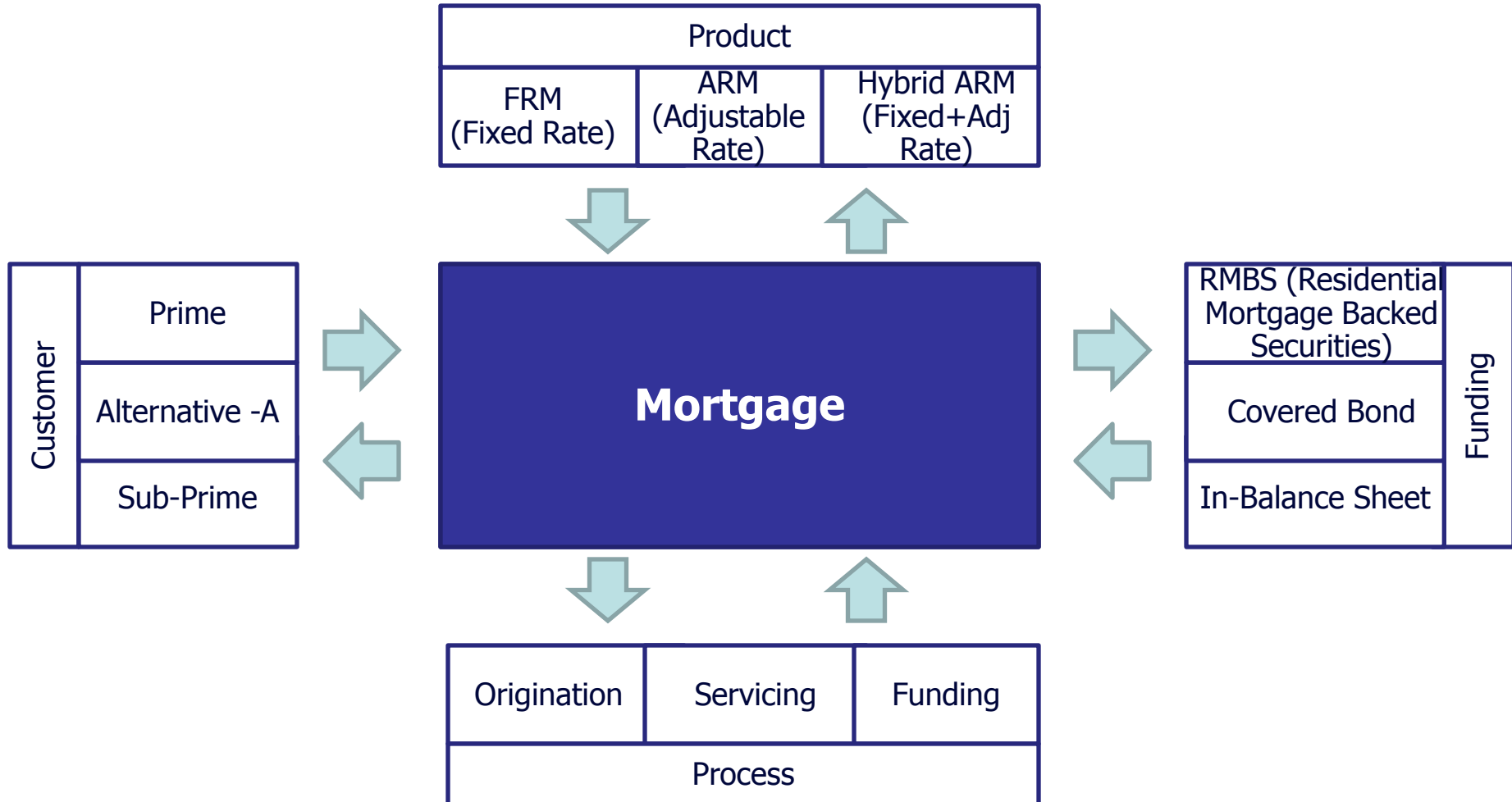


DD MORTGAGE



Apr 18th, 2011

What is Mortgage ?



How Big is the Mortgage Market?



- US

Total residential mortgage outstanding is \$10,6 trillion by 2010 4Q

- Europe

Total residential mortgage outstanding including EU27 countries is \$8,5 trillion by 2008

Selected Europe countries with developed mortgage market;

UK : \$1,9 trillion by 2010 4Q

Germany : \$1,6 trillion by 2010 1Q

Spain : \$0,9 trillion by 2010 1Q

- Other

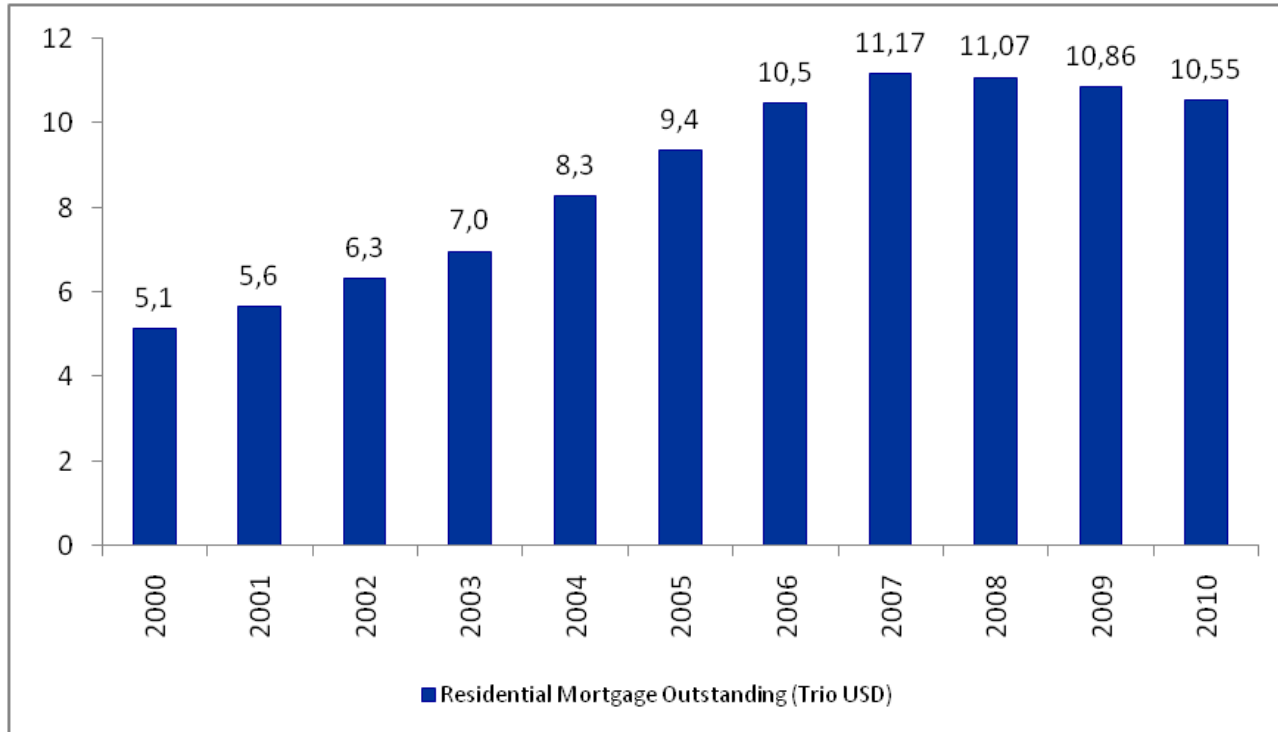
Canada : \$1,0 trillion by 2010 1Q

Poland : \$76 billion by 2010 1Q

US

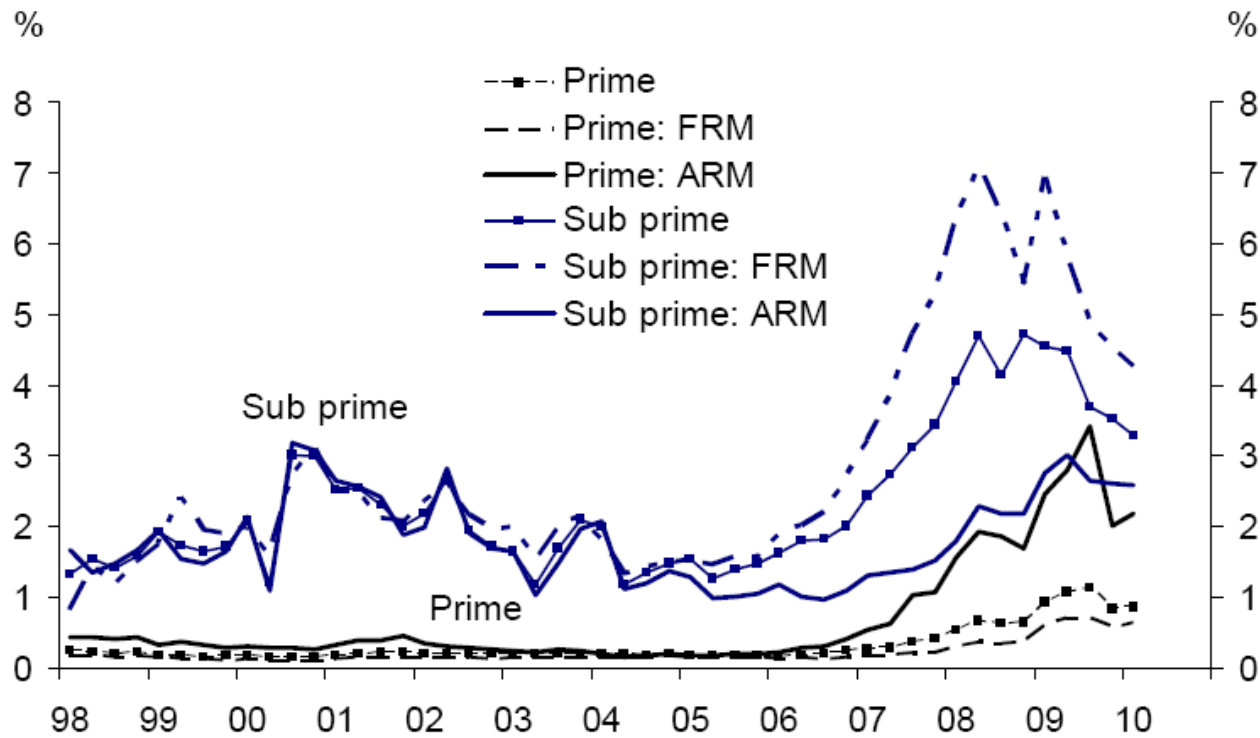


US Mortgage



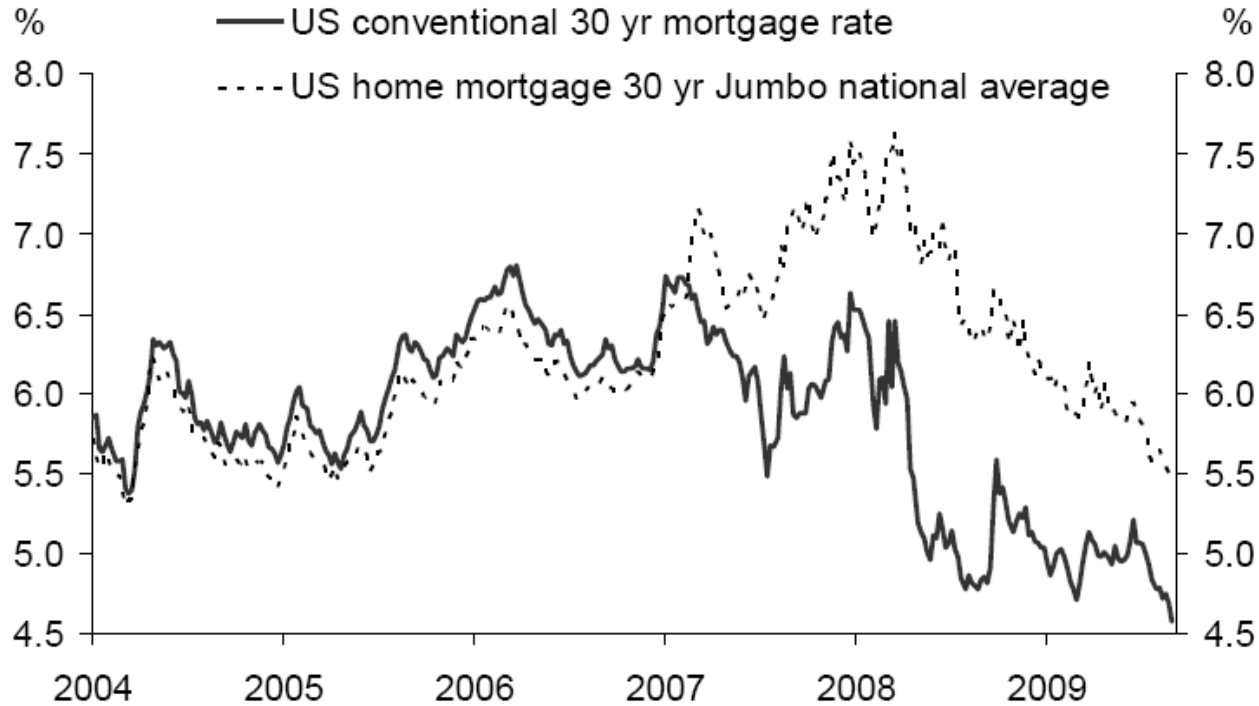
Source : FRB

US Foreclosures



Source : DB Research

US Mortgage Interest Rates



Source : DB Research

US House Prices Decline & Equity Loss



Turkey



Housing Demand



Year	Household Growth	Migration btw Urban Areas	Renewal	Urban Transformation	Total
2011	287	100	89	155	631
2012	287	90	91	160	628
2013	291	80	94	165	630
2014	291	70	96	170	627
2015	292	70	99	170	631
2016	295	70	102	170	636
2017	294	70	105	170	639
Total	2.036	550	676	1.160	4.422

(in thousands)

Source: TurkStat, GYODER, DD Mortgage

Banking Sector and Mortgage



	Total Assets	Total Loans	Consumer Loans	Mortgage Loans	% Mortgage in Total Assets	% Mortgage in Total Loans	% Mortgage in Consumer Loans	Mortgage Loans Growth
2003	250	70	13	0,9	0,5%	1,7%	7%	84%
2004	307	103	27	2,6	0,9%	2,6%	10%	203%
2005	397	153	45	12,4	3,1%	8,1%	27%	368%
2006	485	218	67	22,2	4,6%	10,2%	33%	79%
2007	560	286	91	30,8	5,5%	10,8%	34%	39%
2008	733	369	114	37,4	5,1%	10,1%	33%	22%
2009	834	398	126	42,6	5,1%	10,7%	34%	13,7%
2010	1.007	532	168	57,3	5,7%	10,8%	34%	34,5%
Jan 2011	1.021	540	170	58,5	5,7%	10,8%	34%	2,2%
Feb 2011	1.050	553	174	59,8	5,7%	10,8%	34%	4,4%
Mar 2011	NA	561	178	61,3	NA	10,9%	35%	7,0%

(Billion TL)

Source: CBT

Consumer Loans and NPL



	Mortgage Loans			Car Loans			Personal Loans			Credit Cards			Total Consumer Loans		
	Total	NPL	%	Total	NPL	%	Total	NPL	%	Total	NPL	%	Total	NPL	%
2003	872	10	1,1%	2.153	31	1,5%	3.023	67	2,2%	6.578	NA	NA	12.626	108	0,9%
2004	2.641	12	0,5%	4.322	27	0,6%	5.962	50	0,8%	13.753	593	4,3%	26.678	682	2,6%
2005	12.357	16	0,1%	6.089	71	1,2%	10.029	101	1,0%	17.034	1.304	7,7%	45.509	1.492	3,3%
2006	22.162	47	0,2%	6.365	128	2,0%	17.624	187	1,1%	21.205	1.669	7,9%	67.356	2.031	3,0%
2007	30.823	192	0,6%	5.862	223	3,8%	28.900	474	1,6%	25.767	1.719	6,7%	91.353	2.608	2,9%
2008	37.445	450	1,2%	5.314	323	6,1%	38.286	1.099	2,9%	33.411	2.368	7,1%	114.455	4.240	3,7%
2009	42.554	869	2,0%	4.182	499	11,9%	43.846	2.485	5,7%	35.774	4.159	11,6%	126.357	8.012	6,3%
2010	57.256	730	1,3%	5.349	349	6,5%	62.331	2.379	3,8%	43.232	3.709	8,6%	168.168	7.168	4,3%
Jan 2011	58.511	720	1,2%	5.401	341	6,3%	63.409	2.374	3,7%	42.907	3.682	8,6%	170.227	7.118	4,2%
Feb 2011	59.779	766	1,3%	5.474	318	5,8%	65.294	2.315	3,6%	43.354	3.653	8,4%	173.901	7.053	4,1%
Mar 2011	61.258	753	1,2%	5.590	307	5,5%	67.562	2.287	3,4%	43.139	3.658	8,5%	177.547	7.005	4,0%

(Million TL)

Source: CBT

Mortgage Market (New Loans)



	Volume (Billion TL)	Number of Transactions	Avg Ticket Size (000 TL)
2003	0,8	27.000	30
2004	2,7	100.500	27
2005	11,6	242.580	48
2006	15,6	268.270	58
2007	15,5	240.800	65
2008	15,4	237.280	65
2009	21,2	337.200	63
<i>2010 1Q</i>	<i>6,5</i>	<i>95.600</i>	<i>68</i>
<i>2010 2Q</i>	<i>7,5</i>	<i>108.020</i>	<i>70</i>
<i>2010 3Q</i>	<i>6,9</i>	<i>97.440</i>	<i>70</i>
<i>2010 4Q (Est)</i>	<i>9,4</i>	<i>134.280</i>	<i>70</i>
2010 (Est)	30,3	433.200	70

Source: BAT

Mortgage Loans by City (2010 4Q)



CITY	2010 4Q VOLUME	%
İSTANBUL	22.204.084	36,5%
ANKARA	8.177.593	13,5%
İZMİR	4.523.047	7,4%
ANTALYA	2.056.729	3,4%
BURSA	1.844.503	3,0%
KOCAELİ	1.484.415	2,4%
ADANA	1.361.257	2,2%
MERSİN	1.197.965	2,0%
KONYA	835.814	1,4%
MANİSA	821.996	1,4%
TEKİRDAĞ	778.489	1,3%
AYDIN	773.817	1,3%
MUĞLA	743.427	1,2%
GAZİANTEP	680.250	1,1%
KAYSERİ	667.677	1,1%
SAMSUN	645.118	1,1%
BALIKESİR	640.719	1,1%
HATAY	625.659	1,0%
ESKİŞEHİR	615.896	1,0%
DENİZLİ	499.994	0,8%
DİYARBAKIR	479.365	0,8%
SAKARYA	461.906	0,8%
TRABZON	390.753	0,6%
MALATYA	351.185	0,6%
ÇANAKKALE	333.248	0,5%
ZONGULDAK	317.774	0,5%
ŞANLIURFA	312.084	0,5%

CITY	2010 4Q VOLUME	%
ÇORUM	309.796	0,5%
ORDU	270.315	0,4%
TOKAT	257.816	0,4%
EDİRNE	255.754	0,4%
AFYONKARAHİSAR	251.621	0,4%
SİVAS	248.229	0,4%
KAHRAMANMARAŞ	242.947	0,4%
ERZURUM	231.005	0,4%
ELAZIĞ	230.277	0,4%
KIRKLARELİ	223.166	0,4%
ISPARTA	207.707	0,3%
KÜTAHYA	182.395	0,3%
YOZGAT	173.337	0,3%
YALOVA	172.757	0,3%
AMASYA	168.003	0,3%
KASTAMONU	166.858	0,3%
KIRIKKALE	163.005	0,3%
GİRESUN	159.059	0,3%
BOLU	157.128	0,3%
ADIYAMAN	153.838	0,3%
OSMANİYE	145.868	0,2%
RİZE	145.610	0,2%
AKSARAY	145.225	0,2%
NİĞDE	139.765	0,2%
UŞAK	133.719	0,2%
VAN	132.382	0,2%
KIRŞEHİR	130.184	0,2%

CITY	2010 4Q VOLUME	%
BURDUR	123.054	0,2%
NEVŞEHİR	117.103	0,2%
KARABÜK	113.782	0,2%
DÜZCE	111.920	0,2%
BİLECİK	107.445	0,2%
KARAMAN	106.203	0,2%
ÇANKIRI	98.593	0,2%
SİNOP	96.783	0,2%
MARDİN	92.018	0,2%
ARTVİN	87.985	0,1%
KARS	78.049	0,1%
ERZİNCAN	74.285	0,1%
BATMAN	74.266	0,1%
BARTIN	73.464	0,1%
SİİRT	56.001	0,1%
BİTLİS	48.752	0,1%
AĞRI	44.597	0,1%
TUNCELİ	38.914	0,1%
İĞDIR	38.156	0,1%
GÜMÜŞHANE	34.275	0,1%
ŞIRNAK	31.765	0,1%
KİLİS	30.550	0,1%
BİNGÖL	23.566	0,0%
MUŞ	23.403	0,0%
HAKKARİ	19.323	0,0%
ARDAHAN	17.611	0,0%
BAYBURT	14.208	0,0%

* All Bank Groups are included

Number of House Sales by City



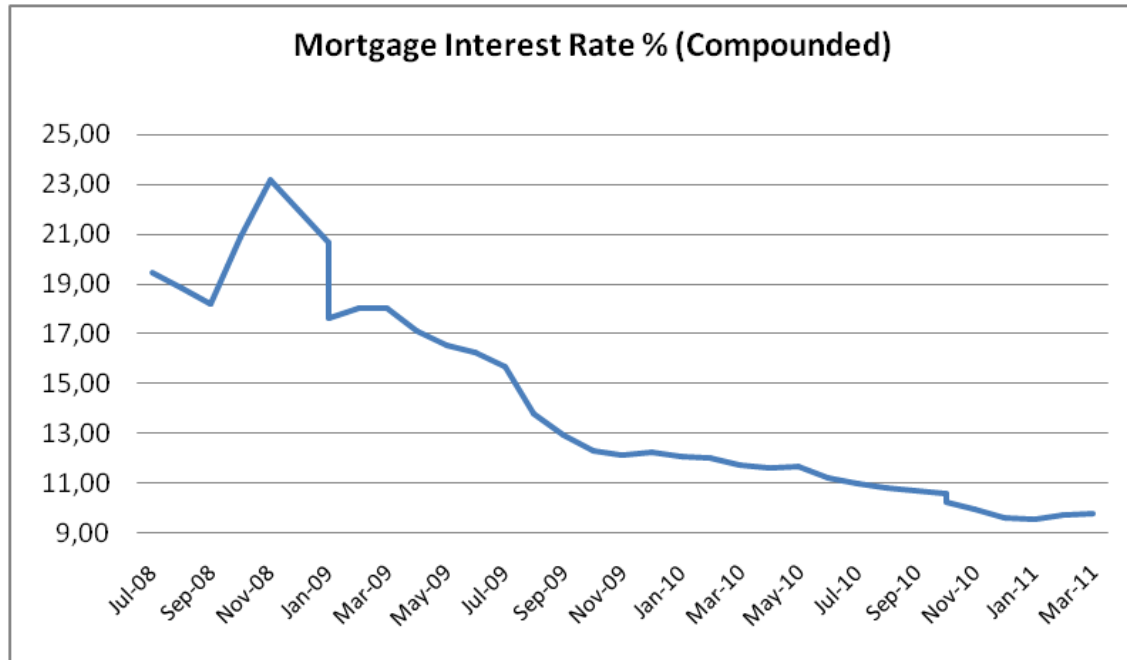
CITY	2010	2009	2008
İSTANBUL	214.423	195.008	134.929
ANKARA	125.566	106.511	78.741
İZMİR	56.226	48.964	34.878
ANTALYA	48.105	43.545	33.026
BURSA	29.488	22.697	15.404
MERSİN	25.978	21.729	15.675
KAYSERİ	18.866	14.300	11.171
ADANA	18.431	14.593	11.338
GAZİANTEP	17.512	15.721	10.850
AYDIN	17.413	16.669	11.491
KOCAELİ	17.206	12.508	8.784
KONYA	16.624	14.191	9.835
MUĞLA	16.061	15.986	12.625
TEKİRDAĞ	15.742	13.568	10.519

CITY	2010	2009	2008
BALIKESİR	15.246	13.093	9.999
ESKİŞEHİR	15.062	11.092	8.331
DİYARBAKIR	11.185	11.562	7.725
SAMSUN	11.038	9.885	6.820
MANİSA	10.710	8.824	7.234
HATAY	10.407	8.459	6.447
DENİZLİ	8.362	7.428	4.800
SAKARYA	8.269	7.179	5.011
MALATYA	8.242	7.530	5.137
ÇORUM	8.088	6.430	5.075
ELAZIĞ	7.335	6.038	4.834
ŞANLIURFA	7.084	6.024	5.006
TRABZON	5.727	5.370	4.075

* Cities having number of house sales below 5.000 by year 2010 are not included

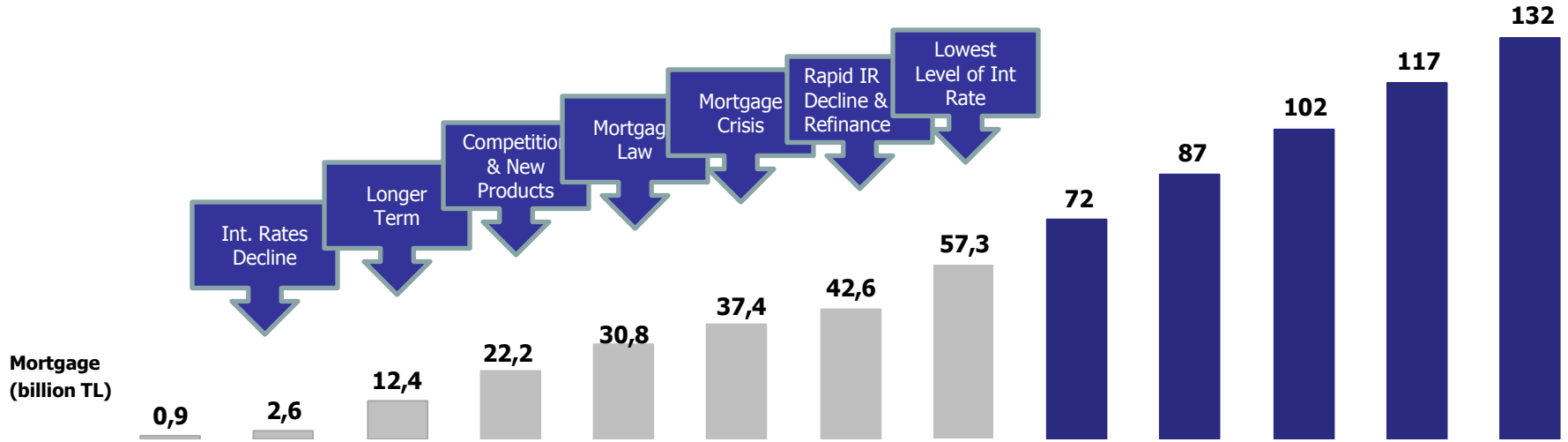
Source: TKGM

Mortgage Interest Rate



Source : CBT

Mortgage Growth Expectations



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GDP Growth (%)	5,3	9,4	8,4	6,9	4,7	0,7	-4,8	8,9					
CBT Policy Rate (%)	26,00	18,00	13,50	17,50	15,75	15,00	6,50	6,50					
Benchmark Bond Rate (%)		20,4	13,8	21,2	16,6	16,4	9,1	7,1					
CPI (YoY%)	18,4	9,4	7,7	9,7	8,4	10,1	6,5	6,4					
USD/TRY	1,39	1,34	1,34	1,41	1,16	1,52	1,49	1,55					

Source: CBT, TurkStat, GYODER, DD Mortgage

Affordability & Interest Rate



Customer Segment	Average Monthly Household Income (TL)	Maximum Affordable Monthly Payment (TL)	Maximum Affordable Loan Amount					
			Int. Rate %1,53 (%20 Comp.)	Int. Rate %1,17 (%15 Comp.)	Int. Rate %0,95 (%12 Comp.)	Int. Rate %0,80 (%10 Comp.)	Int. Rate %0,64 (%8 Comp.)	Int. Rate %0,41 (%5 Comp.)
A	22.000	8.800	540.000	660.000	760.000	840.000	937.000	1.120.000
B	13.000	5.200	320.000	390.000	450.000	495.000	553.000	662.000
C+	3.200	1.280	78.000	96.000	110.000	122.000	136.000	163.000
C	1.300	520	32.000	39.000	45.000	50.000	55.000	66.000

- * GDP per capita per month for year 2010 is 1.250 TL
- * Customers are divided into different segments according to income levels and financial & demographic characteristics
- * All monthly regular payments (including mortgage payment) ratio to monthly household income is taken as %40 and loan term is taken as 180 months

Source: The Banks Association of Turkey, TurkStat, DD Mortgage

Affordability & Term



Int. Rate (Comp.)	Term (Year)					
	5	10	15	20	25	30
	Monthly Payment (100.000 TL Loan Amount)					
20%	2.559	1.825	1.636	1.571	1.546	1.536
15%	2.329	1.555	1.334	1.246	1.207	1.188
12%	2.194	1.400	1.162	1.060	1.009	983
10%	2.105	1.299	1.050	939	881	848
8%	2.012	1.196	937	817	751	712
5%	1.883	1.057	787	656	580	532

Customer Segment	Average Monthly Household Income (TL)	Maximum Affordable Monthly Payment (TL)	Maximum Affordable Loan Amount					
			Int. Rate %0,64 (%8 Comp.)			Int. Rate %0,41 (%5 Comp.)		
			180 Months	240 Months	360 Months	180 Months	240 Months	360 Months
A	22.000	8.800	937.000	1.074.000	1.232.000	1.120.000	1.346.000	1.660.000
B	13.000	5.200	553.000	635.000	728.000	662.000	795.000	981.000
C+	3.200	1.280	136.000	156.000	179.000	163.000	196.000	241.000
C	1.300	520	55.000	63.000	73.000	66.000	79.000	98.000

Mortgage Future in Turkey



Today

- In-Balance Sheet Funding

- Prime

- Fixed Rate

- Realtors
- Construction Projects
- Internet

3-5 years

- Covered Bond

- Alt-A

- Mortgage Brokers
- Finance Companies
- Internet

- Mortgage Insurance Products

8-10 years

- RMBS

- Subprime

- ARM

- Mortgage Finance Companies
- Servicing Companies

- Tax Advantage
- Foreign Investors

