AKBANK T.A.Ş.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2011 TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT

Report on review of interim condensed consolidated financial statements

To the Board of Directors of Akbank T.A.Ş.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Akbank T.A.Ş. and its subsidiaries ("the Group") as at 30 June 2011, comprising of interim consolidated statement of financial position as at 30 June 2011 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard 34, *"Interim financial reporting"* (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

10 August 2011
İstanbul, Turkey

AKBANK T.A.Ş.

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AKBANK T.A.Ş.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2011

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

	Notes	Unaudited 30 June 2011	Audited 31 December 2010
ASSETS			
Cash and due from banks and balances with the Central Bank of Turkey	6	14,651,403	8,521,168
Trading securities	7	2,147,655	610,602
Derivative financial instruments	8	487,607	471,041
Loans and advances to customers	9	69,657,212	58,197,124
Investment securities:			
- Available-for-sale	10	34,129,268	43,308,476
- Held-to-maturity	10	5,626,515	6,627,280
Property and equipment	11	761,839	901,341
Intangible assets	13	88,451	93,131
Deferred income tax assets	17	262,459	201,873
Other assets and pre-payments	14	1,181,435	722,814
Total assets		**128,993,844**	**119,654,850**
LIABILITIES			
Customer deposits	12	88,946,597	83,105,451
Interbank money market deposits	13	399,834	400,005
Derivative financial instruments	8	685,018	750,003
Funds borrowed	13	10,568,416	8,172,658
Debt securities in issue	13	6,853,450	5,846,767
Income taxes payable		86,900	290,507
Other liabilities and accrued expenses		3,532,083	2,940,992
Employment benefit obligations	14	76,911	71,728
Deferred tax liabilities		19,242	16,902
Total liabilities		**111,168,451**	**101,595,013**
EQUITY			
Capital and reserves attributable to the equity holders:			
- Share capital	15	4,000,000	4,000,000
- Adjustment to share capital	15	1,534,393	1,534,393
Total paid-in share capital	15	5,534,393	5,534,393
Share premium		1,709,128	1,709,128
Translation reserve		224,698	102,020
Other reserves		231,247	1,437,053
Retained earnings		10,115,244	9,264,309
		17,814,710	**18,046,903**
Non-controlling interest		10,683	12,934
Total equity		**17,825,393**	**18,059,837**
Total liabilities and equity		**128,993,844**	**119,654,850**

The interim condensed consolidated financial statements as at and for the six-month period ended 30 June 2011 have been approved for issue by the Board of Directors on 10 August 2011 and signed on its behalf by Ziya Akkurt, the Chief Executive Officer and by Atıl Özus, the Chief Financial Officer of Akbank T.A.Ş.

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

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2011

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

	Notes	Unaudited 30 June 2011	Unaudited 30 June 2010
Interest income		4,398,586	4,718,031
Interest expense		(2,408,383)	(2,202,063)
Net interest income		**1,990,203**	**2,515,968**
Fee and commission income	16	954,271	791,831
Fee and commission expense	16	(127,165)	(97,329)
Net fee and commission income		**827,106**	**694,502**
Impairment losses on loans and credit related commitments, net	9	(100,609)	(939)
Foreign exchange gains and losses, net		50,518	17,825
Trading gains and losses, net		72,465	97,155
Dividend income		3,008	5,431
Other operating income		197,486	215,054
Operating income		**3,040,177**	**3,544,996**
Operating expenses	17	(1,273,776)	(1,263,314)
Profit before income taxes		**1,766,401**	**2,281,682**
Income taxes			
Current		(400,081)	(437,656)
Deferred		54,906	(10,165)
Profit for the period		**1,421,226**	**1,833,861**
Attributable to:			
Equity holders of the Group		1,421,555	1,833,823
Non controlling interest		(329)	38
		1,421,226	**1,833,861**
Basic and diluted earnings per share (expressed in TL, full amount, per share)	4	0.0036	0.0046

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

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

	Unaudited 30 June 2011	**Unaudited 30 June 2010**
Net profit for the period	**1,421,226**	**1,833,861**
Other comprehensive income		
Available for sale financial assets	(1,190,818)	89,943
Foreign exchange differences on translation of foreign operations	122,678	(85,824)
Gain/(Loss) from cash flow hedges (effective part of fair value changes)	146,165	11,451
Gain/(Loss) from net foreign investment hedges (effective part of exchange difference on borrowings)	(95,308)	71,489
Tax related to gains and losses recognized directly in equity (*)	227,992	(34,577)
	(789,291)	**52,482**
Available for sale financial assets, net of tax	(304,574)	(220,830)
Cash flow hedges, net of tax	9,908	9,002
Other, net of taxes	829	16,291
Net gains/losses transferred to income statement	**(293,837)**	**(195,537)**
Other comprehensive income	**(1,083,128)**	**(143,055)**
Total comprehensive income	**338,098**	**1,690,806**
Attributable to:		
Equity holders of the Group	338,427	1,690,768
Non-controlling interest	(329)	38

(*) Tax effects of additions to marketable securities valuation differences from available for sale financial assets, gain/(loss) from cash flow hedge (effective part of fair value changes), gain/(loss) from net foreign investment hedge (effective part of exchange difference on borrowings) amount to TL 238,163, TL (29,233) and TL 19,062 respectively (30 June 2010: TL (17,989), TL (2,290) and TL(14,298)).

AKBANK T.A.Ş.
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2011

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

	Attributable to equity holders of the Group									
	Share capital									
	Share capital	**Adjustment to share capital**	**Total paid-in share capital**	**Share premium**	**Translation reserve**	**AFS reserves**	**Hedge reserves**	**Retained earnings**	**Non controlling interest**	**Total**
Balance at 1 January 2010	**3,000,000**	**2,029,151**	**5,029,151**	**1,709,098**	**134,283**	**861,890**	**(466,986)**	**7,286,224**	**205**	**14,553,865**
Transfers to share capital	1,000,000	(500,000)	500,000	-	-	-	-	(500,000)	-	-
Net unrealised market value gains from AFS portfolio	-	-	-	-	-	71,954		-	-	71,954
Net gains on AFS portfolio transferred to the income statement	-	-	-	-	-	(220,830)		-	-	(220,830)
Net gains and losses recycled to the income statement due to transfer of AFS into held-to-maturity portfolio	-	-	-	-	-	16,291		-	-	16,291
Cash flow hedges, net of tax	-	-	-	-	-		18,162	-	-	18,162
Translation reserve	-	-	-	-	(85,824)	-		-	-	(85,824)
Gains on hedges of a net investment in a foreign operation net of tax	-	-	-	-		-	57,192	-	-	57,192
Other comprehensive income(expense)	-	-	-	-	(85,824)	(132,585)	75,354	-	-	(143,055)
Profit for the period	-	-	-	-	-	-		1,833,823	38	1,833,861
Total comprehensive income for the period	-	-	-	-	(85,824)	(132,585)	75,354	1,833,823	38	1,690,806
Cash dividends	-	-	-	-	-	-	-	(540,600)	(28)	(540,628)
Balance at 30 June 2010	**4,000,000**	**1,529,151**	**5,529,151**	**1,709,098**	**48,459**	**729,305**	**(391,632)**	**8,079,447**	**215**	**15,704,043**
Balance at 1 January 2011	**4,000,000**	**1,534,393**	**5,534,393**	**1,709,128**	**102,020**	**1,816,306**	**(379,253)**	**9,264,309**	**12,934**	**18,059,837**
Transfer to share capital	-	-	-	-	-	-	-	-	-	-
Net unrealised market value gains(losses) from AFS portfolio	-	-	-	-	-	(952,655)		-	-	(952,655)
Net gains on AFS portfolio transferred to the income statement	-	-	-	-	-	(304,574)		-	-	(304,574)
Net gains and losses recycled to the income statement due to transfer of AFS into held-to-maturity portfolio	-	-	-	-	-	829		-	-	829
Cash flow hedges, net of tax	-	-	-	-	-	-	126,840	-	-	126,840
Translation reserve	-	-	-	-	122,678	-		-	-	122,678
Gains on hedges of a net investment in a foreign operation, net of tax	-	-	-	-		-	(76,246)	-	-	(76,246)
Other comprehensive income (expense)	-	-	-	-	122,678	(1,256,400)	50,594	-	-	(1,083,128)
Profit for the period	-	-	-	-	-	-	-	1,421,555	(329)	1,421,226
Total comprehensive income for the period	-	-	-	-	122,678	(1,256,400)	50,594	1,421,555	(329)	338,098
Dividends paid	-	-	-	-	-	-	-	(570,620)	(1,922)	(572,542)
Balance at 30 June 2011	**4,000,000**	**1,534,393**	**5,534,393**	**1,709,128**	**224,698**	**559,906**	**(328,659)**	**10,115,244**	**10,683**	**17,825,393**

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

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

	Notes	Unaudited 30 June 2011	Unaudited 30 June 2010
Cash flows from operating activities:			
Profit before income tax		1,766,401	2,281,682
Non cash adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	11, 17	56,352	52,212
Amortisation of intangible assets	11, 17	14,921	10,036
Provision for loan losses, write off and net of recoveries	9	43,928	(355,174)
Employment termination benefits and other short-term employee benefits	14	(52,486)	5,132
Gain on derivative financial instruments		(20,786)	389,717
Interest paid		(2,272,665)	(2,244,620)
Interest received		4,237,655	2,533,090
Other non cash items		(47,532)	(83,457)
Operating profit before changes in operating assets and liabilities		**3,725,788**	**2,588,618**
Net increase in reserve requirements with the Central Bank of Turkey and restricted cash		(5,641,062)	(625,198)
Net increase/decrease in loans and advances to customers		(11,424,905)	(7,297,295)
Net increase/decrease in trading securities		(1,513,257)	(175,576)
Net increase/decrease in other assets and prepayments		(458,621)	(180,006)
Net increase in other liabilities and accrued expenses		566,457	548,995
Net increase/decrease in customer deposits and interbank money market deposits		5,741,176	6,483,474
Taxes paid		(296,733)	(484,342)
Net cash from operating activities		**(13,026,945)**	**(1,729,948)**
Cash flows from/(used in) investing activities:			
Purchase of property and equipment, net	11	83,150	(83,933)
Purchase of other intangible assets, net	11	(10,241)	(11,393)
Proceeds from investment securities		26,971,968	9,754,953
Purchase of investment securities		(20,234,461)	(11,421,596)
Net cash used in investing activities		**6,810,416**	**(1,761,969)**
Cash flows from financing activities:			
Proceeds from borrowed funds and debt securities in issue		6,107,607	2,469,666
Payments of borrowed funds and debt securities in issue		(2,723,791)	(844,792)
Dividends paid to equity holders	15	(572,542)	(540,628)
Net cash (used in)/from financing activities		**2,811,274**	**1,084,246**
Effect of exchange rates on cash and cash equivalents		**168,640**	**26,360**
Net increase/(decrease) in cash and cash equivalents		**489,173**	**207,307**
Cash and cash equivalents at the beginning of the period	**6**	**2,511,715**	**3,589,667**
Cash and cash equivalents at the end of the period	**6**	**3,000,888**	**3,796,974**

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

NOTE 1 - PRINCIPAL ACTIVITIES

Akbank T.A.Ş. ("the Bank" or "Akbank" or together with its subsidiaries referred to as "the Group" in these interim condensed consolidated financial statements) was formed in 1948 and is a member of the Hacı Ömer Sabancı Holding A.Ş. Group of companies which is incorporated and domiciled in Turkey. Hacı Ömer Sabancı Holding A.Ş. and the Sabancı family together control 48.90% of the outstanding share capital of Akbank as at 30 June 2011. The Bank's head office is located at Sabancı Center 4. Levent, Istanbul/Turkey. As of 30 June 2011, the Bank has 904 branches dispersed throughout the country and 1 branch operating outside the country (31 December 2010: 912 branches and 1 branch operating outside the country). As at 30 June 2011, the Group employed 15,736 people (31 December 2010: 15,550 people). In addition to regular banking operations, the Group also provides insurance intermediary services as an agency of AvivaSa Emeklilik ve Hayat A.Ş. and Ak Sigorta A.Ş.. The Group's operations are carried out substantially in one geographical segment (Turkey) and in business segments including retail banking, corporate and SME banking, private banking, treasury activities, international banking and other activities through its subsidiaries (i.e. leasing, brokerage and portfolio management) (Note 19).

Some of the Bank's shares have been quoted on the Istanbul Stock Exchange since 1990. In April 1998, 4.03% of the outstanding share capital of the Bank, was offered and sold in an international offering outside of Turkey in the form of Ordinary Shares and American Depository Receipt ("ADR"). As of 30 June 2011, approximately 31% of the shares are publicly traded, including the ADRs (31 December 2010: 29%).

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These interim condensed consolidated financial statements for the period ended 30 June 2011 have been prepared in accordance with IAS 34, "Interim Financial Reporting". The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2010.

New standards and interpretations:

The accounting policies adopted are consistent with those of the annual consolidated financial statements for the year ended 31 December 2010, except for the adoption of new standards and interpretations as of January 1, 2011, noted below:

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- IFRIC 14 Prepayments of a Minimum Funding Requirement (Amended)
- IAS 32 Classifications on Rights Issues (Amended)
- IAS 24 Related Party Disclosures (Revised)

The adoption of these standards, amendments, and interpretations did not have any effect on the financial performance or position of the Group.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

In May 2010 the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The amendments that are effective as at 1 January 2011 are as follows:

- **IFRS 3 Business Combinations**: The adoption of the amendment did not have any effect on the financial performance or position of the Group.

- **IFRS 7 Financial Instruments: Disclosures**: The Group has considered the clarification in its IFRS 7 disclosures.

- **IAS 1 Presentation of Financial Statements**: The adoption of the amendment did not have any effect on the presentation of the financial statements of the Group.

- **IAS 27 Consolidated and Separate Financial Statements**: The adoption of the amendment did not have any effect on the financial performance or position of the Group.

- **IAS 34 Interim Financial Reporting**: The Group has considered the clarification in its IFRS 7 disclosures.

- **IFRIC 13 Customer Loyalty Programmes**: The adoption of the amendment did not have any effect on the financial performance or position of the Group.

Standards issued but not yet effective and not early adopted

Up to the date of approval of the interim condensed consolidated financial statements, certain new standards, interpretations and amendments to existing standards have been published but are not yet effective for the current reporting period and which the Group has not early adopted, as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the interim condensed consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

IFRS 9 Financial Instruments – Phase 1 financial instruments, classification and measurement (effective for annual periods beginning on or after 1 January 2015): The Group is assessing the effect of this standard.

IAS 12 Deferred Taxes: Recovery of Underlying Assets (Amendment) (effective for annual periods beginning on or after 1 January 2012): The adoption of the amendment is not expected to have an effect on the financial performance or position of the Group.

IFRS 7 Financial Instruments: Disclosures as part of its comprehensive review of off balance sheet activities (Amended) (effective for annual periods beginning on or after 1 July 2011): The Group is assessing the effect of this standard.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

IFRS 10 Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2013). The adoption of the standard is not expected to have an effect on the financial performance or position of the Group.

IFRS 11 Joint Arrangements (effective for periods beginning on or after 1 January 2013). The adoption of the standard is not expected to have an effect on the financial performance or position of the Group.

IFRS 12 Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2013). The adoption of the standard is not expected to have an effect on the financial performance or position of the Group.

IFRS 13 Fair Value Measurement (effective for annual periods beginning on or after 1 January 2013) The adoption of the standard is not expected to have an effect on the financial performance or position of the Group.

IAS 27 Separate Financial Statements (Amended): The adoption of the amendment is not expected to have an effect on the financial performance or position of the Group.

IAS 28 Investments in Associates and Joint Ventures (Amended): The adoption of the standard is not expected to have an effect on the financial performance or position of the Group.

IAS 19 Employee Benefits (Amended) (effective for annual periods beginning on or after 1 January 2013). The adoption of the amendment is not expected to have an effect on the financial performance or position of the Group.

IAS 1 Presentation of Financial Statements (Amended) (effective for annual periods beginning on or after 1 July 2012). The adoption of the standard is not expected to have an effect on the financial performance or position of the Group.

The interim condensed consolidated financial statements have been prepared under the historical cost convention, except for financial instruments held for trading and investment securities available for sale and derivative financial instruments which have all been measured at fair value.

The carrying values of recognized assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortized cost, are adjusted to record changes in fair value attributable to the risks that are being hedged.

The interim condensed consolidated financial statements are presented in the national currency of the Republic of Turkey, the Turkish lira ("TL").

The Bank maintains its books of accounts and prepares its statutory financial statements in accordance with the Banking Law and the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, which refers to Turkish Accounting Standards and Turkish Financial Reporting Standards issued by the Turkish Accounting Standards Board and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA") and other relevant rules promulgated by the Turkish Commercial Code, Capital Markets Board and Tax Regulations. The subsidiaries maintain their books of accounts based on statutory rules and regulations applicable in their jurisdiction. Interim condensed consolidated financial statements are derived from statutory financial statements with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Consolidation

Consolidation principles for subsidiaries:

Subsidiaries are the entities controlled directly or indirectly by the Bank.

Subsidiaries are consolidated using the full consolidation method. Financial statements of related subsidiaries are consolidated from the date when the control is transferred to the Bank.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In the full consolidation method, 100% of subsidiaries' assets, liabilities, income, expense and off-balance sheet items are combined with the Bank's assets, liabilities, income, expense and off-balance sheet items. The carrying amount of the Group's investment in each subsidiary and the Group's portion of the cost value of the capital of each subsidiary are eliminated. Intragroup balances and intragroup transactions and resulting unrealized profits and losses are eliminated. Non-controlling interests in the net income of consolidated subsidiaries are identified and adjusted against the income of the Group in order to arrive at the net income attributable to the shareholders of the parent of the Group and presented separately in the Group's income statement. Non controlling interests are presented separately under equity in the consolidated balance sheet.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Bank and its direct and indirect subsidiaries, Ak Yatırım Menkul Değerler A.Ş., Ak Finansal Kiralama A.Ş., Ak Portföy Yönetimi A.Ş., Akbank N.V., Ak B Tipi Yatırım Ortaklığı A.Ş., Akbank (Dubai) Limited, Ak Global Funding B.V., Akbank AG, Ak Receivables Corporation and A.R.T.S. Ltd., in which the Bank has no equity interest, but 100% control power due to the reason that these companies are "Special Purpose Entities", have been included in the scope of consolidation.

Ak Yatırım Menkul Değerler A.Ş. was established on 11 December 1996 to trade in capital markets in accordance with Capital Market Law. This company is providing intermediary services in capital markets, discretionary portfolio management, derivative transactions, repurchase and reverse repurchase agreements with authorizations given by the Capital Markets Board for each transaction.

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 2 - SIGNIFICANT ACCOUNTING (Continued)

Ak Finansal Kiralama A.Ş. was established in 1988 for leasing operations and all kinds of agreements and transactions related to these operations.

Ak Portföy Yonetimi A.Ş was established at 28 June 2000 in order to manage A and B type mutual funds of Akbank T.A.Ş., B Type variable fund of Ak Yatırım Menkul Değerler A.Ş., pension funds of AvivaSa Emeklilik ve Hayat A.Ş. and portfolios of the Ak Yatırım Ortaklığı A.Ş..

Ak B Tipi Yatırım Ortaklığı A.Ş. was established on 18 September 1998 as "Ak Yatırım Ortaklığı A.Ş. to manage portfolio with the trading of capital market instruments. The Company is the subsidiary of the Bank. The Company's name has been changed as Ak B Tipi Yatırım Ortaklığı A.Ş. and published on Trade Registry Gazette on 7 December 2010.

Akbank N.V. was established in 2000 for banking operations in the Netherlands.

The Bank's Frankfurt Branch was established on 5 April 1998 for banking operations abroad. As of 1 September 2006, the Frankfurt Branch has been converted to a 100% subsidiary of the Bank. As of 31 May 2007, shares of Akbank AG were transferred to Akbank N.V. resident in the Netherlands, which is 100% subsidiary of the Bank, through capital in kind.

Akbank (Dubai) Limited was established in December 2009 in Dubai International Finance Center (DIFC) to serve delivering intermediary services on acquisition and mergers, consultancy about financial instruments, intermediary services on loan and investment instruments.

Ak Receivable Corporation and A.R.T.S. Ltd. are "Special Purpose Entities" established in July 1998 and November 1999, respectively, in connection with raising long-term financing.

Ak Global Funding B.V. has been placed into liquidation with the decision taken as at 18 July 2011. Group's investment in this Company is immaterial.

The list of consolidated subsidiary undertakings is set out below:

		Shareholding %	
Name of subsidiary	**Country of incorporation**	**2011**	**2010**
Ak Yatırım Menkul Değerler A.Ş.	Turkey	99.80	99.80
Ak Finansal Kiralama A.Ş.	Turkey	99.99	99.99
Ak Portföy Yönetimi A.Ş.	Turkey	99.99	99.99
Ak B Tipi Yatırım Ortaklığı A.Ş.	Turkey	70.04	70.04
Akbank N.V.	The Netherlands	100.00	100.00
Akbank AG	Germany	100.00	100.00
Akbank (Dubai) Limited	The United Arab Emirates	100.00	100.00
A.R.T.S. Ltd.	Jersey, Channel Islands	-	-
Ak Receivable Corporation	Cayman Islands	-	-
Akbank Global Funding BV (in liquidation)	The Netherlands	100.00	100.00

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Investment Hedge

The Group hedges the net investment risk on foreign investments in Akbank NV with the foreign currency denominated financial liabilities. The effective part of the foreign exchange differences on the foreign currency denominated financial liabilities is accounted in the "Translation reserve" account under shareholders' equity.

(c) Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received). Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models. Fair value of over-the-counter ("OTC") forward foreign exchange contracts is determined based on the comparison of the original forward rate with the forward rate calculated by reference to market interest rates of the related currency for the remaining period of the contract, discounted to 30 June 2011. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Derivative financial instruments are classified as held for trading, unless they are designated as hedging instruments

(i) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement – 'net trading gains and losses'.

Amounts accumulated in equity are recycled to the income statement in the periods when the hedged cash flows affect profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the hedged cash flows are recognised in the income statement. In accordance with IAS 39, the replacement or rollover of a hedging instrument into another hedging instrument is not an expiration or termination if such replacement or rollover is part of the entity's documented hedging strategy.

The Bank hedges cash flow risk arising from local and foreign currency floating rate borrowings through the use of interest rate swaps. Within the scope of cash flow hedge accounting, effective portion of the fair value changes of the hedging instrument is recognized under "Other reserves" within equity.

The Bank has entered into fair value hedge transaction using interest rate swaps in order to hedge the fair value risk of securities issued due to changes in interest rates. The gains or losses from changes in the fair value of the hedging instrument are recognized in profit or loss. The gains or losses on the hedged item attributable to the hedged risk are adjusted to the carrying amount of the hedged item and are recognised in profit or loss.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement under net trading gains and losses.

Embedded derivatives are separated from the host contract and accounted for as a derivative in accordance with IAS 39, if and only if:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract

- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

- the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in profit or loss (i.e. a derivative that is embedded in a financial asset or financial liability at fair value through profit or loss is not separated).

If an embedded derivative is separated, the host contract is accounted for under IAS 39 if it is a financial instrument and in accordance with other appropriate standards if it is not a financial instrument. When the host contract and embedded derivative are closely related, embedded derivatives are not separated from the host contract and accounted according to the standard applied to the host contract.

(d) Investment securities

Investment securities are classified into the following two categories: held-to-maturity and available-for-sale assets. Investment securities with fixed maturity where management has both the intent and the ability to hold to maturity are classified as held-to-maturity. Investment securities intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices, are classified as available-for-sale. Management determines the appropriate classification of its investments at the time of the purchase.

In the case of debt instruments classified as available-for-sale, the Bank assesses individually whether there is objective evidence of impairment based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement. Future interest income is based on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of "Interest and similar income". If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to a credit event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the income statement.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the case of equity investments classified as available-for-sale, objective evidence would also include a "significant" or "prolonged" decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement is removed from equity and recognized in the income statement.

Impairment losses on equity investments are not reversed through the income statement; increases in the fair value after impairment are recognized directly in equity.

Held-to-maturity investments are carried at amortised cost using the effective yield method, less any provision for impairment.

Interest earned whilst holding investment securities is reported as interest income. Dividends received are included in dividend income.

The Bank has inflation indexed (Consumer Price Index) government bonds in its available-for sale and held-to-maturity portfolios with semi-annual fixed real coupon rates and an average remaining maturity of 5 to 10 years. Starting from 1 January 2011, estimated inflation rate has been used for the valuation of these marketable securities. Estimated inflation rate will be updated during the year when necessary. As of 30 June 2011, the valuation of these securities have been made by considering the estimated annual inflation rate as 6,25%. In 2010, the valuation of those marketable securities was made using actual inflation rates at reporting dates. Had the above mentioned change in estimate related to those CPI linked securities not been made, interest income would have decreased by TL 144.146.

e) Financial assets at fair value through profit or loss:

This category has two sub-categories: Financial assets held for trading and those designated at fair value through profit or loss at inception. At 30 June 2011, the Group has not classified any financial asset as financial assets designated at fair value through profit or loss.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated as hedging instruments.

Trading assets are initially recognised and subsequently re-measured at fair value. All related realised and unrealised fair value gains and losses are included in net trading gains and losses. Interest earned whilst holding trading assets is reported as interest income.

All purchases and sales of trading assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recognised at the settlement date, which is the date that the asset is delivered to/by the Group.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Loans and advances to customers and provisions for loan impairment

Loans and advances granted by the Group are carried initially at fair value including the transaction costs and subsequently recognised at the amortized cost value, less any provision for loan losses.

A credit risk provision for loan impairment is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and recoverable amount, being the present value of expected cash flows, including the amount recoverable from guarantees and collateral, discounted based on the interest rate at inception. An additional provision for loan impairment is established to cover losses that are judged to be present in the lending portfolio at the balance sheet date, but which have not been specifically identified as such.

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

(g) Sale and repurchase agreements

Securities sold subject to repurchase agreements ("repos") are retained in the consolidated accompanying financial statements as trading or investment securities and the counterparty liability is included in customer deposits. Securities purchased under agreements to resell ("reverse repos") are recorded as due from banks. The difference between sale and repurchase price is treated as interest and accrued evenly over the life of repo agreements using the effective interest rate method.

(h) Fee and commission income and expenses

Fee and commission income and expenses are recognised on an accrual basis except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Borrowing fees and commissions expenses paid to other financial institutions are recognized as transaction costs and recorded using the "Effective interest rate method". Contract based fees or fees received in return for services such as the purchase and sale of assets on behalf of a third party or legal person are recognized as income at the time of collection.

(i) Interest income and expense

Interest income and expense are recognised in the income statement for all interest bearing instruments on an accrual basis using the effective interest rate method based on the actual purchase price until, in management's estimates and judgment, collection becomes doubtful. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Classifications

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. In order to be consistent with the presentation of financial statements dated 30 June 2011, there are certain reclassifications made on consolidated cash flow statements as of 30 June 2010.

(k) Related parties

Parties are considered related to the Group if below conditions are met;

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

For the purpose of these consolidated financial statements, shareholders, key management personnel and board members, in each case together with their families and companies controlled by/affiliated with them, associated companies and other companies within the Sabancı Holding Group are considered and referred to as related parties. A number of banking transactions were entered into with related parties in the normal course of business. These include loans, deposits, trade finance and foreign currency transactions.

NOTE 3 - CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The most significant uses of judgments, estimates and assumptions include fair value of financial instruments, impairment for financial assets and valuation of inflation indexed government bonds. Please refer to 'Section D of note 2' for the change in estimate explanation of the inflation indexed government bonds.

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 4 - EARNINGS PER SHARE

Earnings per share disclosed in the consolidated statements of income is determined by dividing the net income attributable to the equity holders of the Group by the weighted average number of ordinary shares outstanding during the period concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

There is no bonus share issuance as at 30 June 2011 (31 December 2010: 100,000,000,000).

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

	Unaudited 30 June 2011	**Unaudited 30 June 2010**
Profit attributable to equity holders of the Group	1,421,555	1,833,823
Weighted average number of ordinary shares in issue (1 Kr each)	400,000,000,000	400,000,000,000
Basic earnings per share (expressed in TL, full amount, per share)	**0.0036**	**0.0046**

Basic earnings per share are calculated by dividing the net income attributable to shareholders by the weighted average number of shares in issue.

There are no diluted shares and accordingly there are no diluted earnings per share for any class of shares.

NOTE 5 - FINANCIAL RISK MANAGEMENT

(a) Strategy in using financial instruments

By nature, the Group's activities are principally related to the use of financial instruments including derivatives. The Group accepts deposits from customers for various periods and seeks to earn above-average interest margins by investing these funds in high quality assets. The Group seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates whilst maintaining sufficient liquidity to meet all claims that might fall due.

The Group also seeks to raise its interest margins by obtaining above-average margins, net of provisions, through lending to borrowers with a range of credit standing. Such exposures involve not only on-balance sheet loans and advances but also entering into guarantees and other commitments such as letters of credit. The Group also trades in financial instruments where it takes positions to take advantage of short-term market movements in the bond markets and in currency and interest rates.

NOTE 5 - FINANCIAL RISK MANAGEMENT (Continued)

The Group's risk management is under the responsibility of the "Executive Risk Committee ("the ERC")" which reports to the Board of Directors. The ERC is comprised of the Chairman, 2 Executive Board Members and the Chief Executive Officer. The ERC establishes policies, procedures and rules for risk management of the Bank and develops risk management strategies. The ERC also sets critical risk limits and parameters for liquidity risk, credit risk, foreign exchange risk and interest rate risk and; through close monitoring of the markets and overall economy, such limits are changed as necessary. These limits and implementation of policies are broken down to various levels of authorities in order to enhance control effectiveness. The Bank's risk positions are reported to the ERC members on a regular basis. Additionally, the ERC reviews the latest figures and projections for the Bank's profit and loss accounts and balance sheet, liquidity position, interest and foreign exchange exposures, as well as yield analysis and the macroeconomic environment.

In addition to the limits set by the ERC, the Board of Directors also sets some limits and parameters for the transactions and areas having significant and critical implications on the Bank's operations.

The Assets and Liabilities Committee ("ALCO") manages the various departments of the Bank by applying risk limits. ALCO consists of the Chief Executive Officer and each of the Executive Vice Presidents in charge of the Bank's marketing, lending, treasury, and financial coordination departments. ALCO meets twice a week to review the latest figures on liquidity position, interest rate risk exposures, foreign exchange risk exposure, capital adequacy, risk limits and the macroeconomic environment.

The objective of the Group's asset and liability management and use of financial instruments is to limit the Group's exposure to liquidity risk, interest rate risk and foreign exchange risk, while ensuring that the Group has sufficient capital adequacy and is using its capital to maximise net interest income.

(b) Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Group by failing to discharge an obligation. Credit risk is the most important risk for the Group's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in lending activities that lead to loans and advances, and investment activities that bring debt securities and other bills into the Group's asset portfolio. There is also credit risk in off-balance sheet financial instruments, such as loan commitments.

The credit risk management and control are centralised in credit risk management team of the Group which reports to the Board of Directors and head of each business unit regularly.

The credit risk is monitored by reference to credit risk ratings and managed by limiting the aggregate risk to any individual counterparty, group of companies and industry. Credit risks are determined for each individual customer, enterprise, business group and risk groups separately. While determining credit risk, criteria such as the customers' financial strength, commercial capacities, sectors, geographic areas and capital structure are evaluated. Analyses of the financial position of the customers are based on the statements of account and other information in accordance with the related legislation. Previously determined credit limits are constantly revised according to changing conditions. The type and amount of collateral and guarantees to be obtained are specified on a customer basis during the determination of credit limits.

NOTE 5 - FINANCIAL RISK MANAGEMENT (Continued)

During loan extensions, limits determined on a customer and product basis are essentially followed up; information on risk and limits is closely monitored.

There are risk control limits set for the market risk and credit risk which arise from forward and option agreements and other similar agreements. When necessary, derivative instruments are used to control and to offset credit risks that can especially originate from foreign exchange and interest rate fluctuations.

Non-cash loans liquidated into cash loans are included in the same risk group as cash loans which are not collected upon maturity. Credit risk management is applied for all positions involving counterparty risk.

The Group considers that long-term commitments are more exposed to credit risk than short-term commitments, and points such as defining risk limits for long-term risks and obtaining collateral are treated in a wider extent than short-term risks.

The Bank's credit risk measurement techniques and information on the rating of securities and loan portfolio are as follows:

Bank's rating system:

The Bank has internal debt rating model for each segment in order to assess the credit quality of all borrowers.

The default probabilities of each obligor is calculated by using scorecards tailored to various categories of counterparty and derived from the credit rating system of corporate and commercial, SME, consumer and credit card loan portfolios. Both behavioral and application scorecards are taken into consideration in default probability estimations.

Collateral structure of each portfolio is considered in order to determine the realized loss in case default occurs. Default probabilities and realized loss values are combined in order to account for expected loss and unexpected loss values over time and to encourage risk adjusted pricing.

Risk limits are set both at customer and group level and monitored by the ERC in terms of sectors, tenor and concentration. The ERC regularly follows up risk limits and make limit updates when required.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and credit ratings of its counterparties are continuously monitored. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 5 - FINANCIAL RISK MANAGEMENT (Continued)

(c) Market risk

The Group considers currency risk and interest rate risk as the most important constituents of market risk. The limit structure for such risks is designed by considering the capital structure of the Group. Currency and interest rate risks are analysed both on a portfolio and on a product basis.

Stress tests

Stress tests provide an indication of the potential size of losses that could arise in extreme conditions. The stress tests carried out by Risk Management, also indicated in the Market Risk Policy of the Group, include interest rate stress testing. The results of the stress tests are reviewed by the ALCO. As at 30 June 2011 and 2010, assuming that all other variables are constant, and TL and FC interest rates vary in an interval of +1% and -1%, the profit before tax and other reserves excluding tax effect of the Group would change as the following:

	Impact on income		Impact on other reserves	
Change in interest rates	**2011**	**2010**	**2011**	**2010 (*)**
(+) 1 %	(216,730)	16,495	(625,578)	(605,690)
(-) 1 %	227,297	(23,165)	655,725	701,592

(*) Represents 31 December 2010 results.

(d) Currency risk

Foreign currency denominated assets and liabilities, together with purchase and sale commitments, give rise to foreign exchange exposure. This risk is managed by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities and the remaining foreign exchange exposures are hedged on a portfolio basis with derivative financial instruments that include primarily forward foreign exchange contracts and currency swaps. The Board, taking into account the recommendations by the ERC, sets a limit for the size of foreign exchange exposure, which is closely monitored by ALCO.

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 5 - FINANCIAL RISK MANAGEMENT (Continued)

The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The table summarises the Group's assets and liabilities and equity at carrying amounts and derivatives at notional amounts categorised by currency.

	Unaudited 30 June 2011					
	Foreign currency					
	EUR	**USD**	**GBP**	**Other**	**TL**	**Total**
Cash and due from banks and balances with the Central Bank of Turkey	3,255,849	6,744,726	32,075	124,749	4,494,004	14,651,403
Trading and investment securities	2,810,967	2,935,931	-	-	36,156,540	41,903,438
Derivative financial instruments	-	-	-	-	487,607	487,607
Loans and advances to customers	10,053,211	21,353,014	37,824	63,211	38,149,952	69,657,212
Property, plant and equipment	1,614	1,889	-	-	758,336	761,839
Intangible assets	1,219	125	-	-	87,107	88,451
Deferred tax assets	-	-	-	-	262,459	262,459
Other assets and pre-payment	53,471	26,358	903	1,160	1,099,543	1,181,435
Total assets	**16,176,331**	**31,062,043**	**70,802**	**189,120**	**81,495,548**	**128,993,844**
Customer deposits	12,508,516	23,713,950	794,654	579,267	51,350,210	88,946,597
Interbank money market deposits, funds borrowed and debt securities in issue	5,170,352	10,489,061	9,077	18,325	2,134,885	17,821,700
Derivative financial instruments	-	-	-	-	685,018	685,018
Income taxes payable	22,580	-	-	-	64,320	86,900
Other liabilities and accrued expenses	143,207	123,716	1,669	9,904	3,253,587	3,532,083
Employment benefit obligations	314	-	-	-	76,597	76,911
Deferred tax liability	19,242	-	-	-	-	19,242
Equity and non controlling interest	-	-	-	-	17,825,393	17,825,393
Total liabilities and equity	**17,864,211**	**34,326,727**	**805,400**	**607,496**	**75,390,010**	**128,993,844**
Net balance sheet position	**(1,687,880)**	**(3,264,684)**	**(734,598)**	**(418,376)**	**6,105,538**	**-**
Off-balance sheet derivative instruments net notional position	**1,859,607**	**3,172,256**	**734,151**	**401,522**	**(6,094,096)**	**73,440**

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 5 - FINANCIAL RISK MANAGEMENT (Continued)

	Audited 31 December 2010					
	Foreign currency					
	EUR	**USD**	**GBP**	**Other**	**TL**	**Total**
Total assets	14,070,069	25,252,338	52,397	156,041	80,124,005	119,654,850
Total liabilities and equity	16,478,338	25,637,016	838,604	549,202	76,151,690	119,654,850
Net balance sheet position	**(2,408,269)**	**(384,678)**	**(786,207)**	**(393,161)**	**3,972,315**	**119,654,850**
Off-balance sheet derivative instruments net notional position	**2,625,873**	**452,963**	**787,355**	**398,940**	**(4,063,336)**	**201,795**

At 30 June 2011, assets and liabilities denominated in foreign currency were translated into Turkish lira using a foreign exchange rate of TL 1.6157 =USD 1 (31 December 2010: TL 1.5376=USD 1) and TL 2.3397 =EUR 1 (31 December 2010: TL 2.0552 =EUR 1).

(e) Interest rate risk

The Group is exposed to interest rate risk either through market value fluctuations of balance sheet items, i.e. price risk, or the impact of rate changes on interest-sensitive assets and liabilities. Interest rate risk is the key component of the Group's asset and liability management. Interest rate risk is managed on a portfolio basis by applying different strategies such as using natural hedges that arise from offsetting interest rate sensitive assets and liabilities, or building hedge relationships in order to minimise the effects of changes in interest rates. Special emphasis is given to providing a balance between the duration of assets and liabilities. Repricing/duration, gap and sensitivity analysis are the main methods used to manage the risks.

The tables below summaries the Group's exposure to interest rate risks at 30 June 2011 and 31 December 2010. Included in the tables are the Group's assets and liabilities in carrying amounts classified in terms of periods remaining to contractual repricing dates.

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 5 - FINANCIAL RISK MANAGEMENT (Continued)

	Unaudited 30 June 2011					
	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Non-interest bearing	Total
Cash and due from banks and balances with the Central Bank of Turkey	1,812,599	2,021	-	-	12,836,783	14,651,403
Trading and investment securities	12,022,870	14,459,301	11,165,916	4,113,796	141,555	41,903,438
Derivative financial instruments	209,762	218,520	54,506	4,819	-	487,607
Loans and advances to customers	27,443,693	24,723,744	15,249,153	2,240,622	-	69,657,212
Property, plant and equipment	-	-	-	-	761,839	761,839
Intangible assets	-	-	-	-	88,451	88,451
Deferred tax assets	-	-	-	-	262,459	262,459
Other assets and pre-payments	419,404	-	-	-	762,031	1,181,435
Total assets	**41,908,328**	**39,403,586**	**26,469,575**	**6,359,237**	**14,853,118**	**128,993,844**
Customer deposits	72,016,502	5,605,967	1,432,719	134,459	9,756,950	88,946,597
Interbank money market deposits, funds borrowed and debt securities in issue	10,591,380	4,488,845	1,905,020	836,455	-	17,821,700
Derivative financial instruments	260,933	389,455	33,338	1,292	-	685,018
Income taxes payable	-	-	-	-	86,900	86,900
Other liabilities and accrued Expenses	36,493	25,919	64,499	58,515	3,346,657	3,532,083
Employment benefit obligations	-	-	-	-	76,911	76,911
Deferred tax liability	-	-	-	-	19,242	19,242
Total liabilities	**82,905,308**	**10,510,186**	**3,435,576**	**1,030,721**	**13,286,660**	**111,168,451**
Net repricing period gap	**(40,996,980)**	**28,893,400**	**23,033,999**	**5,328,516**	**1,566,458**	**17,825,393**
Off-balance sheet derivative instruments net notional position	**325,530**	**1,187,237**	**(854,560)**	**(586,934)**	**-**	**71,273**

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 5 - FINANCIAL RISK MANAGEMENT (Continued)

	Audited 31 December 2010					
	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Non-interest bearing	Total
Total assets	**43,044,581**	**37,327,157**	**24,782,602**	**5,430,681**	**9,069,829**	**119,654,850**
Total liabilities	**80,384,136**	**6,206,601**	**2,973,651**	**248,082**	**11,782,543**	**101,595,013**
Net repricing period gap	**(37,339,555)**	**31,120,556**	**21,808,951**	**5,182,599**	**(2,712,714)**	**18,059,837**
Off-balance sheet derivative instruments net notional position	**869,784**	**1,390,819**	**(1,409,620)**	**(647,525)**	**-**	**203,458**

The tables below summarise the range for effective average interest rates by major currencies for monetary financial instruments at 30 June 2011 and 31 December 2010:

	Unaudited 30 June 2011			Audited 31 December 2010		
Assets	USD (%)	EUR (%)	TL (%)	USD (%)	EUR (%)	TL (%)
Cash and due from banks and balances with the Central Bank of Turkey:						
-Time deposits in foreign banks	0.14	0.72	-	0.06	0.44	-
-Time deposits in domestic banks	0.55	4.04	10,38	1.05	-	-
-Interbank money market placements	-	-	7.52	-	-	7.12
Trading securities	5.66	4.75	8.87	4.31	4.67	10.06
Loans and advances to customers	3.93	4.63	11.62	3.83	4.40	11.85
Investment securities:						
-Available for sale	5.14	4.29	9.69	4.34	4.68	11.16
-Held to maturity	7.05	7.34	9.86	6.58	7.34	11.16
Liabilities						
Customer deposits and interbank and -Money market deposits	3.19	2.65	7.28	2.47	2.05	7.04
Funds borrowed	2.01	2.22	6.25	2.12	1.83	7.14
Debt securities in issue	3.36	-	8.31	2.85	-	7.28

NOTE 5 - FINANCIAL RISK MANAGEMENT (Continued)

(f) Liquidity risk

The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits and guarantees. A major objective of the Group's asset and liability management is to ensure that sufficient liquidity is available to meet the Group's commitments to customers and to satisfy the Group's own liquidity needs. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. The ability to fund the existing and prospective debt requirements is managed by maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit lines and the ability to close out market positions. It is unusual for banks ever to be completely matched since business transacted is often of uncertain terms and of different types. An unmatched position potentially enhances profitability, but also increases the risk of losses. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates. The ERC sets limits on the key liquidity ratios and funding gap and these limits are closely monitored.

In accordance with the "Communiqué on the Measurement and Assessment of Liquidity of the Banks" published in the Official Gazette dated 1 November 2006 No. 26333, beginning from 1 June 2007 liquidity ratio of the banks on a weekly and monthly basis should not be less than 80% for foreign currency denominated assets and liabilities, and for total assets and liabilities it should not be less than 100%.

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 5 - FINANCIAL RISK MANAGEMENT (Continued)

The table below analyses carrying amount of assets and liabilities of the Group into relevant maturity groupings based on the remaining period at the balance sheet date.

	Unaudited 30 June 2011					
	Demand and up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	No maturity	Total
Cash and due from banks						
With the Central Bank of Turkey	14,649,382	2,021	-	-	-	14,651,403
Trading and investment securities	1,106,010	3,151,534	31,224,286	6,280,053	141,555	41,903,438
Derivative financial instruments	186,349	117,213	79,219	104,826	-	487,607
Loans and advances to customers	19,546,008	16,564,190	25,935,004	7,612,010	-	69,657,212
Property and equipment	-	-	-	-	761,839	761,839
Intangible assets	-	-	-	-	88,451	88,451
Other assets and pre-payments	997,962	-	-	-	183,473	1,181,435
Deferred tax assets	-	-	262,459	-	-	262,459
Total assets	**36,485,711**	**19,834,958**	**57,500,968**	**13,996,889**	**1,175,318**	**128,993,844**
Customer deposits	81,657,805	5,721,613	1,432,720	134,459	-	88,946,597
Derivative financial instruments	163,840	209,324	154,513	157,341	-	685,018
Interbank money market deposits funds borrowed and debt securities in issue	4,495,814	6,546,232	5,144,716	1,634,938	-	17,821,700
Income taxes payable	-	86,900	-	-	-	86,900
Other liabilities and accrued expenses	3,097,030	75,641	64,499	58,513	236,400	3,532,083
Employment benefit obligations	-	-	-	-	76,911	76,911
Deferred tax liability	-	-	19,242	-	-	19,242
Total liabilities	**89,414,489**	**12,639,710**	**6,815,690**	**1,985,251**	**313,311**	**111,168,451**
Net liquidity gap	**(52,928,778)**	**7,195,248**	**50,685,278**	**12,011,638**	**862,007**	**17,825,393**

	Audited 31 December 2010					
	Demand and up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	No maturity	Total
Total assets	**28,573,427**	**21,594,984**	**55,868,093**	**12,317,534**	**1,300,812**	**119,654,850**
Total liabilities	**85,577,998**	**7,478,531**	**6,899,025**	**1,286,620**	**352,839**	**101,595,013**
Net liquidity gap	**(57,004,571)**	**14,116,453**	**48,969,068**	**11,030,914**	**947,973**	**18,059,837**

The most important funding resources of the Bank are the shareholders' equity, the diversified and steady deposit base and the long-term funds borrowed from international institutions which are mainly placed in interest earning assets. In spite of a substantial portion of deposits from individuals being short-term, deposits are diversified by number and type, and maturities of a large portion of deposits are renewed, which indicates that these deposits will provide a long-term and stable source of funding for the Bank. The major part of mandatory cash balances with the Central Bank of Turkey are included within the "up to three months" column as the majority of liabilities to which these balances relate are also included in this category.

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 5 - FINANCIAL RISK MANAGEMENT (Continued)

Undiscounted cash flows of the liabilities of the Group is as follows:

	Unaudited 30 June 2011				
Liabilities	**Up to 1 month and demand**	**1-3 months**	**3-12 months**	**1-5 years**	**5 years and over**
Customer deposits	69,383,627	12,280,178	6,011,522	1,504,648	154,319
Funds borrowed and debt securities in issue	1,602,145	2,502,848	7,183,069	6,263,159	1,844,821
Interbank money market deposits	207,769	194,108	-	-	-
Guarantees and warranties (*)	17,101	836,391	3,313,352	3,126,218	5,211,336

(*) Undiscounted maturities of letter of guarantees represent the contractual maturities whereas such balances have demand nature due to their callable status until its maturities.

	2010				
Liabilities	**Up to 1 month and demand**	**1-3 months**	**3-12 months**	**1-5 years**	**5 years and over**
Customer deposits	65,031,710	14,875,740	2,607,625	1,200,914	216,560
Funds borrowed and debt securities in issue	930,474	2,517,364	4,731,332	5,900,903	919,802
Interbank money market deposits	400,005	-	-	-	-
Guarantees and warranties	**14,287**	**412,712**	**1,976,681**	**2,492,450**	**5,445,772**

(*) Undiscounted maturities of letter of guarantees represent the contractual maturities whereas such balances have demand nature due to their callable status until its maturities.

Undiscounted cash flows of derivative financial instruments of the Group are as follows:

	Unaudited 30 June 2011					
Derivatives held for trading	**Up to 1 month**	**1-3 months**	**3-12 months**	**1-5 years**	**5 years and over**	**Total**
Foreign exchange derivatives:	69,707	(68,802)	47,762	7,065	10,882	66,614
– Inflow	10,737,548	4,107,440	3,633,848	983,607	108,440	19,570,883
– Outflow	(10,667,841)	(4,176,242)	(3,586,086)	(976,542)	(97,558)	(19,504,269)
Interest rate derivatives:	(137,766)	(1,281)	(413,620)	(1,566,547)	41,148	(2,078,066)
– Inflow	36,552	8,140	163,254	411,788	158,736	778,470
– Outflow	(174,318)	(9,421)	(576,874)	(1,978,335)	(117,588)	(2,856,536)
Derivatives held for hedging:						
Interest rate derivatives:	(5,984)	(26,936)	(220,461)	(255,673)	(36,782)	(545,836)
– Inflow	4,130	20,979	158,850	296,836	106,200	586,995
– Outflow	(10,114)	(47,915)	(379,311)	(552,509)	(142,982)	(1,132,831)
Total inflow	**10,778,230**	**4,136,559**	**3,955,952**	**1,692,231**	**373,376**	**20,936,348**
Total outflow	**(10,852,273)**	**(4,233,578)**	**(4,542,271)**	**(3,507,386)**	**(358,128)**	**(23,493,636)**

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 5 - FINANCIAL RISK MANAGEMENT (Continued)

	31 December 2010					
Derivatives held for trading	**Up to 1 month**	**1-3 months**	**3-12 months**	**1-5 years**	**5 years and over**	**Total**
Foreign exchange derivatives:	279,479	131,668	7,048	(235,955)	5,150	187,390
– Inflow	7,062,685	2,489,043	1,680,328	768,431	190,329	12,190,816
– Outflow	(6,783,206)	(2,357,375)	(1,673,280)	(1,004,386)	(185,179)	(12,003,426)
Interest rate derivatives:	18,513	(21,115)	(1,580)	34,889	(60,827)	(30,120)
– Inflow	27,660	15,164	137,385	524,777	133,847	838,833
– Outflow	(9,147)	(36,279)	(138,965)	(489,888)	(194,674)	(868,953)
Derivatives held for hedging:						
Interest rate derivatives:	(24,215)	(21,290)	(214,576)	(228,806)	(12,761)	(501,648)
– Inflow	13,860	13,665	149,742	150,806	9,239	337,312
– Outflow	(38,075)	(34,955)	(364,318)	(379,612)	(22,000)	(838,960)
Total inflow	**7,104,205**	**2,517,872**	**1,967,455**	**1,444,014**	**333,415**	**13,366,961**
Total outflow	**(6,830,428)**	**(2,428,609)**	**(2,176,563)**	**(1,873,886)**	**(401,853)**	**(13,711,339)**

(g) Operational risk

The most comprehensive meaning of operational risk is considered to be any risk which is not classified as market and credit risk. In managing operational risk, increasing the skills of the staff, improving the job technology and job definitions, establishing the necessary internal controls and various insurances are employed as main methods.

(h) Fiduciary activities

The Group provides custody services to third parties which involve the Group in the making of allocation, purchase and sale decisions. Assets held in a fiduciary capacity are not included in these financial statements. At 30 June 2011, the Group has custody accounts amounting to TL 30,287,962 in nominal value (31 December 2010: TL 26,257,569).

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 6 - CASH AND DUE FROM BANKS

Cash and due from banks comprises as follows:

	Unaudited 30 June 2011	Audited 31 December 2010
Cash funds:		
Cash on hand	836,578	805,063
Cash in transit	51,386	7,743
Cheques on hand	81	198
	888,045	**813,004**
Current accounts and demand deposits:		
Central Bank of Turkey (Note 9)	10,843,639	5,283,817
Foreign banks	1,063,833	1,106,963
Domestic banks	41,266	10,757
	11,948,738	**6,401,537**
Time deposits:		
Foreign banks	898,459	835,450
Domestic banks	908,635	457,374
	1,807,094	**1,292,824**
Interbank money market placements	**7,526**	**13,803**
Total cash and due from banks and the balances with the Central Bank of Turkey	**14,651,403**	**8,521,168**

Cash and cash equivalents included in the statements of cash flows for the six-month period ended 30 June 2011 and 30 June 2010 are as follows:

	Unaudited 30 June 2011	Unaudited 30 June 2010
Cash and due from banks excluding accrued interest	2,997,481	3,795,719
Trading and investment securities with original maturities of less than three months excluding accrued interest	3,407	1,255
	3,000,888	**3,796,974**

The lawsuit opened against CBRT regarding a judgemental difference between the Bank and the CBRT with respect to the reserve requirements for syndication loans borrowed by Malta Branch has been dismissed by Ankara 10th Administrative Court. According to this decision, Bank has been required required to maintain additional reserves at CBRT amounting to USD 742 million on average for approximately 3.5 years. This reserve has been started to be maintained at CBRT and will have no effect on the financial statements and operations of the Bank. A new lawsuit has been appealed the motion for the stay of this decision.

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 7 - TRADING SECURITIES

The breakdown of trading securities is as follows:

	Unaudited 30 June 2011	Audited 31 December 2010
Government bonds	1,451,220	482,347
Eurobonds	662,988	98,457
Government bonds denominated in foreign currency	1,996	4,130
Treasury bills	2,342	936
Share certificates	29,109	24,732
	2,147,655	**610,602**

Trading securities amounting to TL 911 (31 December 2010: TL 892) have been pledged as collateral to financial institutions and there are no trading securities pledged under repurchase agreements.

NOTE 8 - DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into the following derivative financial instruments:

"Currency forwards" represent commitments to purchase or to sell foreign and domestic currency, including spot transactions. "Foreign currency futures" are contractual obligations to receive or pay a net amount based on changes in currency rates or to buy or sell foreign currency at a future date at a specified price established in an organised financial market. Since future contracts are collateralised by cash or marketable securities and changes in the future contract value are settled daily with the exchange rate, the credit risk is negligible.

"Currency and interest rate options" are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of a foreign currency at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of foreign exchange or interest rate risk. Options may be either exchange-traded or negotiated between the Group and a customer (OTC). The Group is exposed to credit risk on purchased options only, and only to the extent of their carrying amount, which is their fair value.

"Currency and interest rate swaps" are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies or interest rates. The Group's "credit risks" represent the potential cost of replacing the swap contracts if counterparties fail to perform their obligation. This risk is monitored on an ongoing basis with reference to the current fair value, a proportion of the notional amount of the contracts and the liquidity of the market. To control the level of credit risk taken, the Group assesses counterparties using the same techniques as for its lending activities.

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 8 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in foreign exchange rates and interest rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time. The fair values of derivative instruments held at 30 June 2011 and 31 December 2010 are set out in the following table.

	Unaudited 30 June 2011 Fair values		Audited 31 December 2010 Fair values	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Derivatives held for trading:				
Currency and interest rate swap purchases and sales	303,943	(355,408)	364,571	(358,698)
Options purchases and sales	58,040	(59,995)	33,985	(34,042)
Currency and interest rate futures purchases and sales	37,881	(27,162)	42,595	(34,923)
Forward currency purchases and sales	81,410	(26,578)	29,890	(12,911)
Derivatives held for hedging:				
Interest rate swap purchases and sales	6,333	(215,875)	-	(309,429)
Total derivative assets/(liabilities)	**487,607**	**685,018**	**471,041**	**(750,003)**

Certain derivative transactions, while providing effective economic hedges under the Group's risk management position, do not qualify for hedge accounting under the specific rules in IAS 39, and are therefore treated as derivatives held for trading.

The notional amounts of derivative transactions are explained in detail in Note 18.

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 9 - LOANS AND ADVANCES TO CUSTOMERS

	Unaudited 30 June 2011	Audited 31 December 2010
Consumer loans	15,647,166	13,129,871
- Mortgage	7,454,664	6,165,764
- General purpose	6,644,309	5,984,181
- Automobile	920,772	804,035
- Other	627,421	175,891
Credit cards	7,927,356	6,784,469
- Retail	7,641,806	6,618,668
- Corporate	285,550	165,801
Corporate, commercial and small business loans	46,742,987	38,800,596
- Export financing loans	4,240,416	2,703,349
- Loans to financial institutions	1,832,916	1,853,554
- Leasing receivables	1,176,810	981,969
- Discount and purchase notes	611,060	541,921
- Project finance loans	9,317,647	8,270,673
- Commercial installment loans	5,986,564	4,100,142
- Other	23,577,574	20,348,988
Performing loans	70,317,509	58,714,936
Impaired loans	1,215,932	1,314,489
Total loans and advances to customers	71,533,441	60,029,425
Provision for impairment	(1,876,229)	(1,832,301)
Net loans and advances to customers	**69,657,212**	**58,197,124**

The loans and advances to customers include finance lease receivables, as shown below:

	Unaudited 30 June 2011	Audited 31 December 2010
Gross investment in finance leases	1,406,837	1,170,773
Less: Unearned finance income	(223,531)	(153,949)
Total investment in finance leases	1,183,306	1,016,824
Provision for impairment	(28,796)	(34,641)
Net investment in finance leases	**1,154,510**	**982,183**

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NOTE 9 - LOANS AND ADVANCES TO CUSTOMERS (Continued)

Gross lease rentals receivable and the net investment in direct financing leases have the following collection schedules:

	Unaudited 30 June 2011		**Audited 31 December 2010**	
Period ending	**Gross investment in finance leases**	**Net investment in finance leases**	**Gross investment in finance leases**	**Net investment in finance leases**
2011	251,850	238,898	-	-
2012	359,464	290,914	348,995	309,462
2013	252,791	204,903	275,425	230,884
2014	166,050	136,668	179,866	154,154
2015	110,460	89,586	106,835	91,103
2016 (*)	266,222	222,337	259,652	231,221
	1,406,837	**1,183,306**	**1,170,773**	**1,016,824**

(*) Balances include the year 2016 and after.

Movements in the provision for loan losses are as follows:

	Unaudited 30 June 2011	**Unaudited 30 June 2010**
Balance at beginning of period	1,832,301	2,344,140
- Charge for the period/year	305,266	349,762
- Recoveries	(204,657)	(348,823)
Net provision for the period	100,609	939
Written-off	(56,695)	(356,113)
Exchange differences	14	(16)
Balance at the end of period	**1,876,229**	**1,988,950**

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NOTE 10 - INVESTMENT SECURITIES

(a) Securities available-for-sale

	Unaudited 30 June 2011	Audited 31 December 2010
Debt securities		
- Government bonds	30,036,092	38,222,696
- Eurobonds	3,083,917	3,664,715
- Treasury bills	-	46,986
- Government bonds denominated in foreign currency	806	512,329
- Other bonds	896,006	758,968
Equity securities		
- Listed	7,706	25,574
- Unlisted	8,832	8,832
- Mutual Funds	95,909	68,376
Total securities available-for-sale	**34,129,268**	**43,308,476**

Unrealised gain and losses arising from changes in the fair value of securities classified as "available-for-sale" are recognised as "other reserves" in other comprehensive income unless there is an objective evidence that the asset is impaired in which case the cumulative loss that had been recognized in other comprehensive income is reclassified from equity to profit or loss.

(b) Securities held-to-maturity

	Unaudited 30 June 2011	Audited 31 December 2010
Debt securities		
- Government bonds	4,544,237	5,358,854
- Government bonds denominated in foreign currency	-	270,553
- Eurobonds	1,081,373	997,013
- Other bonds	905	860
Total securities held-to-maturity	**5,626,515**	**6,627,280**

Investment securities amounting to TL 8,803,421 have been pledged as collateral to various institutions at 30 June 2011 (2010: TL 6,686,754) and securities amounting to 15,578,733 TL (2010: TL 12,136,922) are pledged under repurchase agreements.

Government bonds, eurobonds and treasury bills under trading and investment securities are issued by the Government of the Republic of Turkey. Other bonds mainly represents bonds issued by corporate and other financial institutions.

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NOTE 11 – PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS

The amount of tangible and intangible assets purchased during the six months period ended 30 June 2011 amounts to TL 24,080 (30 June 2010: TL 97,221).

The cost of tangible and intangible assets sold during the six months period ended 30 June 2011 amounts to TL 97,427 (30 June 2010: TL 1,895).

NOTE 12 - CUSTOMER DEPOSITS

The breakdown of deposits according to type and maturity is as follows:

	Unaudited 30 June 2011			Audited 31 December 2010		
	Demand	**Time**	**Total**	**Demand**	**Time**	**Total**
Saving deposits	3,938,023	37,383,724	41,321,747	3,827,711	36,955,563	40,783,274
Commercial deposits	4,445,796	17,975,533	22,421,329	4,196,148	17,554,827	21,750,975
Funds deposited under repurchase agreements	-	14,429,588	14,429,588	-	11,397,116	11,397,116
Bank deposits	209,132	8,393,828	8,602,960	192,116	7,493,638	7,685,754
Other	1,163,999	1,006,974	2,170,973	493,254	995,078	1,488,332
	9,756,950	**79,189,647**	**88,946,597**	**8,709,229**	**74,396,222**	**83,105,451**

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 13 – INTERBANK MONEY MARKET DEPOSITS, FUNDS BORROWED AND DEBT SECURITIES IN ISSUE

	Unaudited 30 June 2011	**Audited 31 December 2010**
Interbank money market deposits	**399,834**	**400,005**
Domestic banks		
- TL	248,870	290,385
- Foreign currency	543,238	442,903
Foreign institutions	9,776,308	7,439,370
Funds borrowed	**10,568,416**	**8,172,658**

Interbank money market deposits represent borrowings from the interbank money market regulated by the Central Bank of Turkey.

Funds borrowed from domestic banks mainly represent funds obtained from Turkish Eximbank to finance certain export loans given to customers, under prevailing regulations.

As of 30 June 2011, there are two outstanding syndicated loan facilities; the first amounts to EUR 1 billion provided on 17 August 2010 by 52 international banks with West LB AG London Branch acting as agent, which consists of EUR 810.5 million and USD 254.7 million. EUR 780 million of the loan has a maturity of 1 year with an all in cost of EURIBOR/LIBOR +%1.30 and EUR 220 million of the loan has a maturity of 2 years with an all in cost of EURIBOR/LIBOR +%1.75. The second facility provided on 23 March 2011 amounts to USD 1.3 billion with a maturity of 1 year. EUR 652.2 million of the facility has an all in cost of EURIBOR +%1.10 and USD 405.7 million of the facility has an all in cost of LIBOR +%1.10 with West LB AG London Branch acting as agent.

NOTE 13 – INTERBANK MONEY MARKET DEPOSITS, FUNDS BORROWED AND DEBT SECURITIES IN ISSUE (Continued)

Debt securities in issue

Debt securities consist of USD and TL denominated securities.

The repayment schedule of the total USD denominated notes in issue is as follows:

	Unaudited 30 June 2011		Audited 31 December 2010	
	USD (000)	**TL Equivalent**	**USD (000)**	**TL Equivalent**
2011 (*)	471,780	762,254	435,467	669,574
2012	610,436	986,281	533,286	819,980
2013	537,157	867,884	583,480	897,160
2014	319,260	515,830	391,549	602,046
2015	974,330	1,574,226	1,001,150	1,539,368
2016	119,738	193,460	119,764	184,149
2017	94,711	153,025	72,705	111,791
2018	315,390	509,576	36,353	55,895
Total	**3,442,802**	**5,562,536**	**3,173,754**	**4,879,963**

(*) Repayments include accrued interest payables in the amount

The balance amounting to US$(000) 3,442,802 consists of securitization deals and USD denominated securities issued by the Bank. On 7 March 2011, the Bank has issued 7 year USD denominated Eurobonds with a nominal amount of USD 500 million and maturing at 9 March 2018. These bonds have a coupon rate of 5.125%.

In 2011, the Bank has issued TL denominated bonds with a nominal amount of TL 500,000 and a fix rate of 7.56% maturing at 29 July 2011. Also the Bank has issued TL denominated bonds with a nominal amount of TL 1,000,000 and a fix rate of 8.68% maturing at 6 December 2011. As of 30 June 2011, the outstanding TL denominated bonds are amounting to TL 1,290,914.

NOTE 14- EMPLOYMENT BENEFIT OBLIGATIONS

	Unaudited 30 June 2011	Audited 31 December 2010
Balance sheet obligations for:		
- Reserve for employment termination benefits	42,050	39,496
- Accrual for unused vacation	34,861	32,232
	76,911	**71,728**

There are no amounts recognised in the balance sheet for post-employment benefits since fair value of the Fund's plan assets compensate defined benefit obligations as of 30 June 2011.

NOTE 14- EMPLOYMENT BENEFIT OBLIGATIONS (Continued)

(a) Post-employment benefits (pension and medical)

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

Temporary 23rd article paragraph ("the paragraph") 1 of the Banking Law No 5411 published in the Official Gazette No 25983 dated 1 November 2005 envisaged that Banks would transfer their pension funds to the Social Security Institution within three years following the publication date of the Banking Law, and regulated the principles of this transfer. The first paragraph of the related article was rescinded as from the 31 March 2007, the publication date of the decision of the Constitutional Court dated 22 March 2007. The reasoned decree regarding the rescission of the mentioned paragraph was published in the Official Gazette numbered 26731, dated 15 December 2007.

Following the publication of the reasoned decree of the Constitutional Court, Grand National Assembly commenced to work on a new law regarding the transfer of the members of funds to the Social Security Institution; the related articles of the Social Security Law ("New Law") numbered 5754 regarding the transfer of the funds, were ratified by the Grand National Assembly on 17 April 2008 and came into effect following the publication in the Official Gazette numbered 26870, dated 8 May 2008.

The main opposition party appealed to the Constitutional Court for the cancellation of some of the articles of the New Law including transfer of the Funds to the SSI on 19 June 2008. The Constitution Court has dismissed the appeal with the decision taken in the meeting dated 30 March 2011. As of the publication date of the financial statements, the full decision has not been published in the Official Gazette yet.

The New Law was requiring that present value of post-employment benefits at the transfer date shall be calculated by a commission consisting of the representatives of SSI, Ministry of Finance, Undersecretariat of Treasury, Undersecretariat of State Planning Organization, BRSA, SDIF and banks and funds, by using a technical discount rate of 9,8 percent taking into consideration the transferrable contributions and payments of the funds including any monthly payment differences paid by the funds above the limits within the framework of SSI regulations. Accordingly the transfer required by the New Law was to be completed until 8 May 2011. According to the decision of the Council of Ministers published on the Official Gazette dated 9 April 2011 no. 27900, the time frame for related transfer has been extended for two years. The transfer should be completed until 8 May 2013.

The Group's obligation in respect of the post-employment benefits transferrable to SSI, has been determined as the value of the payment that would need to be made to SSI to settle the obligation at the balance sheet date in accordance with the related article of the New Law and other related laws and regulations and the Group's obligation related to other non-transferable benefits is calculated in accordance with IAS 19 by a registered actuary. Therefore, the actuarial parameters and results reflect the provisions of the New Law for the post-employment pension and medical benefits transferrable to SSI (e.g. a technical interest rate of 9.80%), except for the non-transferrable other benefits. Based on the actuarial report as at 31 December 2010 issued by the actuary, it has been determined that, in accordance with the New Law, the Fund has a surplus including the obligation for non-transferable other benefits.

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 14- EMPLOYMENT BENEFIT OBLIGATIONS (Continued)

Additionally, the Bank management is of the opinion that the possible obligation amount to arise during and after the transfer to be made within the framework described above will be at a reasonable level that can be met by the Fund's assets and will not bring any additional burden for the Bank.

(b) Employment termination benefits

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement.

The amount payable consists of one month's salary limited to a maximum of TL 2,623,23 in full TL amount (31 December 2010: TL 2,517.00 in full TL amount) for each year of service.

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

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

NOTE 15 - SHARE CAPITAL

The historic amount of share capital of the Group is TL 4,000,000 (31 December 2010: TL 4,000,000) and consists of 400,000,000,000 (31 December 2010: 400,000,000,000) authorized shares with a nominal value of Kr 1 each.

At 30 June 2011 and 31 December 2010, the issued and fully paid-in share capital held is as follows:

	Unaudited 30 June 2011		Audited 31 December 2010	
	Share (%)	**TL**	**Share (%)**	**TL**
Total Sabancı Group, affiliated companies and family	48.90	1,956,028	51.16	2,046,647
Citibank Overseas Investment Corporation	20.00	800.000	20.00	800,000
Other	31.10	1,243,972	28.84	1,153,353
Historical share capital	100.00	4.000.000	100.00	4,000,000
Adjustment to share capital	-	1,534,393	-	1,534,393
Total paid-in share capital		**5,534,393**		**5,534,393**

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 15 - SHARE CAPITAL (Continued)

The adjustment to share capital represents the restatement effect of cash and cash equivalent contributions to share capital in terms of equivalent purchasing power at 31 December 2004 after elimination of the accumulated deficit of TL 1,464,503.

For the interim period ending 30 June 2011, the Bank has paid dividend payment in cash with respect to 2010 net distributable profit after the transfer of first and legal reserves amounting to TL 570,620 (TL 0.0014 per share).

For the interim period ending 30 June 2010, the Bank has paid dividend payment in cash with respect to 2009 net distributable profit after the transfer of first and legal reserves amounting to TL 540,600 (TL 0.0018 per share).

NOTE 16 - NET FEES AND COMMISSION INCOME

	Unaudited 1 January- 30 June 2011	Unaudited 1 January- 30 June 2010
Fee and commission income on:		
Credit cards	467,920	373,998
Retail and commercial banking operations	180,897	152,009
Mutual fund management fee	66,846	82,053
Brokerage	31,125	30,598
Non-cash loans	33,032	32,277
Insurance intermediary	49,211	31,932
Money transfers	28,826	28,946
Other	96,414	60,018
	954,271	**791,831**
Fee and commission expense on:		
Credit cards	(102,084)	(83,352)
Other	(25,081)	(13,977)
	(127,165)	**(97,329)**
Net fee and commission income	**827,106**	**694,502**

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 17 - OPERATING EXPENSES

	Unaudited 1 January- 30 June 2011	Unaudited 1 January- 30 June 2010
Employee costs	501,522	470,490
Credit card and banking services	170,616	174,477
Provision for general possible risks	-	60,000
Legal expenses	49,266	63,363
Depreciation charges of property and equipment	56,352	52,212
Communication expenses	49,680	44,957
Information technology	52,385	58,698
Marketing and advertisement expenses	43,839	57,500
Saving deposits insurance fund	36,485	32,061
Sundry taxes and duties	71,041	55,305
Heating, lighting and water expenses	17,179	15,357
Repair and maintenance expenses	9,012	6,864
Amortisation of intangible assets	14,921	10,036
Stationery expenses	5,396	4,461
Other	196,082	157,533
	1,273,776	**1,263,314**

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 18 - COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In the normal course of banking activities, the Group undertakes various commitments and incurs certain contingent liabilities that are not presented in these consolidated balance sheets, including letters of guarantee, acceptance credits, letters of credit and off-balance sheet derivative instruments. The management does not expect any material losses as a result of these transactions. The following is a summary of significant commitments and contingent liabilities:

(a) Commitments under derivative instruments

The breakdown of notional amounts of derivative transactions at 30 June 2011 and 31 December 2010 is as follows:

	Unaudited 30 June 2011	Audited 31 December 2010
Derivatives held for trading:		
Forward and spot foreign currency buy/sell transactions	**4,733,820**	**2,892,072**
Forward foreign currency transactions-buy	2,385,203	1,450,843
Forward foreign currency transactions-sell	2,348,617	1,441,229
Swap transactions related to foreign currency and interest rates	**48,068,423**	**29,942,262**
Foreign currency swap-buy	15,564,017	8,911,169
Foreign currency swap-sell	15,515,426	8,697,663
Interest rate swap-buy	8,494,490	6,166,715
Interest rate swap-sell	8,494,490	6,166,715
Foreign currency, interest rate and marketable security options	**13,682,827**	**9,439,522**
Foreign currency options-buy	3,384,833	3,588,694
Foreign currency options-sell	3,378,166	3,586,174
Interest rate options-buy	3,416,159	1,131,357
Interest rate options-sell	3,416,159	1,131,357
Marketable security options-buy	43,755	970
Marketable security options-sell	43,755	970
Foreign currency futures	**-**	**2,004**
Foreign currency futures-buy	-	1,015
Foreign currency futures-sell	-	989
Other	**1,090,130**	**162,564**
Derivatives held for hedging:		
Interest Rate Swaps	6,463,345	5,090,000
Total derivative transactions, net	**74,038,545**	**47,528,424**

The above tables summarise the Group's derivative transactions. Each derivative transaction represents a simultaneous receivable and payable to be received and paid, on a future date. Accordingly, the difference between the "sale" and "purchase" transactions represents the net exposure of the Group with respect to commitments arising from these transactions.

(Currency - in Thousands of Turkish Lira ("TL") unless otherwise indicated. All other currencies are also expressed in thousands)

NOTE 18- COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (Continued)

(b) Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate and therefore have significantly less risk. Cash requirements under guarantees and standby letters of credit are considerably less than the amount of the commitment because the Group does not generally expect the third party to draw funds under the agreement.

The total outstanding contractual amount of commitments to extend credit does not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded.

The following table shows the outstanding credit related commitments of the Group at 30 June 2011 and 31 December 2010:

	Unaudited 30 June 2011			Audited 31 December 2010		
	Up to 1 year	**Over 1 year**	**Total**	**Up to 1 year**	**Over 1 year**	**Total**
Letters of guarantee issued by the Group						
- Turkish lira	353,565	4,289,035	4,642,600	315,212	3,735,099	4,050,311
- Foreign currency	177,255	2,521,839	2,699,094	140,266	2,371,809	2,512,075
Acceptance credits						
- Turkish lira	1,444	496	1,940	1,231	496	1,727
- Foreign currency	109,570	22,244	131,814	58,177	9,860	68,037
Letter of credit						
- Turkish lira	-	13,395	13,395	-	13,105	13,105
- Foreign currency	2,923,434	955,683	3,879,117	1,695,008	1,038,249	2,733,257
Other guarantees						
- Turkish lira	333,748	285,689	619,437	-	528,991	528,991
- Foreign currency	267,828	249,173	517,001	193,786	240,613	434,399
	4,166,844	**8,337,554**	**12,504,398**	**2,403,680**	**7,938,222**	**10,341,902**

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NOTE 19 - MUTUAL FUNDS

At 30 June 2010, the Group manages 39 (31 December 2010: 33) mutual funds and 17 (31 December 2010: 18) mutual pension funds ("Funds") which were established under Capital Markets Board Regulations. At 30 June 2010, the Funds' investment portfolio includes government bonds, treasury bills and share certificates amounting to TL 7,072,476 (31 December 2010: TL 6,667,917). In accordance with the Funds' statute, the Group purchases and sells marketable securities for the Funds, markets their participation certificates and provides other services and charges management fees ranging from 0.0000275% to 0.0001% on daily basis over portfolio value. At 30 June 2011, management fees earned by the Group amounted to TL 66,846 (30 June 2010: TL 82,053).

NOTE 20 - RELATED PARTY TRANSACTIONS

A number of transactions were entered into with related parties in the normal course of business.

Balances with related parties:

	Unaudited 30 June 2011	Audited 31 December 2010
Loans and receivables, net	1,388,028	951,107
Finance lease receivables	4,522	6,223
Total Assets	**1,392,550**	**957,330**
Customer Deposit	6,442,791	6,370,538
Total Liabilities	**6,442,791**	**6,370,538**
Credit related commitments	425,275	397,262
Commitment under derivative instruments (*)	3,868,714	2,405,244
Total Commitments and contingent liabilities	**4,293,989**	**2,802,506**

Transactions with related parties:

	Unaudited 30 June 2011	Unaudited 30 June 2010
Total interest income	29,668	18,306
Total interest expense	230,853	227,159
Trading (losses)/gains	(13,871)	20,017

(*) Figures presented in the table above show the total of "sale" and "purchase" amounts of the related transactions.

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NOTE 20 - RELATED PARTY TRANSACTIONS (Continued)

Balances with senior management and Board of Directors and their related parties:

	Unaudited 30 June 2011	Audited 31 December 2010
Customer Deposit	812,925	768,897
Total due to customers	**812,925**	**768,897**

Key management personnel compensation:

For the period ended 30 June 2011, total remuneration of the senior management and Board of Directors amounted to TL 14,954 (30 June 2010: TL 13,892).

As at 30 June 2011 and 2010, other balances with directors and other key management personnel are immaterial.

NOTE 21 - SEGMENT REPORTING

The Group operates in five main business segments including retail banking, corporate and SME banking, treasury activities, private banking and international banking. These segments have been determined considering customer segments and branch network providing services to customers in accordance with the Bank's organizational structure.

The profitability system generating segment information provides profitability information on the basis of account, customer, customer relationship manager, branch, segment and product. This information is made available to the branch and Head Office personnel through a web based management reporting system.

In scope of retail banking, the Group offers a variety of retail services such as deposit accounts, consumer loans, commercial installment loans, credit cards, insurance products and asset management services. The retail banking products and services also include bank cards, investment funds trading, automatic payment services, foreign currency trading, safe deposit box rentals, cheques, money transfers, investment banking, telephone and internet banking.

Corporate banking and SME banking provide financial solutions and banking services to large, medium and small size corporate and commercial customers. The products and services offered to corporate and commercial customers include TL and foreign currency denominated working capital loans, financing for investments, foreign trade financing, derivative instruments for hedging purposes of foreign currency and interest risk, letters of credit, foreign currency trading, corporate finance services and deposit and cash management services. In addition, the Group provides timely and permanent solutions for corporate customers' working capital management, delivers cash management services tailored based on customers' requests that include collection and payment services and liquidity and information management. Project finance loans are provided within the context of investment banking activities.

Treasury activities are performed by the Treasury Unit. The Treasury Unit trades in TL and foreign currency instruments on a spot and forward basis, and trade in treasury bills, bonds and other domestic securities together with foreign securities with "AAA" rating. The Marketing and Treasury Group carry out marketing activities of treasury and derivative financial products for customers.

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Private banking serves the members of the upper-income groups who have expectations for upperclass service quality both in banking and investment transactions.

International Banking activities are managed by International Banking Unit. The Group provides services for foreign trade financing, foreign currency and TL clearances, and money transfers through agent financial institutions. The international banking unit serves in fundamental areas such as providing long-term funding opportunities, creating funding facility at lower prices that fully reflect country risk, diversifying funding resources and creating a base of international investors for that purpose.

Other activities (including leasing services) are provided by the consolidated subsidiaries of the Bank.

Segment information regarding the balance sheets at 30 June 2011 and 31 December 2010 and the income statements for the six-month periods ended 30 June 2011 and 2010 are as follows:

	Unaudited 30 June 2011						
	Retail banking	Corporate and SME banking	Private banking	Treasury activities	International banking	Other	Total
Segment information regarding the balance sheet:							
Segment assets	27,200,494	48,828,858	1,128,682	45,479,468	2,454,288	827,972	125,919,762
Equity securities							3,125
Unallocated assets							3,070,957
Total assets							**128,993,844**
Segment liabilities	42,083,071	20,724,547	11,022,164	24,656,086	8,417,996	592,872	107,496,736
Unallocated liabilities							3,671,715
Equity							17,825,393
Total liabilities and equity							**128,993,844**
Segment information regarding the income statement:							
Segment revenue	1,019,281	710,896	66,625	1,123,793	24,237	95,345	3,040,177
Segment result	266,210	474,518	46,382	933,907	21,454	20,922	1,763,393
Dividend income						3,008	3,008
Income taxes						(345,175)	(345,175)
Profit for the period	266,210	474,518	46,382	933,907	21,454	(321,245)	1,421,226
Other segment items:							
Capital expenditure	12,317	293	98	899	-	10,473	24,080
Depreciation and amortization	(41,031)	(2,692)	(452)	(454)	(145)	(26,499)	(71,273)
Other non-cash expenses	(84,212)	(144,288)	(1,722)	(95,258)	(3,025)	(2,764)	(331,269)

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NOTE 21 - SEGMENT REPORTING (Continued)

	31 December 2010						
	Retail banking	Corporate and SME banking	Private banking	Treasury activities	International banking	Other	Total
Segment information regarding the balance sheet:							
Segment assets	22,090,512	38,258,116	686,833	53,675,087	724,014	548,664	115,983,226
Equity securities	-	-	-	-	-	-	8,832
Unallocated assets	-	-	-	-	-	-	3,662,792
Total assets							**119,654,850**
Segment liabilities	40,503,935	20,324,907	9,162,325	17,560,705	10,198,727	598,958	98,349,557
Unallocated liabilities	-	-	-	-	-	-	3,245,456
Equity	-	-	-	-	-	-	18,059,837
Total liabilities and equity							**119,654,850**

	30 June 2010						
	Retail banking	Corporate and SME banking	Private banking	Treasury activities	International banking	Other	Total
Segment information regarding the income statement:							
Segment revenue	1,118,553	670,767	73,431	1,609,680	27,489	45,076	3,544,996
Segment result	379,144	426,554	53,983	1,466,734	25,851	(76,015)	2,276,251
Dividend income	-	-	-	-	-	5,431	5,431
Income taxes						(447,821)	(447,821)
Profit for the period	**379,144**	**426,554**	**53,983**	**1,466,734**	**25,851**	**(518,405)**	**1,833,861**
Other segment items:							
Capital expenditure	(48,298)	(1,333)	(645)	(1,140)	-	(45,805)	(97,221)
Depreciation and amortization	(34,379)	(2,323)	(385)	(397)	(118)	(24,646)	(62,248)
Other non-cash expenses	(100,380)	(160,433)	(415)	(56,257)	(301)	(1,607)	(319,393)

NOTE 22 - SUBSEQUENT EVENTS

As of 29 July 2011, the Bank has issued a 175 day maturity bond amounting to TL 500 million at an interest rate of 8.80%.

As of 4 August 2011, Bank has obtained funding with a 7 year maturity from European Bank for Reconstruction and Development (EBRD) and Sumitomo Mitsui Banking Corporation, Brussels (SMBC) amounting to 200 million USD in connection with the securitization program related with the export and check receivables and foreign exchange transfers.