.692.082
Total	**21.416.479**	**431.010**	**21.847.489**	**20.869.792**	**370.818**	**21.240.610**

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

Listed	**Share (%)**	**Carrying amount**	**Business**
Ak Yatırım Ortaklığı A.Ş. (*)	65	12.489	Investment management
Other		-	-
Total		**12.489**	

Unlisted	**Share (%)**	**Carrying amount**	**Business**
Merter BV	25,00	28.879	Real estate
Liman İşletmeleri Nakliyat ve Tic. A.Ş.	5,53	9.002	Vessel transportation
Ak Portföy Yönetimi A.Ş. **(*)**	99,99	3.592	Portfolio management
Others		14.590	-
Total		**56.063**	

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

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

NOTE 5 - FINANCIAL ASSETS (Continued)

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

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

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

NOTE 6 - BORROWINGS

Short-term funds borrowed, bank borrowings and debt securities in issue:	30 September 2008	31 December 2007
Short-term	6.541.472	4.382.957
Short-term portion of long term	2.677.729	1.752.250
Total short term	**9.219.201**	**6.135.207**
Long-term funds borrowed, bank borrowing and debt securities in issue:		
Long-term	3.915.619	4.113.529
Total	**13.134.820**	**10.248.736**

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

	30 September 2008	31 December 2007
Up to 3 months	4.059.191	1.771.610
3 to 12 months	5.160.010	4.363.597
1 to 5 year	2.693.149	3.047.458
Over 5 years	1.222.470	1.066.071
Total	**13.134.820**	**10.248.736**

(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 - BORROWINGS (Continued)

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

Period	**30 September 2008**
2009	750.403
2010	572.828
2011	785.812
2012	584.106
2013 and over	1.222.470
Total	**3.915.619**

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

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

	30 September 2008	**31 December 2007**
Up to 3 months	10.296.996	8.236.307
3 to 12 months	2.353.114	1.584.701
1 to 5 years	465.503	421.695
Over 5 years	19.207	6.033
Total	**13.134.820**	**10.248.736**

NOTE 7 - INVENTORIES

	30 September 2008	**31 December 2007**
Raw materials and supplies	346.487	394.186
Semi-finished goods	133.502	131.519
Finished goods and merchandise	621.939	565.157
Spare parts	288.494	106.711
Total	**1.390.422**	**1.197.573**

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

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment during the nine-month periods ended 30 September 2008 are as follows:

	1 January 2008	Currency translation differences	Additions	Disposals	Change in scope of consolidation	Transfer to non-current assets held for sale	30 September 2008
Cost:							
Land and land improvements	375.613	1.516	15.999	(9.517)	3.656	(6.516)	380.751
Buildings	2.168.490	5.200	33.058	(47.363)	6.657	(102.687)	2.063.355
Machinery and equipment	3.671.982	13.474	133.467	(52.568)	25.892	(593.072)	3.199.175
Motor vehicles	131.143	224	23.777	(11.729)	1.461	(4.496)	140.380
Furniture and fixtures	1.392.502	1.993	106.319	(113.668)	1.632	(20.121)	1.368.657
	7.739.730	22.407	312.620	(234.845)	39.298	(726.892)	7.152.318
Construction in progress	187.097	3.477	107.977	(805)	3.801	(3.384)	298.163
Total	**7.926.827**	**25.884**	**420.597**	**(235.650)**	**43.099**	**(730.276)**	**7.450.481**
Accumulated depreciation:							
Land and land improvements	81.601	458	7.508	(1.895)	1.630	(4.059)	85.243
Buildings	735.635	2.998	35.199	(33.248)	2.056	(51.092)	691.548
Machinery and equipment	2.243.183	(3.709)	122.493	(36.237)	19.124	(469.005)	1.875.849
Motor vehicles	93.483	106	15.192	(8.636)	882	(2.608)	98.419
Furniture and fixtures	1.025.096	152	102.035	(108.241)	1.043	(13.885)	1.006.200
Total	**4.178.998**	**5**	**282.427**	**(188.257)**	**24.735**	**(540.649)**	**3.757.259**
Net book value	**3.747.829**						**3.693.222**

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

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (Continued)

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 subsidiary	Business combination	30 September 2007
Cost:									
Land and land improvements	366.470	(8.144)	25.022	(2.806)	9.834	(12.649)	-	37.923	415.650
Buildings	2.113.259	(16.844)	73.916	(13.775)	20.164	(51.181)	12.545	8.635	2.146.719
Machinery and equipment	4.071.591	(44.560)	151.740	(61.198)	(219.639)	(173.138)	1.286	59.439	3.785.521
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)	(184.020)	(269.336)	14.348	106.603	7.925.101
Construction in progress	221.015	(5.386)	119.245	(1.817)	(4.165)	(3.585)	-	277	325.584
Total	**8.370.129**	**(79.317)**	**474.346**	**(174.595)**	**(188.185)**	**(272.921)**	**14.348**	**106.880**	**8.250.685**
Accumulated depreciation:									
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
Total	**4.330.918**	**(12.881)**	**315.997**	**(134.492)**	**(29.991)**	**(132.402)**	**847**	**7.023**	**4.345.019**
Net book value	**4.039.211**								**3.905.666**

(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 - GOODWILL

The movements in goodwill during the nine-month periods ended 30 September 2008 and 2007 are as follows:

	30 September 2008	30 September 2007
1 January	327.412	281.452
Additions	4.306	84.737
Change in scope of consolidation	3.677	-
Currency translation differences	(2.566)	-
30 September	**332.829**	**366.189**

NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Contingent Assets and Liabilities

Commitments - Banking segment	**30 September 2008**	**31 December 2007**
Letters of guarantee issued	4.224.418	3.415.879
Letters of credits	1.723.336	1.075.048
Foreign currency acceptance credits	61.149	46.857
Total	**6.008.903**	**4.537.784**

Commitments - Non-banking segments

Letters of guarantee issued	560.207	483.426
Other guarantees issued	265.652	308.405
Total	**825.859**	**791.831**

Commitments for resale and repurchase of debt securities:

Commitments for the resale and repurchase of debt securities (government bonds, treasury bills and Eurobonds) at 30 September 2008 and 31 December 2007 are as follows:

	30 September 2008	31 December 2007
Repurchase commitments	1.028.602	4.853.945
Resale commitments	-	3

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

NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Commitments to forward currency purchase/sale and swap transactions:

	30 September 2008	31 December 2007
Currency purchases		
USD	214.017	19.012
EUR	209.802	50.176
YTL	145.518	67.201
JPY	2.443	49.278
GBP	14.654	-
Total	**586.434**	**185.667**
Currency sales		
YTL	335.430	64.442
EUR	213.261	91.729
USD	101.326	18.750
GBP	2.654	-
Other	3.566	267
Total	**656.237**	**175.188**

	30 September 2008	31 December 2007
Money swap purchases		
EUR	3.151.431	1.711.827
USD	887.722	72.440
GBP	579.901	505.556
YTL	90.836	72.669
CHF	19.100	27.810
Other	106.497	103.940
Total	**4.835.487**	**2.494.242**
Money swap sales		
USD	3.735.268	1.605.084
YTL	755.873	75.165
EUR	407.371	759.084
JPY	11.688	23.008
GBP	-	21.062
Other	1.940	6.023
Total	**4.912.140**	**2.489.426**

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

NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

	30 September 2008	31 December 2007
Interest rate swap purchases		
YTL	2.545.000	1.965.000
USD	1.844.794	1.321.642
EUR	940.791	1.001.478
CHF	-	1.450
Total	**5.330.585**	**4.289.570**
Interest rate swap sales		
YTL	2.545.000	1.965.000
USD	1.844.794	1.321.717
EUR	940.791	1.001.394
CHF	-	1.457
Total	**5.330.585**	**4.289.568**

	30 September 2008	31 December 2007
Spot purchases	95.168	210.947
Spot sales	94.874	211.081
Money options purchases	1.085.265	388.882
Money options sales	1.095.249	392.841

	30 September 2008	31 December 2007
Futures purchases	19.313	27.577
Futures sales	361.013	26.104

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

	Up to 1 year	Over 1 year	Total
Letters of guarantees	401.505	3.822.913	4.224.418
Letters of credits	1.323.656	399.680	1.723.336
Foreign currency acceptance credits	45.202	15.947	61.149
Total	**1.770.363**	**4.238.540**	**6.008.903**

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

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

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

NOTE 11 - EQUITY

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

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

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

Restricted Reserves

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

Furthermore, to be entitled to the exemption for sale of participation shares and property, 75% of related gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The details of restricted reserves mentioned above are as follows:

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

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum until the total reserve reaches 20% of the Holding's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. However, this does not apply to Holding companies. Under the TCC, the legal reserves can only be used to offset loss and are not available for any other usage unless the loss exceeds 50% of paid-in share capital.

NOTE 11 - EQUITY (Continued)

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

Public companies distribute dividends according to CMB regulations as follows:

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

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

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

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

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

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

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

NOTE 11 - EQUITY (Continued)

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

	30 September 2008	31 December 2007
Capital	1.800.000	1.800.000
Share premium	21.670	21.670
Restricted reserves	257.717	215.478
Adjustment to Capital	3.426.761	3.426.761
Net income for the period	1.009.251	969.487
Retained earnings	3.001.619	2.255.488
Total shareholders' equity subject to dividend distribution	**9.517.018**	**8.688.884**
Translation reserve	(176.843)	(215.298)
Revaluation reserve	(18.445)	69.252
Shareholders' equity	**9.321.730**	**8.542.838**

NOTE 12 - DISCONTINUED OPERATIONS

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

The difference between Bossa's carrying amount in the consolidated interim financial statements at 30 September 2008 and the share sale price is calculated as YTL 52.057 and included as an impairment loss under other expenses in the consolidated interim statement of income.

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

Revenues	257.529
Expenses	(227.594)
Profit before taxation	29.935
Taxation	(4.558)
Net income for the period	**25.377**

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

NOTE 12 - DISCONTINUED OPERATIONS (Continued)

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

Assets	**363.277**
Cash and cash equivalents	38.683
Trade receivables	72.706
Inventories	56.927
Tangible and intangible assets	184.376
Other current assets	8.477
Deferred income tax asset	2.108
Liabilities	**123.742**
Financial liabilities	31.759
Trade payables	13.426
Other liabilities	7.012
Provision for employment termination benefit	7.687
Provision for discontinued operations	52.057
Deferred income tax liability	11.801
Net assets	**239.535**

The Holding signed an agreement with Bekaert Iberica Holding S.L on 23 May 2008 to sell its 49,99% share in Beksa. The transfer of the shares has been completed on 24 July 2008 and Euro 39.402.875 was received in cash. Profit arising from the sale amounting to YTL 22.054 is included under other income in the consolidated interim statement of income.

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

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

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

NOTE 12 - DISCONTINUED OPERATIONS (Continued)

Carrefoursa, a joint venture of the Holding, classified Bayrampaşa Hypermarket and Mall and Maltepe Mall as non-current assets held for sale in the balance sheet as of 30 September 2008. Carrying amount of these assets in the consolidated balance sheet of the Group as of 30 September 2008 is YTL 71.926. The Group made provision, amounting to YTL 15.561 for the possible loss as a result of sales of Bayrampaşa Hypermarket and Mall and Maltepe Mall in the consolidated financial statements.

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

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

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

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

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

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

NOTE 12 - DISCONTINUED OPERATIONS (Continued)

The Holding signed an agreement with Wavin B.V. located in Netherland on 21 November 2007 to sell its 51,23% share in Pilsa. Sale transaction was completed on 10 January 2008, in consideration of USD 41.000.000 and collection was received. Gain which occurred as a result of this transaction, amounting to YTL 7.096 is included in the consolidated interim statements of income (Note 14).

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

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

NOTE 13 - REVENUE

	1 January - 30 September 2008	**1 July - 30 September 2008**	**1 January - 30 September 2007**	**1 July - 30 September 2007**
Finance	8.960.745	3.005.444	7.964.321	2.755.907
Non-finance	5.823.883	2.010.445	5.552.903	1.958.665
Total	**14.784.628**	**5.015.889**	**13.517.224**	**4.714.572**

(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 - OTHER OPERATING INCOME/EXPENSES AND GAINS/LOSSES

Other income:	1 January - 30 September 2008	1 July - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2007
Fixed asset sales income, net **(*)**	140.328	-	14.567	342
Gain on sale of joint venture (Note 12)	22.054	-	-	-
Gain on sale of subsidiary	7.096	-	83.596	-
Other	327.307	212.400	170.968	88.729
Total	**496.785**	**212.400**	**269.131**	**89.071**

Other expenses:	1 January - 30 September 2008	1 July - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2007
Impairment **(**)**	(52.057)	5.651	(57.340)	(57.340)
Idle time expenses	(10.215)	(3.033)	(9.446)	(4.044)
Loss on sale of subsidiary	(8.844)	-	-	-
Provision expenses **(***)**	(5.102)	516	(29.738)	(9.191)
Other	(13.003)	(7.515)	-	-
Total	**(89.221)**	**(4.381)**	**(96.524)**	**(70.575)**

(*) On 28 January 2008, Carrefoursa, a joint venture of the Holding, sold Merter Mall Project which was classified as non-current assets held for sale in the balance sheet as of 31 December 2007 to joint venture of MultiTurkmall GYO Yatırım İnşaat and Ticaret A.Ş. and Apollo Real Estate in consideration of YTL 464,3 million and as a result of this transaction, fixed asset sales income amounting to YTL 320,7 million has occurred. Share of income belong the Group is YTL 124.360.

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

(**) The Holding signed an agreement with Akkardan Sanayi ve Ticaret A.Ş. on 5 August 2008 to sell its 50,12% share in Bossa. The difference between Bossa's carrying amount in the consolidated interim financial statements at 30 September 2008 and the share sale price is calculated as YTL 52.057 and included as an impairment loss under other expenses in the consolidated interim statement of income.

(***) In 2005, Carrefoursa awarded a call option concerning the Bayrampaşa Hipermarket ve Ticaret Merkezi to a company. During the nine month period ended at 30 September 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).

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NOTE 15 - FINANCIAL INCOME/EXPENSES

	1 January - 30 September 2008	1 July - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2007
Financial income				
Foreign exchange income	376.280	91.606	254.011	115.492
Interest income	72.131	25.771	53.645	21.128
Total	**448.411**	**117.377**	**307.656**	**136.620**
Financial expense				
Foreign exchange losses	(246.706)	(44.765)	(228.219)	(96.742)
Interest expense	(100.222)	(38.824)	(71.031)	(21.399)
Other financial expenses	(10.158)	(2.682)	(26.120)	(11.982)
Total	**(357.086)**	**(86.271)**	**(325.370)**	**(130.123)**

Financial expenses relate to segments other than banking.

NOTE 16 - INCOME TAX ASSETS AND LIABILITIES

	30 September 2008	31 December 2007
Corporation and income taxes currently payable	387.808	693.925
Less: prepaid taxes	(192.960)	(501.070)
Total taxes payable	**194.848**	**192.855**

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

The Corporate Tax Law was amended as of 13 June 2006 with Law No 5520. The majority of the clauses of Law No 5520 are effective as of 1 January 2006. The corporation tax rate of the fiscal year 2008 is 20% (2007: 20%). Corporation tax is payable at a rate of 20% on the total income of the Holding after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, and investment allowance, etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19,8% on an investment incentive allowance utilised within the scope of the Income Tax Law transitional article 61).

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

NOTE 16 - INCOME TAX ASSETS AND LIABILITIES (Continued)

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

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

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

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

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

Exemption for participation in subsidiaries

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

Preferential right certificate sales and issued premiums exemption

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

Exemption for participation into foreign subsidiaries

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

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

NOTE 16 - INCOME TAX ASSETS AND LIABILITIES (Continued)

Exemption for sale of participation shares and property

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

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

Exemption for investment allowance

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

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

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

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

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

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

	30 September 2008	30 September 2007
Corporation and income taxes currently payable	387.808	403.200
Tax charge to equity relating to financial assets fair value reserve	47.729	67.952
Translation gain	19	168
Current year tax charge	435.556	471.320
Tax adjustment to previous years	(224.709)	(270.001)
Deferred taxation	(32.207)	(6.672)
Taxation on income	**178.640**	**194.647**

NOTE 16 - INCOME TAX ASSETS AND LIABILITIES (Continued)

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

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

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

Deferred income taxes

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

Deferred income taxes are calculated on temporary differences that are expected to be realised or settled based on the taxable income in coming years under the liability method using a principal tax rate of 20%. For the group companies which are using investment allowances as a deduction from the corporate tax base, the rate is 30% until 31 December 2008 (31 December 2007: 20%).

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

(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 - INCOME TAX ASSETS AND LIABILITIES (Continued)

	30 September 2008		31 December 2007	
	Cumulative temporary difference	**Deferred tax assets/ (liabilities)**	**Cumulative temporary difference**	**Deferred tax assets/ (liabilities)**
Deferred income tax assets:				
Difference between tax base and carrying value of:				
- Property, plant and equipment	(48.782)	8.341	(39.188)	8.332
- Inventories	(29.148)	5.722	(37.018)	7.530
Provision for loan losses	(433.144)	86.629	(293.625)	58.725
Provision for employment termination benefits	(115.407)	24.629	(122.752)	25.965
Expense accruals	(71.609)	24.013	(76.305)	15.261
Provision for law suits	(25.558)	5.164	(41.398)	8.309
Carry forward tax losses	(53.496)	12.399	(37.121)	8.158
Other temporary differences	(138.762)	26.990	(90.597)	18.447
Deferred income tax assets		**193.887**		**150.727**
Deferred income tax liabilities:				
Difference between tax base and carrying value of:				
- Property, plant and equipment	748.708	(157.070)	725.434	(166.033)
- Inventories	348	(70)	2.639	(527)
Reversal of country risk provision	120.292	(48.118)	99.360	(39.744)
Valuation difference on investment securities	12.994	(2.599)	14.396	(2.875)
Deferred financing charges	4.146	(829)	5.289	(1.058)
Other temporary differences	52.893	(10.573)	63.715	(13.211)
Deferred income tax liabilities		**(219.259)**		**(223.448)**
Deferred income tax assets/(liabilities), net		**(25.372)**		**(72.721)**

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

(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 - INCOME TAX ASSETS AND LIABILITIES (Continued)

Deferred income tax assets:	**30 September 2008**	**31 December 2007**
To be recovered after one year	69.231	65.499
To be recovered within one year	124.656	85.228
Total	**193.887**	**150.727**

Deferred income tax liabilities:	**30 September 2008**	**31 December 2007**
To be recovered after more than one year	162.919	160.961
To be recovered within one year	56.340	62.487
Total	**219.259**	**223.448**

	30 September 2008	**30 September 2007**
Balances at 1 January	(72.721)	(66.819)
Business combinations	-	(3.370)
Effect of change in scope of consolidation	(727)	8.682
Establishment of subsidiary	-	(66)
Effect of currency translation	4.766	4.602
Transfer to non-current assets held for sale	11.103	(23.958)
Charged to statement of income	32.207	6.672
Balances at 30 September	**(25.372)**	**(74.257)**

(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 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS

a) Banking

Loans and advances to customers	**30 September 2008**	**31 December 2007**
Consumer loans and credit cards receivables	14.773.470	12.549.666
Small-scale enterprises	3.903.890	3.350.936
Financial institutions	3.532.507	3.058.770
Construction	3.263.292	2.053.527
Other manufacturing industries	3.034.860	1.992.545
Chemicals	2.261.089	1.102.932
Mining	1.802.302	1.391.498
Food and beverage, wholesale and retail	1.524.359	1.358.464
Health care and social services	1.434.822	449.819
Telecommunication	1.427.330	355.305
Agriculture and forestry	936.876	760.626
Project finance loans	896.320	2.434.204
Textile	739.758	573.772
Tourism	645.245	196.671
Electronics	591.264	581.826
Automotive	467.438	642.714
Other	7.532.405	6.406.147
Sub-total	**48.767.227**	**39.259.422**
Non-performing loans	841.270	1.007.628
Total loans and advances to customers	49.608.497	40.267.050
Allowance for loan losses	(1.274.414)	(1.301.253)
Net loans and advances to customers	**48.334.083**	**38.965.797**

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

	Corporate	**Commercial**	**Credit Card**	**Total**
Balance at 1 January	691.209	233.946	376.098	1.301.253
Gross provisions	508.411	245.714	228.115	982.240
Recoveries	(131.382)	(106.127)	(81.753)	(319.262)
Written-off	(353.558)	(219.558)	(116.701)	(689.817)
30 September 2008	**714.680**	**153.975**	**405.759**	**1.274.414**

(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 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

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

	Corporate	Commercial	Credit Card	Total
Balance at 1 January	357.092	106.796	323.219	787.107
Gross provisions	290.909	109.611	234.634	635.154
Recoveries	(77.394)	(43.452)	(136.804)	(257.650)
Written-off	(6.745)	(2.518)	(17.192)	(26.455)
30 September 2007	**563.862**	**170.437**	**403.857**	**1.138.156**

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

	30 September 2008	31 December 2007
Up to 3 months	18.512.591	15.226.822
3 to 12 months	13.137.290	10.228.672
Current	31.649.881	25.455.494
1 to 5 year	13.352.933	10.981.329
Over 5 year	3.331.269	2.528.974
Non-current	16.684.202	13.510.303
Total	**48.334.083**	**38.965.797**

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

	Corporate	Commercial	Credit Card	Total
Up to 1 month	430.476	553.719	388.487	1.372.682
1 to 2 months	205.046	265.958	97.794	568.798
2 to 3 months	129.217	95.879	37.328	262.424
30 September 2008	**764.739**	**915.556**	**523.609**	**2.203.904**

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

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

NOTE 17 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

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

	30 September 2008	31 December 2007
Up to 3 months	26.764.753	20.121.877
3 to 12 months	13.527.546	12.285.621
1 to 5 years	7.138.100	5.816.734
Over 5 years	903.684	741.565
Total	**48.334.083**	**38.965.797**

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

Financial lease receivables::	30 September 2008	31 December 2007
Gross investment in finance leases	1.034.845	779.730
Less: unearned finance income	(162.346)	(118.585)
Total investment in finance leases	872.499	661.145
Less: provision for impairment	(27.902)	(9.985)
Net investment in finance leases	**844.597**	**651.160**

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

	30 September 2008	31 December 2007
Up to 1 year	158.260	318.478
1 to 5 years	587.185	321.048
Over 5 years	99.152	11.634
Total	**844.597**	**651.160**

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

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

NOTE 17 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

b) Insurance

	30 September 2008	31 December 2007
Receivables from insurance operations (net)	337.209	288.470

NOTE 18 - PAYABLES FROM FINANCE SECTOR OPERATIONS

a) Banking

	30 September 2008			31 December 2007		
	Demand	Time	Total	Demand	Time	Total
Savings deposits	4.255.745	30.274.624	34.530.369	3.307.696	26.768.405	30.076.101
Commercial deposits	2.853.537	9.436.108	12.289.645	2.778.315	5.615.589	8.393.904
Bank deposits	201.910	2.392.168	2.594.078	153.252	1.786.712	1.939.964
Funds deposited under repo transactions	-	9.253.348	9.253.348	-	4.780.933	4.780.933
Other	618.481	1.111.778	1.730.259	952.182	1.326.385	2.278.567
Total	**7.929.673**	**52.468.026**	**60.397.699**	**7.191.445**	**40.278.024**	**47.469.469**

b) Insurance

	30 September 2008	31 December 2007
Payables from insurance operations (net)	77.197	32.599

NOTE 19 - FINANCIAL RISK MANAGEMENT

19.1 Financial Instruments and Financial Risk Management

19.1.1 Financial Risk Management

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

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

19.1.1.1 Foreign Exchange Risk

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

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

The Group is exposed to foreign exchange risk arising primarily from the Euro, US dollar and UK pound.

(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 - FINANCIAL RISK MANAGEMENT (Continued)

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

	30 September 2008	31 December 2007
Assets	37.057.370	29.809.256
Liabilities	(37.702.126)	(29.779.885)
Net foreign currency balance sheet position	**(644.756)**	**29.371**
Net foreign currency position of banking segment off-balance sheet derivative financial instruments	800.028	(9.333)
Net foreign currency balance sheet and off-balance sheet position	**155.272**	**20.038**

	30 September 2008				
	USD	**EUR**	**GBP**	**Other**	**Total**
Cash and cash equivalents	3.544.575	2.050.344	141.690	52.040	5.788.649
Derivative financial instruments	34.344	10.676	1.274	-	46.294
Reserve deposits at Central Bank	227.392	1.601.290	-	-	1.828.682
Receivables from financial operations	14.872.135	6.506.064	55.318	61.148	21.494.665
Financial assets	4.886.366	2.269.374	-	-	7.155.740
Trade receivables	181.589	354.414	15.338	44.300	595.641
Other current assets	26.254	65.070	7.993	48.382	147.699
Total foreign currency denominated assets	**23.772.655**	**12.857.232**	**221.613**	**205.870**	**37.057.370**
Borrowings	7.699.917	5.458.188	7.365	60.583	13.226.053
Customer deposits	11.174.603	11.498.441	684.564	181.679	23.539.287
Derivative financial instruments	51.250	13.732	1.261	444	66.687
Trade payables	110.429	247.226	1.620	71.947	431.222
Other payables	178.737	215.447	7.569	37.124	438.877
Total foreign currency denominated liabilities	**19.214.936**	**17.433.034**	**702.379**	**351.777**	**37.702.126**
Net balance sheet position	**4.557.719**	**(4.575.802)**	**(480.766)**	**(145.907)**	**(644.756)**
Net foreign currency position of off-balance sheet derivative financial instruments	**(4.327.831)**	**4.389.077**	**572.495**	**166.287**	**800.028**
Net foreign currency balance sheet and off-balance sheet position	**229.888**	**(186.725)**	**91.729**	**20.380**	**155.272**

(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 - FINANCIAL RISK MANAGEMENT (Continued)

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

	USD	
	30 September 2008	**30 September 2007**
Total export amount	862.600	964.900
Total import amount	1.438.800	1.271.300

19.1.1.2 Interest Rate Risk

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

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

NOTE 19 - FINANCIAL RISK MANAGEMENT (Continued)

19.1.1.3 Liquidity Risk

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

A major objective of Akbank's asset and liability management is to ensure that sufficient liquidity is available to satisfy Akbank's own liquidity needs. The ability to fund the existing and prospective debt requirements is managed by maintaining sufficient cash and marketable securities. The primary funding sources of Akbank are equity placed in interest bearing assets, well-distributed and stable deposits and medium to long term borrowings obtained from international markets.

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

19.1.1.4 Credit Risk

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

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

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

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

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

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

NOTE 19 - FINANCIAL RISK MANAGEMENT (Continued)

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

30 September 2008	**Corporate**	**Consumer**	**Credit Card**	**Total**
Investment grade	32.838.306	9.542.284	4.362.074	46.742.664
Standard monitoring	1.082.251	695.048	247.264	2.024.563
Loans under follow-up	588.737	174.131	78.402	841.270
Total	34.509.294	10.411.463	4.687.740	49.608.497
General provision	(181.500)	(69.358)	(182.286)	(433.144)
Specific provision	(588.737)	(174.131)	(78.402)	(841.270)
Total provision	(770.237)	(243.489)	(260.688)	(1.274.414)
Loans and advances, net	**33.739.057**	**10.167.974**	**4.427.052**	**48.334.083**

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

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

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

NOTE 19 - FINANCIAL RISK MANAGEMENT (Continued)

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

	30 September 2008	31 December 2007
Due from banks	3.900.306	1.572.712
Loans and advances	48.334.083	38.965.797
loans to individuals	14.595.026	12.489.639
- credit cards	4.427.052	3.758.844
- consumer loans	10.167.974	8.730.795
loans and advances to corporate customers	33.739.057	26.476.158
Lease receivables	844.597	651.160
Trading securities	2.236.262	4.813.851
Derivative financial instruments	86.065	81.282
Financial assets	22.759.707	21.005.426
Other assets	217.565	432.724
Total	**78.378.585**	**67.522.952**

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

30 September 2008	Fair value through profit or loss	Available for sale financial assets	Total
Aaa	-	26.875	26.875
A1, A2, A3	-	111.904	111.904
Baa1, Baa2, Baa3	-	47.145	47.145
Ba3 **(*)**	2.236.262	22.568.435	24.804.697
B1, B2, B3	-	5.348	5.348
Total	**2.236.262**	**22.759.707**	**24.995.969**

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

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

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

NOTE 19 - FINANCIAL RISK MANAGEMENT (Continued)

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

30 September 2008	**Turkey**	**US**	**European Union**	**Non-European Union**	**Total**
Due from other banks	230.646	269.044	3.383.663	16.953	3.900.306
Loans and advances	**46.240.958**	**52.903**	**1.400.734**	**639.488**	**48.334.083**
Loans and advances to customers	14.595.026	-	-	-	14.595.026
- credit cards	4.427.052	-	-	-	4.427.052
- consumer loan	10.167.974	-	-	-	10.167.974
Loans and advances to corporate customers	**31.645.932**	**52.903**	**1.400.734**	**639.488**	**33.739.057**
Lease receivables	844.597	-	-	-	844.597
Trading securities	2.236.262	-	-	-	2.236.262
Derivative financial instruments	34.484	4.886	46.695	-	86.065
Financial assets	22.568.436	-	191.271	-	22.759.707
Other assets	191.555	-	26.010	-	217.565
Total					**78.378.585**

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

19.1.1.5 Value at Risk

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

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

NOTE 19 - FINANCIAL RISK MANAGEMENT (Continued)

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

	30 September 2008			**31 December 2007**		
	Average	**High**	**Low**	**Average**	**High**	**Low**
Interest rate risk	173.331	188.238	145.473	173.305	193.594	167.506
Foreign exchange risk	25.793	19.730	36.124	51.996	62.026	39.077
Equities risk	646	686	584	1.445	954	598
Total (**)	**199.770**	**208.654**	**182.181**	**226.746**	**256.574**	**207.181**
Total amount subject to market risk	**2.497.125**	**2.608.175**	**2.277.263**	**2.834.325**	**3.207.175**	**2.589.763**

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

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

19.1.2 Capital risk management

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

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

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

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

NOTE 19 - FINANCIAL RISK MANAGEMENT (Continued)

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

	30 September 2008	31 December 2007
Total liability	77.879.905	62.749.391
Cash and cash equivalents	(6.792.384)	(2.901.156)
Net liability	71.087.521	59.848.235
Equity	17.217.842	16.064.954
Invested capital	88.305.363	75.913.189
Net liability/invested capital ratio	81%	79%

NOTE 20 - FINANCIAL INSTRUMENTS

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

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

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

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

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

NOTE 20 - FINANCIAL INSTRUMENTS (Continued)

Financial liabilities

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

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

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

Derivative financial instruments

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

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

	30 September 2008		31 December 2007	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Due from banks	3.900.306	3.900.306	2.667.900	2.667.900
Loans and advances to customers	48.334.083	49.025.972	38.965.797	39.368.261
Trading securities	2.236.262	2.236.262	4.813.851	4.813.851
Available for sale financial assets	22.759.707	22.759.707	21.005.426	21.005.426
Other financial assets	86.065	86.065	812.293	812.293
Total financial assets	**77.316.423**	**78.008.312**	**68.265.267**	**68.667.731**
Deposits from other banks	2.594.079	2.594.079	1.939.964	1.939.964
Repo agreements	9.283.125	9.283.125	5.885.513	5.885.513
Other deposits	49.915.757	49.743.548	48.418.300	48.145.497
Funds borrowed	12.406.597	12.406.597	9.645.144	9.645.144
Total financial liabilities	**74.199.558**	**74.027.349**	**65.888.921**	**65.616.118**

NOTE 21 - EVENTS AFTER BALANCE SHEET DATE

1. Group has resolved to liquidate its subsidiary Universal Trading (Jersey) Limited which is established in England and the Group owned 90% of the shares. As a consequence of this liquidation, partners have received their balances at liquidation. Consequently, Holding has received 27.081.783,005 Akbank shares (0,90%) and 2.925.000 Exsa (UK) shares (11,7%). Therefore, upon receiving the shares from the liquidation of Universal Company, Holding's total share in Akbank and Exsa (UK) has increased from 31,38% to 32,28% and from 87% to 98,7% respectively as of 16 October 2008.

2. The sale of all Bossa shares which is a subsidiary of the Group and 50,12% is possessed by the Group, has been completed on 22 October 2008 to Akkardan Sanayi ve Ticaret A.Ş. and USD 76.433.000 has been collected.

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