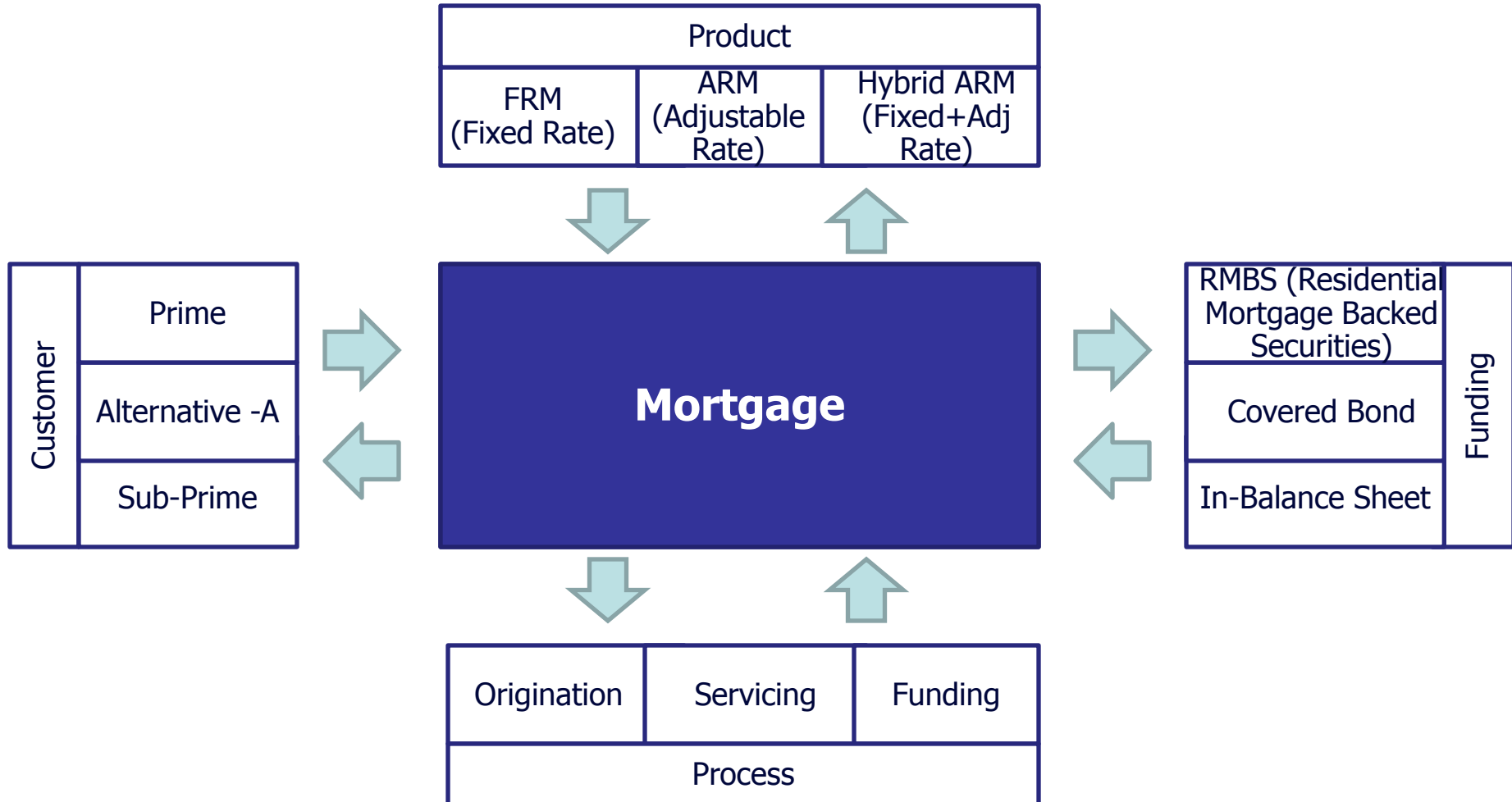


DD MORTGAGE



Mar 29th, 2010

What is Mortgage ?



How Big is the Mortgage Market?



- US

Total residential mortgage outstanding is \$10,9 trillion by 2009 3Q

- Europe

Total residential mortgage outstanding including EU27 countries is \$8,6 trillion by 2008

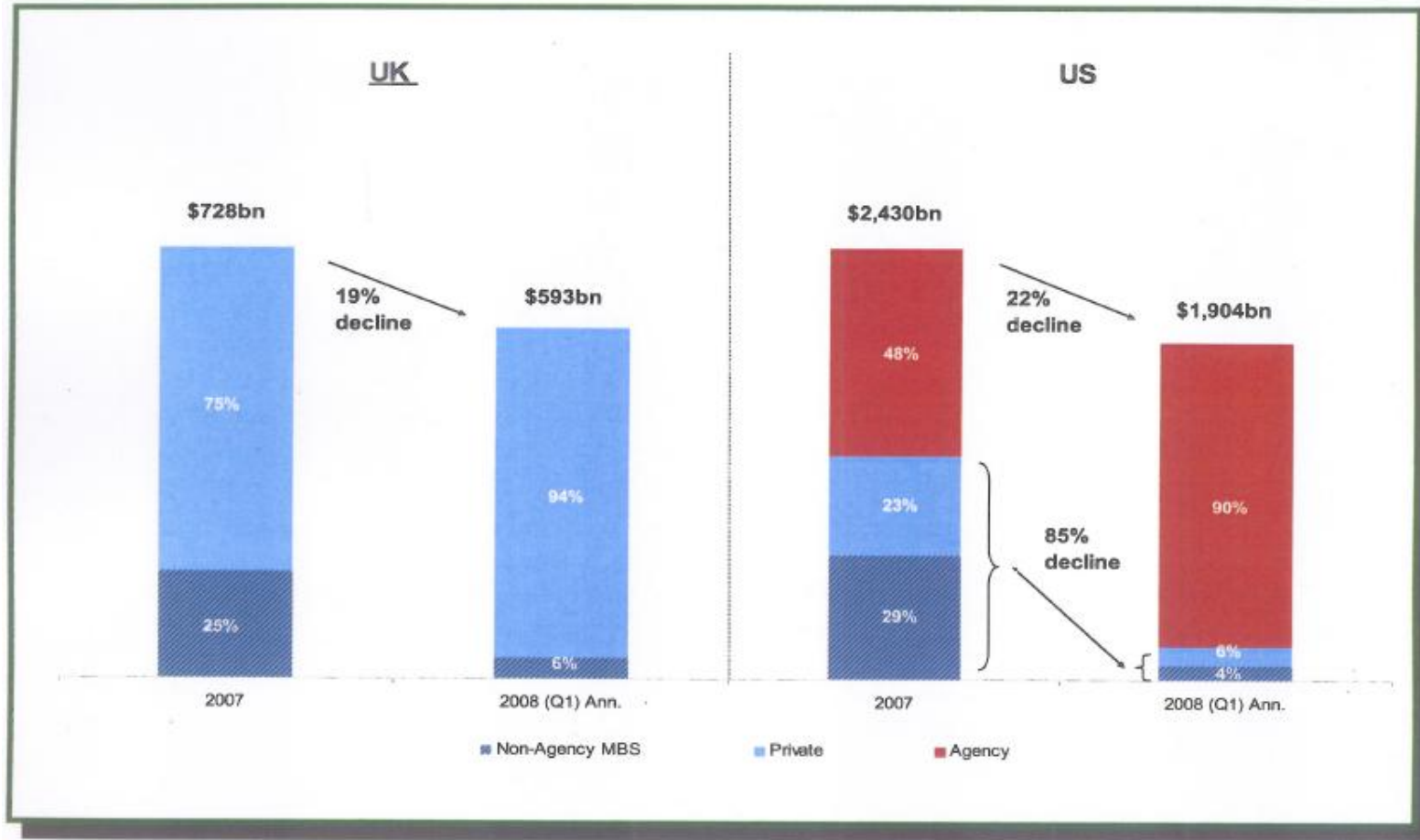
Selected Europe countries with developed mortgage market;

UK : \$2,0 trillion by 2009 3Q

Germany : \$1,6 trillion by 2008

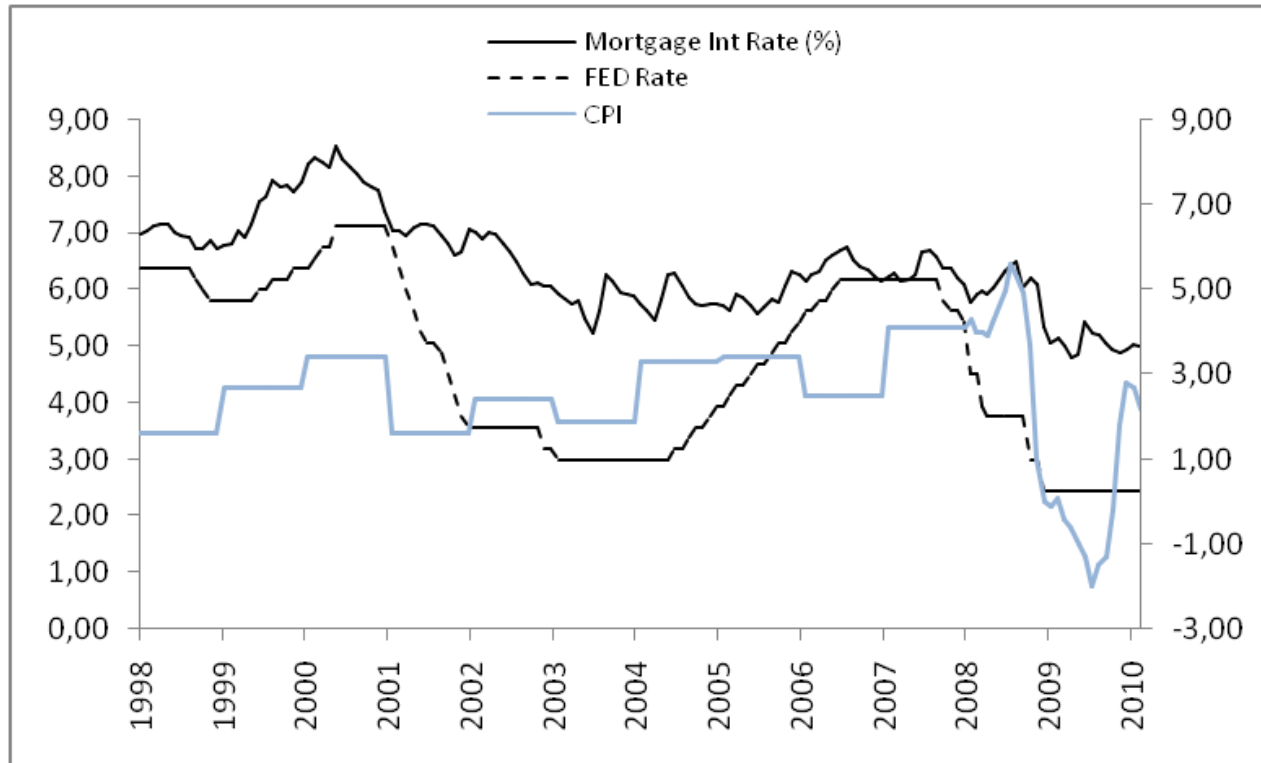
Spain : \$0,9 trillion by 2008

UK & US Securitization



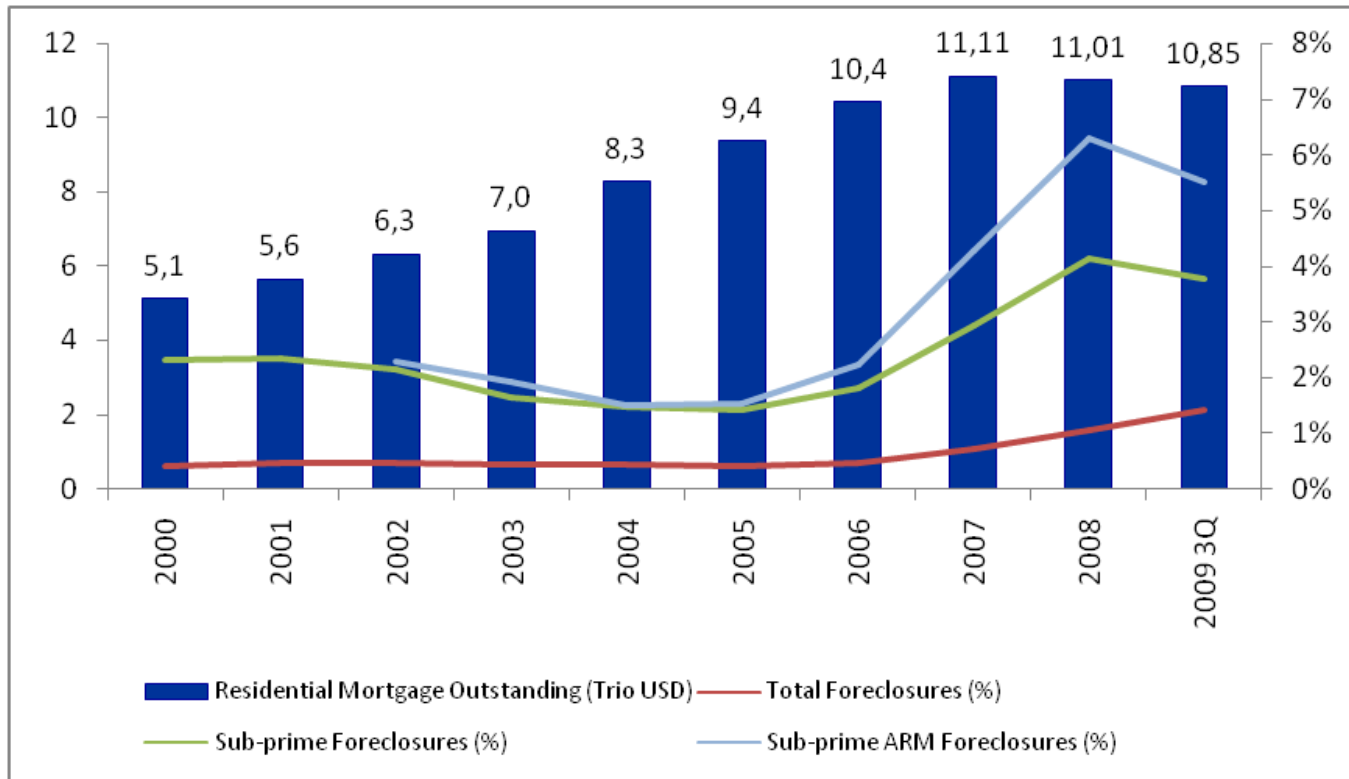
Source: European Securitization Forum, Merrill Lynch, Morgan Stanley

US mortgage interest rates



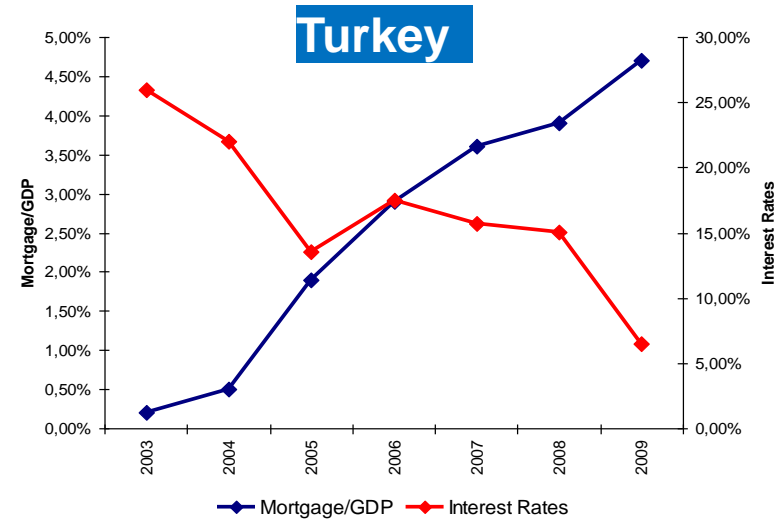
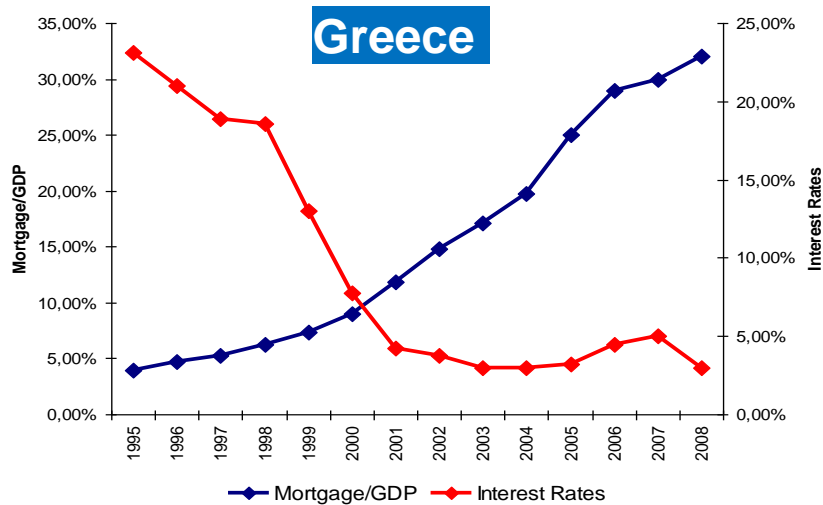
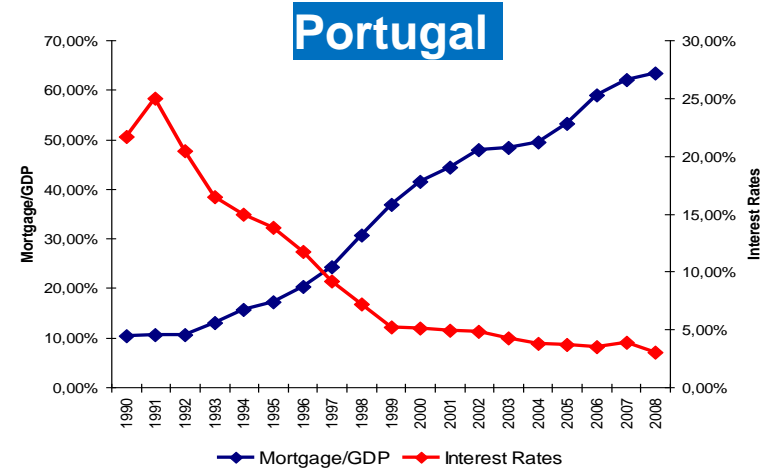
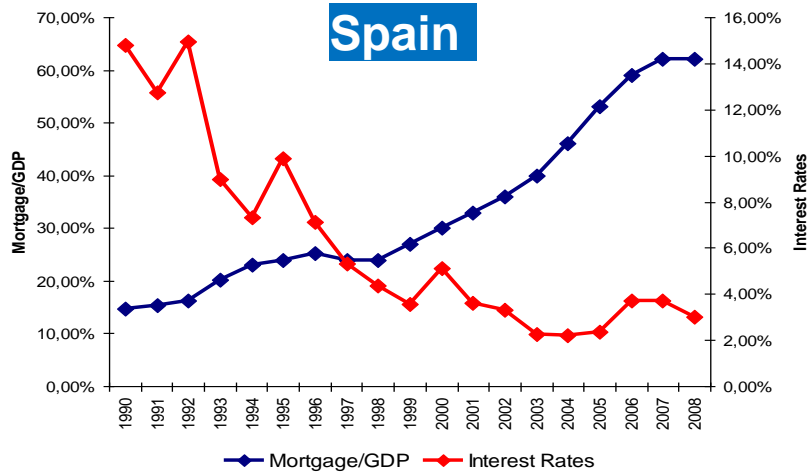
Source: FRB, US Department of Labor

US Mortgage Outstanding and Foreclosures

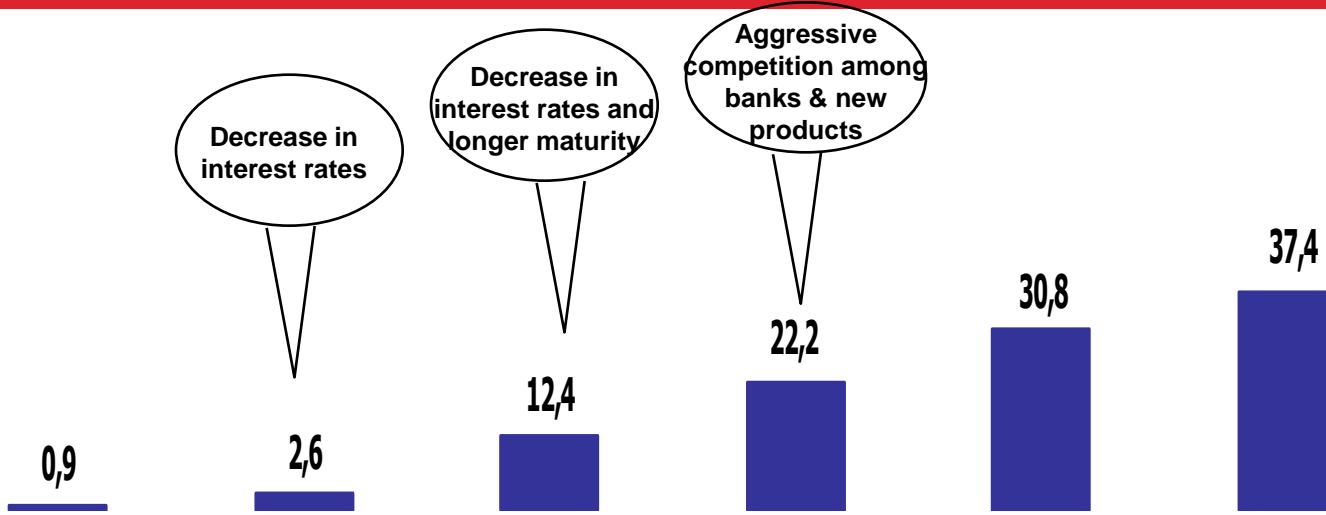


Source: FRB, HUD

Interest Rates vs Mortgage Development



Turkish Economic Trend vs Mortgage Growth

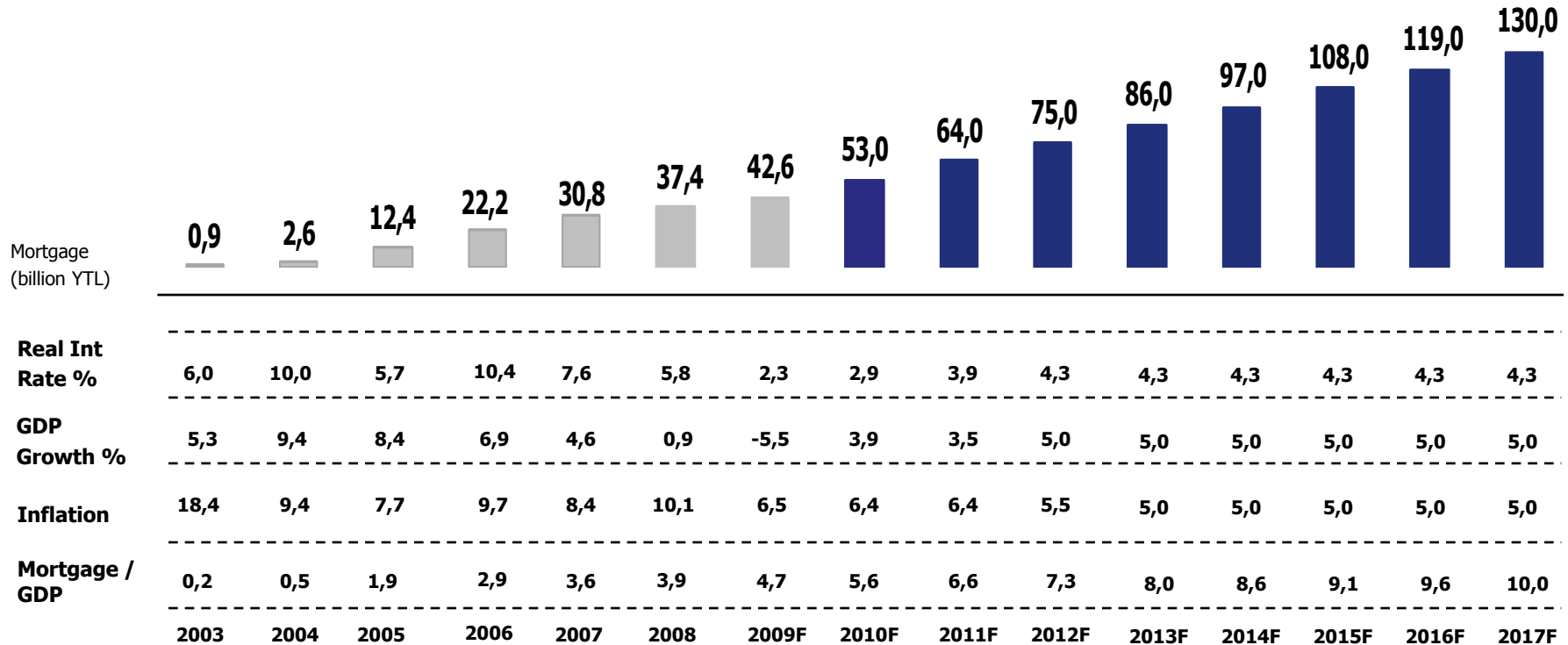


Mortgage
(billion YTL)

Real Int Rate %	6,0	10,0	5,7	10,4	7,6	5,8
GDP Growth %	5,3	9,4	8,4	6,9	4,6	0,9
Inflation (yoy)	18,4	9,4	7,7	9,7	8,4	10,1
Mortgage / GDP	0,2	0,5	1,9	2,9	3,6	3,9
	2003	2004	2005	2006	2007	2008

Source: CBT, Turkish Statistical Institute, DB Economist

Turkish Economic Trend vs Mortgage Growth Expectations



Source: CBT, Turkish Statistical Institute, Association of Real Estate Investment Companies, DB Economist, 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
2003	250	70	13	0,9	0,5%	1,7%	7%
2004	307	103	27	2,6	0,9%	2,6%	10%
2005	397	153	45	12,4	3,1%	8,1%	27%
2006	485	218	67	22,2	4,6%	10,2%	33%
2007	560	286	91	30,8	5,5%	10,8%	34%
2008	733	369	114	37,4	5,1%	10,1%	33%
2009	834	398	126	42,6	5,1%	10,7%	34%
Jan 2010	818	398	127	43,2	5,3%	10,9%	34%
Feb 2010	NA	410	129	44,1	NA	10,8%	34%
12 Mar 2010	NA	410	130	44,6	NA	10,9%	34%

(Billion TL)
Source: CBT

Mortgage Market (Stock)



	Mortgage Loans TL	% TL	Mortgage Loans FX	% FX	Total Mortgage Loans	Mortgage Loans Growth
2003	0,5	72%	0,3	28%	0,9	84%
2004	2,0	77%	0,6	23%	2,6	203%
2005	11,3	91%	1,1	9%	12,4	368%
2006	20,8	94%	1,4	6%	22,2	79%
2007	28,7	93%	2,1	7%	30,8	39%
2008	34,1	91%	3,3	9%	37,4	22%
2009	39,9	94%	2,6	6%	42,6	13,7%
Jan 2010	40,7	94%	2,6	6%	43,2	1,6%
Feb 2010	41,6	94%	2,5	6%	44,1	3,5%
12 Mar 2010	42,1	94%	2,5	6%	44,6	4,7%

(Billion TL)
Source: CBT

Consumer Loans and NPL



YEAR	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%
Jan 2010	43.245	860	2,0%	4.077	477	11,7%	44.272	2.493	5,6%	35.660	4.104	11,5%	127.254	7.933	6,2%
Feb 2010	44.062	852	1,9%	3.995	467	11,7%	45.409	2.505	5,5%	35.695	4.129	11,6%	129.161	7.953	6,2%
12 Mar 2010	44.557	836	1,9%	3.965	460	11,6%	46.232	2.498	5,4%	35.584	4.151	11,7%	130.338	7.946	6,1%

(Million TL)
Source: CBT

Mortgage Market (New Loans)



	Volumes in Billion TL	Nb 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
<i>2008 1Q</i>	<i>5,3</i>	<i>78.430</i>	<i>68</i>
<i>2008 2Q</i>	<i>4,7</i>	<i>72.750</i>	<i>65</i>
<i>2008 3Q</i>	<i>3,7</i>	<i>58.660</i>	<i>63</i>
<i>2008 4Q</i>	<i>1,6</i>	<i>27.440</i>	<i>58</i>
2008	15,4	237.280	65
<i>2009 1Q</i>	<i>2,5</i>	<i>41.020</i>	<i>60</i>
<i>2009 2Q</i>	<i>4,0</i>	<i>64.630</i>	<i>62</i>
<i>2009 3Q</i>	<i>6,0</i>	<i>96.800</i>	<i>62</i>

Source: BAT

Mortgage Loans – Competition (2009 4Q)



	BANK	# OF BRANCH	2009 4Q VOLUME	2009 4Q MARKET SHARE	2009 3Q MARKET SHARE	2008 MARKET SHARE	2007 MARKET SHARE	2006 MARKET SHARE	2005 MARKET SHARE	2004 MARKET SHARE
High-Street Retail	İŞBANK	1.093	4.032	9,5%	9,1%	9,1%	11,0%	12,2%	15,5%	10,9%
	AKBANK	878	4.591	10,8%	11,0%	12,3%	13,1%	13,4%	15,6%	13,2%
	GARANTİ	788	5.813	13,7%	14,4%	13,9%	13,5%	12,2%	12,3%	7,8%
	YKB	838	3.824	9,0%	9,0%	8,5%	7,2%	7,0%	7,4%	7,3%
Mid-Size Banks	ING	359	1.882	4,4%	4,5%	4,1%	4,6%	5,5%	5,8%	8,3%
	FORTIS	297	1.311	3,1%	3,2%	3,4%	2,5%	3,4%	2,5%	1,7%
	FINANS	461	4.571	10,7%	10,7%	10,2%	10,4%	9,0%	7,4%	4,2%
	HSBC	336	na	na	3,6%	4,1%	5,2%	6,3%	8,3%	17,5%
	TEB	334	940	2,2%	1,6%	1,4%	1,4%	1,4%	1,2%	0,7%
	DENİZBANK	450	1.665	3,9%	4,1%	4,0%	3,2%	2,4%	2,3%	1,1%
State Banks	ZİRAAT	1316	5.353	12,6%	12,9%	12,9%	11,4%	12,6%	11,0%	10,3%
	VAKIF	545	3.955	9,3%	9,2%	8,2%	7,8%	8,4%	7,0%	11,7%
	HALKBANK	669	2.655	6,2%	5,2%	5,2%	5,4%	3,9%	1,6%	1,2%
Others	OTHERS	627	na	na	1,5%	2,5%	1,9%	8,6%	8,8%	10,7%
Total	TOTAL	8.991	42.554	100%	100%	100%	100%	100%	100%	100%

(Million TL)
Source: BAT

Mortgage Loans by City (2009 4Q)



CITY	2009 4Q VOLUME	%
İSTANBUL	16.999.533	37,9%
ANKARA	6.084.799	13,6%
İZMİR	3.405.398	7,6%
ANTALYA	1.567.620	3,5%
BURSA	1.248.446	2,8%
KOCAELİ	1.031.459	2,3%
ADANA	955.079	2,1%
MERSİN	880.267	2,0%
MUĞLA	637.057	1,4%
MANİSA	625.716	1,4%
AYDIN	611.135	1,4%
TEKİRDAĞ	589.352	1,3%
KONYA	575.765	1,3%
BALIKESİR	496.706	1,1%
GAZİANTEP	462.438	1,0%
SAMSUN	459.314	1,0%
ESKİŞEHİR	446.618	1,0%
HATAY	440.539	1,0%
KAYSERİ	423.310	0,9%
DENİZLİ	384.702	0,9%
DİYARBAKIR	323.505	0,7%
SAKARYA	342.908	0,8%
TRABZON	297.428	0,7%
ÇANAKKALE	245.275	0,5%
ZONGULDAK	237.419	0,5%
MALATYA	241.502	0,5%
ÇORUM	222.842	0,5%

CITY	2009 4Q VOLUME	%
ORDU	184.502	0,4%
TOKAT	185.638	0,4%
ŞANLIURFA	192.519	0,4%
EDİRNE	179.476	0,4%
AFYONKARAHİSAR	176.522	0,4%
KIRKLARELİ	166.351	0,4%
SİVAS	162.669	0,4%
ELAZIĞ	162.084	0,4%
ISPARTA	153.973	0,3%
ERZURUM	151.581	0,3%
KAHRAMANMARAŞ	154.177	0,3%
KÜTAHYA	118.746	0,3%
KASTAMONU	121.921	0,3%
BOLU	111.227	0,2%
AMASYA	116.178	0,3%
YALOVA	112.673	0,3%
GİRESUN	108.137	0,2%
YOZGAT	109.533	0,2%
NİĞDE	102.965	0,2%
RİZE	99.581	0,2%
KIRIKKALE	101.904	0,2%
OSMANİYE	97.919	0,2%
ADIYAMAN	92.434	0,2%
BURDUR	89.901	0,2%
UŞAK	91.856	0,2%
AKSARAY	88.337	0,2%
BİLECİK	80.265	0,2%

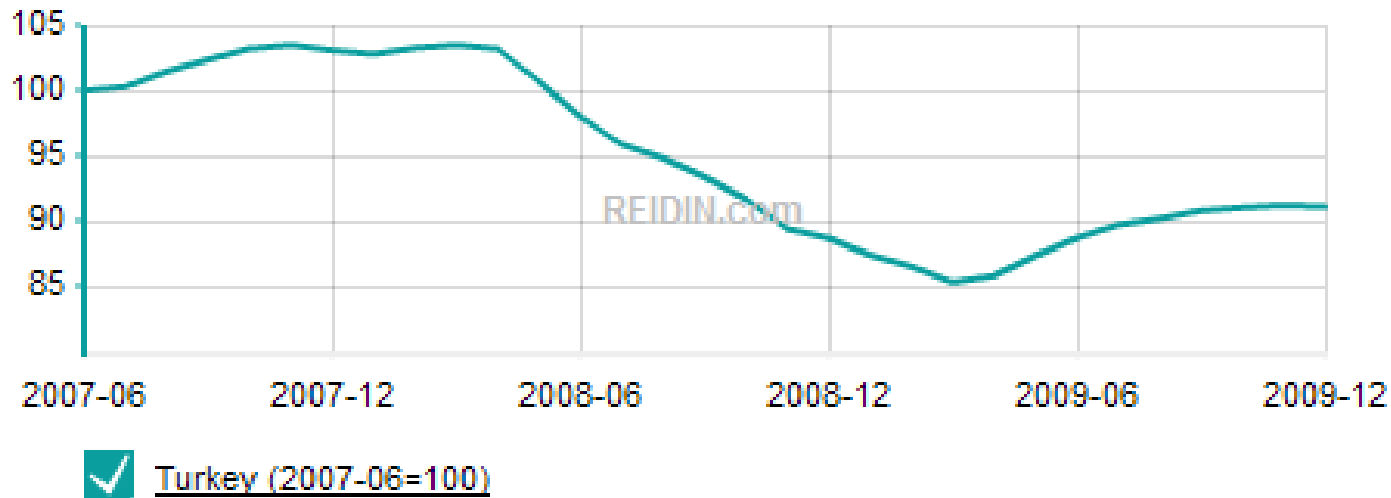
CITY	2009 4Q VOLUME	%
NEVŞEHİR	78.052	0,2%
ŞİNOP	74.792	0,2%
KARABÜK	76.501	0,2%
KİRŞEHİR	81.957	0,2%
DÜZCE	70.997	0,2%
VAN	70.819	0,2%
ÇANKIRI	69.177	0,2%
ARTVİN	63.338	0,1%
KARAMAN	59.713	0,1%
KARS	53.823	0,1%
MARDİN	55.968	0,1%
BATMAN	48.243	0,1%
BARTIN	49.717	0,1%
ERZİNCAN	47.659	0,1%
SİİRT	29.272	0,1%
BİTLİS	26.713	0,1%
AĞRI	22.042	0,0%
TUNCELİ	21.025	0,0%
İĞDIR	21.157	0,0%
GÜMÜŞHANE	18.970	0,0%
KİLİS	15.434	0,0%
ŞIRNAK	10.671	0,0%
BAYBURT	9.543	0,0%
BİNGÖL	8.275	0,0%
ARDAHAN	8.192	0,0%
MUŞ	6.678	0,0%
HAKKARİ	3.519	0,0%

* All Bank Groups are included

House Price Index (Turkey)



Sales Price Index for Turkey



* Sales Price Index for Turkey is the composite index of 7 cities in Turkey which have the largest mortgage loans stock

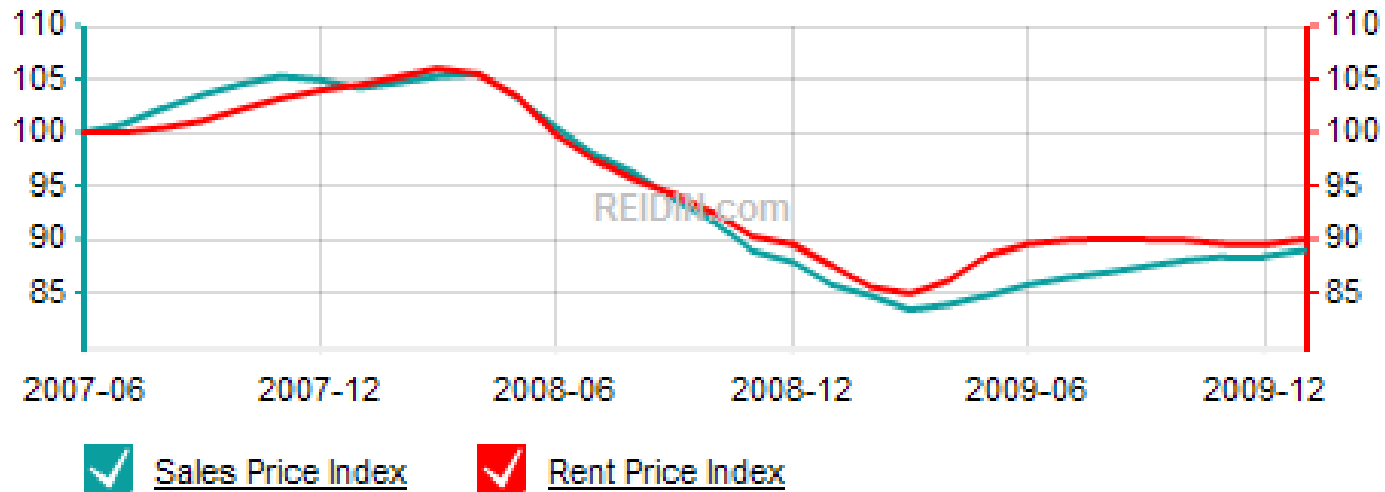
Source: REIDIN

House Price Index (Istanbul)



Jun 2007 = 100

Sales Price Index vs Rent Price Index for Istanbul



Source: REIDIN

Monthly Payments vs Interest Rate

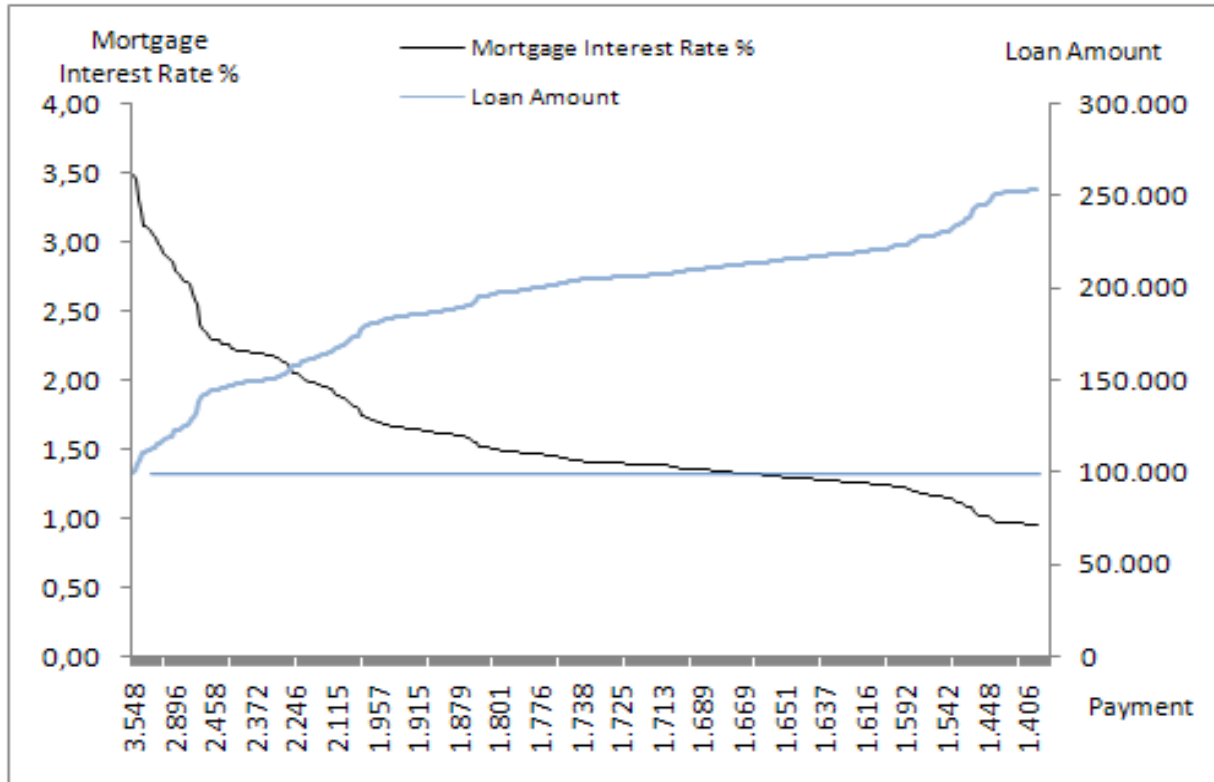


Customer Segment	# of households (in millions)	Annual household income €	Average Monthly household income (YTL)	Maximum Affordable loan amount 20% int. rate	Maximum Affordable loan amount 15% int. rate	Maximum Affordable loan amount 12% int. rate	Maximum Affordable loan amount 10% int. rate	Maximum Affordable loan amount 8% int. rate
A	0,1	120.000 +	22.000	540.000	660.000	760.000	840.000	937.000
B	0,7	25.000-120.000	13.000	320.000	390.000	450.000	495.000	553.000
C+	2,5	10.000-25.000	3.200	78.000	96.000	110.000	122.000	136.000
C	5,0	5.000-10.000	1.300	32.000	39.000	45.000	50.000	55.000

- * Customers are divided into different segments according to income levels and financial & demographic characteristics
- * Debt burden ratio is taken as 40%, loan term is taken as 180 months

Source: The Banks Association of Turkey, Turkish Statistical Institute, DD Mortgage Research

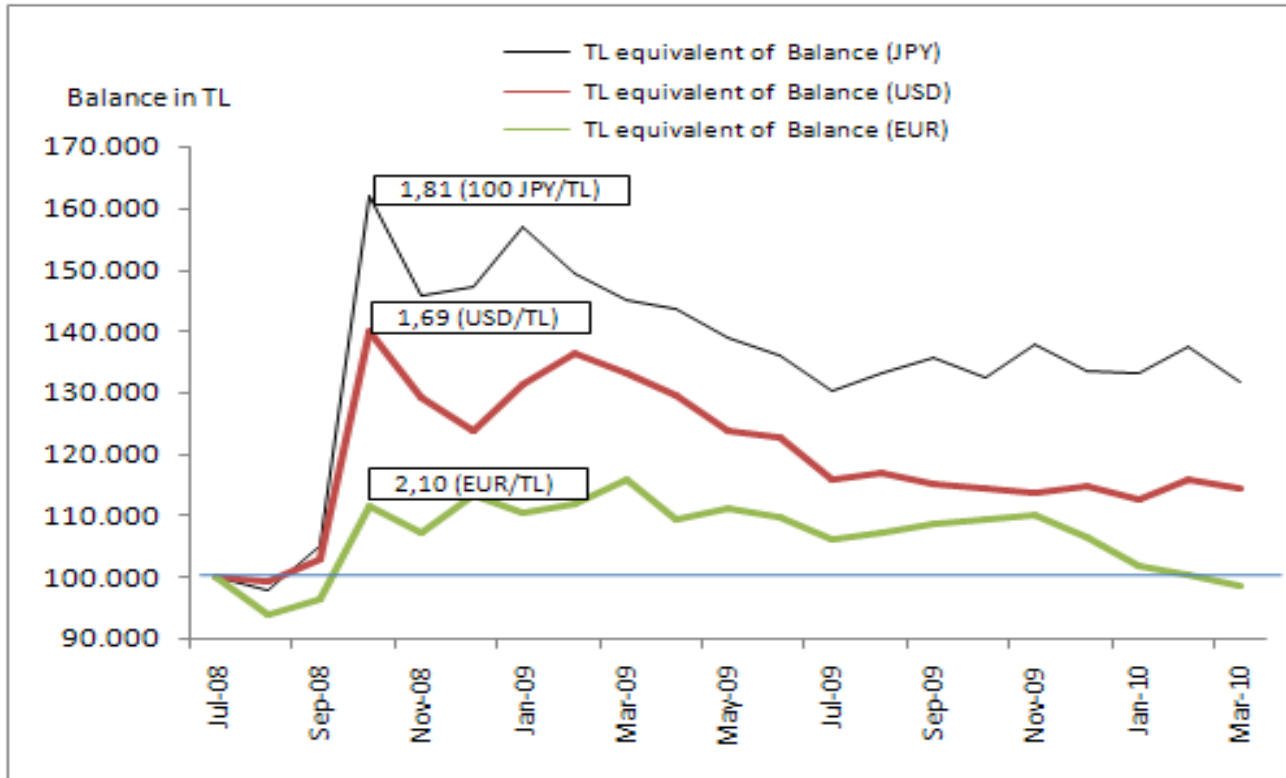
Affordability vs Interest Rate



* Between 20%-12% interest rate level (compounded), every 1 basis point decrease of interest rate increases affordability and accordingly loan amount by 0,5% in average (for 120 months)

Source: CBT

Affordability vs Currency



Currency rates on Jul-08;

- 100 JPY = 1,10 TL
- 1 USD = 1,19 TL
- 1 EUR = 1,85 TL

Source: CBT

Affordability vs Currency (JPY)



Date	JPY/TL	Payment (JPY)	TL equivalent of Payment (JPY)	Payment (TL)	TL equivalent of Balance (JPY)	Balance (TL)	TL equivalent of LTV (JPY)	LTV (TL)
31.08.2008	1,08	98.551	1.065	1.911	97.983	99.729	78%	80%
30.09.2008	1,17	98.551	1.150	1.911	105.069	99.453	84%	80%
30.10.2008	1,81	98.551	1.785	1.911	162.060	99.172	130%	79%
30.11.2008	1,64	98.551	1.616	1.911	145.828	98.887	117%	79%
30.12.2008	1,66	98.551	1.641	1.911	147.041	98.598	118%	79%
30.01.2009	1,79	98.551	1.761	1.911	156.792	98.303	125%	79%
28.02.2009	1,71	98.551	1.689	1.911	149.392	98.004	120%	78%
28.03.2009	1,68	98.551	1.652	1.911	145.068	97.700	116%	78%
28.04.2009	1,67	98.551	1.645	1.911	143.485	97.391	115%	78%
28.05.2009	1,63	98.551	1.604	1.911	138.943	97.077	111%	78%
28.06.2009	1,60	98.551	1.579	1.911	135.820	96.757	109%	77%
28.07.2009	1,55	98.551	1.523	1.911	130.055	96.433	104%	77%
28.08.2009	1,59	98.551	1.571	1.911	133.144	96.103	107%	77%
28.09.2009	1,63	98.551	1.611	1.911	135.581	95.768	108%	77%
28.10.2009	1,61	98.551	1.585	1.911	132.399	95.427	106%	76%
28.11.2009	1,69	98.551	1.661	1.911	137.693	95.081	110%	76%
28.12.2009	1,65	98.551	1.624	1.911	133.587	94.728	107%	76%
28.01.2010	1,66	98.551	1.632	1.911	133.288	94.371	107%	75%
28.02.2010	1,72	98.551	1.695	1.911	137.294	94.007	110%	75%
28.03.2010	1,66	98.551	1.639	1.911	131.757	93.637	105%	75%

- House Price = 125.000 TL
- Loan Amount = Equivalent of 100.000 TL (80% LTV)
- Term = 120 months
- Int Rate = 0,45%

Source: CBT

Affordability vs Currency (USD)



Date	USD/TL	Payment (USD)	TL equivalent of Payment (USD)	Payment (TL)	TL equivalent of Balance (USD)	Balance (TL)	TL equivalent of LTV (USD)	LTV (TL)
31.08.2008	1,18	1.036	1.224	1.911	99.168	99.729	79%	80%
30.09.2008	1,23	1.036	1.276	1.911	102.784	99.453	82%	80%
30.10.2008	1,69	1.036	1.747	1.911	139.939	99.172	112%	79%
30.11.2008	1,57	1.036	1.622	1.911	129.204	98.887	103%	79%
30.12.2008	1,51	1.036	1.561	1.911	123.631	98.598	99%	79%
30.01.2009	1,61	1.036	1.669	1.911	131.426	98.303	105%	79%
28.02.2009	1,68	1.036	1.742	1.911	136.391	98.004	109%	78%
28.03.2009	1,65	1.036	1.708	1.911	132.953	97.700	106%	78%
28.04.2009	1,62	1.036	1.675	1.911	129.573	97.391	104%	78%
28.05.2009	1,55	1.036	1.610	1.911	123.836	97.077	99%	78%
28.06.2009	1,55	1.036	1.604	1.911	122.573	96.757	98%	77%
28.07.2009	1,47	1.036	1.525	1.911	115.841	96.433	93%	77%
28.08.2009	1,50	1.036	1.550	1.911	116.969	96.103	94%	77%
28.09.2009	1,48	1.036	1.534	1.911	115.092	95.768	92%	77%
28.10.2009	1,48	1.036	1.536	1.911	114.460	95.427	92%	76%
28.11.2009	1,48	1.036	1.536	1.911	113.729	95.081	91%	76%
28.12.2009	1,51	1.036	1.560	1.911	114.708	94.728	92%	76%
28.01.2010	1,49	1.036	1.539	1.911	112.418	94.371	90%	75%
28.02.2010	1,54	1.036	1.596	1.911	115.783	94.007	93%	75%
28.03.2010	1,53	1.036	1.590	1.911	114.568	93.637	92%	75%

- House Price = 125.000 TL
- Loan Amount = Equivalent of 100.000 TL (80% LTV)
- Term = 120 months
- Int Rate = 0,69%

Source: CBT

Affordability vs Currency (EUR)



Date	EUR/TL	Payment (EUR)	TL equivalent of Payment (EUR)	Payment (TL)	TL equivalent of Balance (EUR)	Balance (TL)	TL equivalent of LTV (EUR)	LTV (TL)
31.08.2008	1,75	682	1.190	1.911	93.952	99.729	75%	80%
30.09.2008	1,80	682	1.226	1.911	96.262	99.453	77%	80%
30.10.2008	2,10	682	1.429	1.911	111.630	99.172	89%	79%
30.11.2008	2,02	682	1.379	1.911	107.081	98.887	86%	79%
30.12.2008	2,15	682	1.467	1.911	113.359	98.598	91%	79%
30.01.2009	2,11	682	1.438	1.911	110.457	98.303	88%	79%
28.02.2009	2,14	682	1.462	1.911	111.701	98.004	89%	78%
28.03.2009	2,24	682	1.526	1.911	115.945	97.700	93%	78%
28.04.2009	2,12	682	1.449	1.911	109.411	97.391	88%	78%
28.05.2009	2,17	682	1.478	1.911	111.004	97.077	89%	78%
28.06.2009	2,16	682	1.472	1.911	109.874	96.757	88%	77%
28.07.2009	2,10	682	1.431	1.911	106.174	96.433	85%	77%
28.08.2009	2,13	682	1.454	1.911	107.198	96.103	86%	77%
28.09.2009	2,17	682	1.483	1.911	108.641	95.768	87%	77%
28.10.2009	2,21	682	1.504	1.911	109.527	95.427	88%	76%
28.11.2009	2,23	682	1.520	1.911	110.028	95.081	88%	76%
28.12.2009	2,17	682	1.480	1.911	106.404	94.728	85%	76%
28.01.2010	2,09	682	1.424	1.911	101.703	94.371	81%	75%
28.02.2010	2,08	682	1.417	1.911	100.524	94.007	80%	75%
28.03.2010	2,05	682	1.396	1.911	98.428	93.637	79%	75%

- House Price = 125.000 TL
- Loan Amount = Equivalent of 100.000 TL (80% LTV)
- Term = 120 months
- Int Rate = 0,74%

Source: CBT

